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Sunshield Chemicals Limited

32nd ANNUAL REPORT

2018-19

SUNSHIELD CHEMICALS LIMITED

ANNUAL REPORT 2018-19

DIRECTORS

R L Shenoy
Manoj Khullar
Ajit Shah
Aruna Soman
Boon Tong Koh
YockJeng Goh
Lim Kim Swee
Srivatsa M K

Chairman
Managing Director

AUDIT COMMITTEE

Ajit Shah
Aruna Soman
R L Shenoy
Manoj Khullar

Chairman

COMPANY SECRETARY

Amit Kumashi

CHIEF FINANCIAL OFFICER

Sandeep Kulkarni (w.e.f. 11.02.2019)
Rajeev Gupte (upto 13.09.2018)

AUDITORS

Deloitte Haskins & Sells LLP

BANKERS

Kotak Mahindra Bank Ltd.
BNP Paribas
State Bank of India
Citi Bank N.A.

REGISTERED OFFICE

Equinox Business Park,
Tower-4, 9th Floor, unit-903
LBS Marg, Kurla (West)
Mumbai-400 070
Tel.: No. 91-22-6654 7417

REGISTRARS & SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Limited
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Near Famous Studio
Mahalaxmi, Mumbai-400 011
Tel.: 91-22-66568484

WORKS

Pali-Khopoli Road, Village Rasal, Wave
Taluka Sudhagad, Dist. Raigad, Maharashtra

CORPORATE IDENTITY NUMBER

L99999MH1986PLC041612

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NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting (“AGM”) of the Members of **Sunshield Chemicals Limited** will be held on **Saturday, 21st September 2019** at 11.00 a.m. at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai-400021 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2019, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Boon Tong Koh (DIN: 08066070), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, as an **Ordinary Resolution**, the following:

“RESOLVED THAT subject to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366W/W-100018) be and are hereby reappointed as Statutory Auditors to hold office for a term of Five (5) years from the conclusion of this Annual General Meeting until the conclusion of the Thirty Seventh Annual General Meeting, at such remuneration as may be determined by the Board of Directors of the Company from time to time.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

“RESOLVED THAT Mr. Lim Kim Swee (DIN: 05151107), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the

Articles of Association of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, remuneration payable of ₹ 2,40,000/- (Rupees Two Lakhs Forty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses, as approved by the Board to conduct the audit of cost records of the Company for the financial year ending 31st March 2020, to M/s Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditors be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), as **Special Resolution**, the following:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. R L Shenoy (DIN: 00074761) whose current period of office is expiring on 31st March 2020 and who has

submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, and the Rules framed thereunder and Listing Regulations as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1st April, 2020 upto 31st March, 2025;

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI Listing Regulations, consent of the Members of the Company be and is hereby accorded for continuance of office of Mr. R L Shenoy, aged about 71 years, as Independent Director of the Company after attainment of the age of 75 years during second term of five consecutive years effective from 1st April 2020 upto 31st March 2025;

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

7. To consider and if thought fit, to pass with or without modification(s), as **Special Resolution**, the following:

“RESOLVED THAT in supersession of all the earlier Resolutions passed in this regard, consent of the Company be and is hereby accorded, pursuant to Sections 179, 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’), and the Companies (Meetings of Board and its Powers) Rules, 2014 and other Rules, Regulations, Notifications and Circulars issued including any statutory modification or re-enactment thereof for the time being in force, to the Board of Directors of the Company (hereinafter referred to as ‘the Board which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution)

for borrowing from time to time, any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company, its free reserves, and security premium, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed ₹ 200 crores (Rupees Two Hundred Crores Only);

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company.”

**By Order of the Board of Directors
For SUNSHIELD CHEMICALS LIMITED**

Mumbai,
27th May 2019

**Amit Kumashi
Company Secretary**

NOTES:

1. The relevant Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts concerning the business under Items 3 to 7 is annexed hereto.
2. A Statement giving the relevant detail of the Directors seeking appointment/re-appointment under Item Nos. 2, 4 and 6 of the accompanying Notice, as required under Regulations 26(4), 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings is annexed.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
4. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting (AGM) pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. Shareholders are requested to notify change of address, if any, and details of their bank account to the Registrar/Depository Participants.
7. For the convenience of shareholders, attendance slip is annexed to the proxy form. Shareholders are requested to affix their signatures at the space provided and hand over the attendance slip at the entrance of the place of meeting. Proxy/ Representative of a shareholder should mark on the attendance slip as "Proxy" or "Representative" as the case may be. Members are also requested not to bring with them any person who is not a Member.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the Meeting.
9. Relevant documents referred in the accompanying Notice and in the Statements are open for inspection by the Members at the Company's Registered Office between 11 a.m. to 1 p.m. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing AGM.
10. As a measure of economy, copies of the annual report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the annual report at the meeting. Members seeking any information with regard to the accounts, are requested to write to the Company Secretary at an early date, so as to enable the Management to keep the information ready at the AGM
11. SEBI has mandated the submission of PAN by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding share in physical form can submit their PAN details to the Company
12. Members holding shares in the single name and physical form are advised to make nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialised form are advised to make a nomination through their Depository Participants. The nomination form can be obtained from Company's Registrars and Share Transfer agent's viz. TSR Darashaw Consultants Private Limited.
13. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Members are entitled to receive the said Annual Report & Notice in physical form upon sending a request in writing to the Company's registered office and/or sending an email to investor.sunshield@solvay.com. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. Members may also note that the Annual Report for 2018-19 will be available on the Company's website www.solvayindia.in

15. The route map showing directions to reach the venue of the AGM is annexed.

E-voting:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice.

II. The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 18th September 2019 (9:00 a.m.) and ends on 20th September 2019 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Sunshield Chemicals Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows**

phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

V. Mr. Alwyn D'Souza, Practicing Company Secretary (Membership No. FCS 5559) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- VI. Members can opt for only one mode of voting, i.e., either remote e-voting or Ballot paper. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot paper shall be treated invalid.
- VII. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall after the conclusion of voting at the AGM, would count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of
- at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- IX. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.solvayindia.in and on the website of CDSL immediately after the result is declared. The Company shall forward the results to BSE Limited, where the shares of the Company were listed. The results shall also be displayed on the Notice Board at the registered office of the Company and at its Head Office for three days.

Annexure to Notice

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No. 3

As per the provisions of the Act, the term of office of Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, who were appointed as Auditors of the Company for the period of five years from 2014, expires at the conclusion of the ensuing Annual General Meeting (AGM).

In accordance with the Companies Act, 2013 and on the recommendation of the Audit Committee and in the best interest of the Company, the Board of Directors have considered and recommended the proposed re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company for an another term of five (5) years i.e. from the conclusion of this AGM till the conclusion of Thirty Seventh AGM. Deloitte Haskins & Sells LLP, Chartered Accountants have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under section 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Deloitte Haskins & Sells LLP office is situated at Indiabulls Finance Centre Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013 and is a part of global network.

Deloitte has been delivering services in audit & assurance, tax, consulting, financial advisory, risk advisory, and related services in more than 150 countries and territories.

The details of the proposed remuneration to be paid to Deloitte Haskins & Sells LLP, Chartered Accountants for the financial year 2019-20 are ₹ 20 Lakhs (Rupees Twenty Lakhs) plus out of Pocket expenses at actuals.

The Board recommends the Resolution for approval of the Members.

None of the Directors, Key managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4

Mr. Lim Kim Swee was appointed based on the recommendation of the Nomination and Remuneration Committee by the Board of Directors as an Additional Director of the Company with effect from 27th May 2019 pursuant to Section 149 and 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Mr. Swee holds office of Director upto the date of the forthcoming AGM of the Company.

The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Ms. Swee for the office of Director of the Company.

Mr. Swee is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Swee is a fellow Member of Association of Chartered Certified Accountants (ACCA). He has over 20 years of experience in the Accounting and Finance Management. He is currently Country Accounting Director – Solvay Asia Pacific.

Mr. Swee holds directorship in Cytec India Specialty Chemicals & Materials Private Limited.

Mr. Swee does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company will be vastly benefited from the professional capabilities and varied experience of Mr. Swee. The Board, therefore, recommends his appointment as a Director of the Company for approval of the Members.

Except Mr. Swee, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

The Board of Directors of the Company on the recommendation of Audit Committee has appointed M/s. Kishore Bhatia & Associates, as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2019-20.

In accordance with the provision of Section 148 of Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditor) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratifying the amount of remuneration of ₹ 2,40,000/- (Rupees Two Lakhs Forty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses at actuals payable to the Cost Auditors, for the year 2019-20 as set out at Item No. 5 of the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution at Item No. 5.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of Members.

Item No. 6

As per the provisions of Sections 149 and 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Mr. R L Shenoy as an Independent Director at the 28th Annual General Meeting of the Company held on 15th September 2015 for a term of 5 years and his term ends 31st March 2020.

As Mr. Shenoy will be completing his first term of appointment on 31st March 2020, he is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. Mr. Shenoy has consented to his re-appointment and confirmed that he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act. The Company has also received the declarations from the said Director stating that he meets all the criteria of Independence, as prescribed under Section 149(6) of the Act and under Regulation 16(b) of SEBI (LODR) Regulations, 2015 and that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that can impair or impact his ability to discharge his duties and also that he is not debarred from holding the office of director or continuing as a director of company by SEBI/MCA or any other authority in India or abroad.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, (“Amendment Regulations, 2018”), inter alia, provides that no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the Members by way of passing a special resolution to that effect. Mr. Shenoy will attain the age of 75 years during the year 2023 and hence his continuation beyond 75 years will require the approval of Members by way of a special resolution

Members need to approve the appointment of Mr. Shenoy till 31st March 2025, even after attaining age of 75 years.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 27th May 2019 have recommended the re-appointment of Mr. Shenoy as an Independent

Director for a second term of five consecutive years effective from 1st April 2020. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Shenoy fulfils the conditions for re-appointment as Independent Director and he is independent of the Management.

Brief resume of Mr. Shenoy, nature of his expertise in specific function areas and names of companies in which he holds directorship and memberships/ chairmanships of the Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulations, 2015, is provided in the Annexure to this Notice, which is forming part of the Annual Report.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his reappointment is available for inspection by the Members at the Registered Office of the Company between 11 a.m. to 1 p.m. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing AGM.

Except Mr. Shenoy none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions as set out in Item No. 6 of the Notice. The Board recommends the special resolution as set out in Item No. 6 of the Notice for approval of the Members.

Item No. 7

The Members of the Company at 31st Annual General Meeting held on 25th September 2018 had given their consent to the Board of Directors of the Company to borrow money under section 180(1)(c) of the Companies Act, 2013 upto a sum of ₹ 150 crores.

Considering the Company's future growth plans, it will be necessary to obtain the approval of the Members for borrowing monies to raise the aggregate limit of borrowing from ₹ 150 crores to ₹ 200 crores.

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot borrow moneys, in excess of the paid up capital, its free reserves and securities premium, apart from the temporary loans obtained from the bankers in the ordinary course of business, except with the consent of the Company by way of special resolution.

The Board of Directors recommends the resolution for the approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No. 7 of the Notice.

**By Order of the Board of Directors
For SUNSHIELD CHEMICALS LIMITED**

Mumbai,
27th May 2019

**Amit Kumashi
Company Secretary**

Sunshield Chemicals Limited

Profile of the Director being re-appointed/appointed at the AGM

Name	Boon Tong Koh	Lim Kim Swee	R L Shenoy
Director Identification Number (DIN)	08066070	05151107	00074761
Date of Birth	21.03.1963	16.02.1970	16.01.1948
Nationality	Singaporean	Malaysian	Indian
Qualifications	Phd in Chemical Engineering/Bio Technology, Bachelor degree in Chemical Engineering	Fellow Member of Association of Chartered Certified Accountants (ACCA)	Bachelor of Commerce, Master of Law, Associate Member of Institute of Chartered Accountants of India, Associate Member of Institute of Company Secretaries of India, Associate Member of Institute of Cost Accountants of India and Diploma holder form Indian Institute of Bankers (C.A. IIB)
Experience/Expertise	27 years of experience in various fields' viz., Manufacturing, Management, and Strategic. He is currently Vice-President and General Manager of Novocare business for Asia Pacific region.	20 years of experience in the Accounting and Finance Management. He is currently Country Accounting Director – Solvay Asia Pacific.	Four decades of experience in Companies belonging to different industrial segments. He has rich experience in several areas including Finance, Taxation, Legal, Commercial, Secretarial, Auditing, Procurement, Distribution, Regulatory Affairs etc.
Date of appointment on Board	28.05.2018	27.05.2019	20.03.2015
Terms and conditions of appointment/ re-appointment	Appointed as Non-Executive Director liable to retire by rotation	Appointed as Non-Executive Director liable to retire by rotation	Reappointed as Independent Director not liable to retire by rotation
List of Directorships held in other Indian Companies	1. Hindustan Gum and Chemicals Limited	1. Cytec India Specialty Chemicals and Materials Private Limited	1. Elantas Beck India Limited 2. Alkem Laboratories Limited 3. Enzene Biosciences Limited
Details of committee Memberships held in other Indian Companies	Nil	Nil	1. Elantas Beck India Limited Audit Committee – Member Stakeholders Relationship Committee – Chairman 2. Alkem Laboratories Limited Audit Committee – Chairman Stakeholders Relationship Committee – Chairman 3. Enzene Biosciences Limited Audit Committee – Member
Shares held	Nil	Nil	Nil
Relationship between Directors inter se and other key managerial personnel of the company	Not related to any Board Member or KMP	Not related to any Board Member or KMP	Not related to any Board Member or KMP
Number of Board Meeting attended during the year	Two	Not Applicable	Four

Route map to the venue of the AGM



**Convention Hall,
Y. B. Chavan Centre
Gen. Jagannath Bhosale Marg
Nariman Point, Mumbai 400 021.**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 32nd Annual Report of the business operations together with the Audited financial statements of the Company for the year ended 31st March 2019:

1. OVERVIEW OF FINANCIAL RESULTS

(₹ in Lakhs)

	2018-2019	2017-2018
Sales	18933	18500
Other Operating Income	36	26
Revenue from Operations	18969	18526
Other Income	228	165
Total Income	19197	18691
Less : Materials Consumed	13186	12775
Employees Remuneration & Benefits	646	704
Manufacturing, Administrative, Selling & Other Expenses	3513	3496
Total Expenses	17345	16975
Operating Profit (EBITDA)	1852	1716
Less: Finance Cost	1070	969
Profit Before Tax & Depreciation	782	747
Less: Depreciation	586	596
Net Profit Before Tax	196	151
Less: Exceptional Item	174	—
Net Profit Before Tax	22	151
Less: Tax Expense	—	31
Net Profit after Tax	22	120
Other Comprehensive Income		
Add: Remeasurements of post-employment benefit obligation	(4)	5
Total Comprehensive Income for the period	18	125

In the preparation of the financial accounts and the statements, the Company has followed the Indian Accounting Standards 2015, as amended.

2. DIVIDEND

In view of carried forward losses, the Board of Directors does not recommend any dividend for the year ended 31st March 2019.

3. SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March 2019 was ₹ 7.35 crores. During the year under review, the Company has not issued new shares.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS: F.Y. 2018-2019

I. Industry Structure & Development:

The Chemical Industry is a key enabler for other industries. As chemicals are consumed in varying proportion by every industry (rightly from electronics to paints, from pharmaceuticals to cosmetics), without chemicals, sustainable development of other sectors is not possible.

The Chemical Industry is a crucial constituent of the growing Indian Economy, providing the key material for several industries. The Company is operating only in one Segment, namely 'Specialty Chemicals'. Specialty Chemicals are particular chemical products which provide a wide variety of effects on which many other industry sectors rely.

Specialty chemicals, which comprise of low volume, high value chemicals with specific applications, constitute a significant part of the Indian chemical industry and are targeted towards specific end-use applications.

Specialty chemicals are produced by a complex, interlinked industry. In the strictest sense, specialty chemicals are chemical products that are sold on the basis of their performance or function, rather than their composition. Products and services in the specialty chemicals industry require intensive knowledge and ongoing innovation.

The Company manufactures a wide range of specially formulated and customized products for various Industrial applications. Company's customers are well recognized and located not only in India but all over the World especially in America, Europe, and Far-East.

Our customers represent a wide range of Industries such as Metal treatment, Wire Insulation Enamel, PVC stabilizers, Inks, Colours, Coatings, Textiles, Agro Chemicals, Polymers, Plastics, Rubber, Latex, Tyre and Tubes, Conveyor belts, Lubricants, Additives, Home care, Cosmetic, Soaps detergents, Fertilizers and many more.

Our Customers are always seeking innovative products formulations for their current process needs, which are fulfilled by Company's product development, knowledge & experience. Solvay Group which represents this worldwide, in specialty chemicals supports the Sunshield team.

Company's main products belong to:

- Specialty Surfactant applications, which are predominantly Ethylene Oxide (EO) based products. The technologies developed involve surfactants, Esters, Amides, and other complementary processes.
- Specialty Anti-Oxidants for Lubricants, Polymers, Rubber, Tyre & Latex and other Industries involving Aminic & Phenolic technologies and
- Other Non-EO technologies & customized blends for various applications.

II. Operating and Financial Performance of the Company

(₹ in Lakhs)

	F.Y. 2018-2019	F.Y. 2017-2018	Change over Previous year
i) Exports	7992	7953	0.5%
ii) Domestic	10941	10547	4%
iii) Other Operating Income	36	26	38%
Revenue from Operation (Excluding Excise Duty)	18969	18526	2%
Other Income	228	165	38%
Total Income	19197	18691	3%

	F.Y. 2018-2019	F.Y. 2017-2018	Change over Previous year
Volume Sales (MT)	12528	13359	(6%)
Sales Value (₹)	18933	18500	2%
Average Product Price (₹ per kg)	151	139	9%

During the year, Sales by Volume went down by 6%, whereas the sales in Value terms went up by 2%.

Export Sales were marginally up by 0.5% from ₹ 7953 Lakhs to ₹ 7992 Lakhs and domestic Sales went up by 4% from ₹ 10547 Lakhs in 2017-18 to ₹ 10941 Lakhs in 2018-19.

Major change is in the sales of Theic where volume has gone down but on a higher price realization. Sale volume of Ethoxylates, Propoxylates based products has been reduced by 9%. However sale value is almost the same. The improvement is mainly due to change in product mix and increase in the demand of products.

III. Outlook

The Company expects Financial Year 2019-20 to be a challenging year due to severe headwinds owing to Auto sector and consumer demand slowdown and trade war impacts. The growth for specialty chemicals is driven by both domestic consumption and exports. Specialty chemicals finding applications across consumer, industrial and infrastructure segments are driven by the overall growth of the Indian economy. We are in the midst of rationalizing and aligning our products to those segments that has potential for growth, driven by growing end user industry. Technology & Innovation will play a major role in growth.

Factors like Crude oil price, Forex Fluctuations, Global Demand & geopolitical situation, Global Trade wars and ability to develop new business will play an important part in the future of the Company.

The Company's products continue to be well received by world's leading users of specialty chemicals for a diverse range of industrial

applications. The Company has been recognized as a reputable and dependable supplier to many Indian and global consumers of specialty products developed in-house.

IV. Risks and Concerns

The Company has laid down a well-defined Risk Management Framework covering the risk, risk exposure, potential impact and risk mitigation process. The Present and future risks are reviewed by the management of the Company at regular intervals. Adequate risk management is a key success factor, to mitigate risks associated with the solutions we provide. Major risks identified by the business and functions are systematically addressed through by taking corrective actions on a continuous basis. These are discussed at Audit Committee and Board of Directors Meetings.

Major Risk arises from main raw material viz., Ethylene Oxide (EO). There is availability risk associated with EO which is currently and consistently available from only one manufacturer in the country. If there is an issue with the supply of EO, production of several products would be affected. To mitigate this risk, we keep an adequate inventory and pipeline of EO. Besides some of the major raw materials are hazardous and inflammable, the Company has ensured that Safety equipment's and infrastructure are in place as per statutes and global safety standards.

Further concerns are posed by severe space constraints within the Plant battery limits. Due to shortage of space and layout limitations, we are not in a position to expand capacities and have to rely on product replacements. Although we have initiated various manufacturing excellence programs to mitigate these concerns, however business growth potential is still limited by such concerns.

The Company is committed to protecting the environment, and ensuring the health and safety of its employees, customers, neighbors and public. Some of our major raw materials are hazardous and flammable and some safety risks are inherent in the manufacturing processes. The Company has ensured that

required process controls, safety equipment's and infrastructure are in place as per statutes and global safety standards.

V. Internal Financials Controls and its adequacy

Internal Checks and Controls covering operations of the Company are in place and are constantly being improved upon. The Company had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company are 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.

During the year, the internal and statutory auditors of the Company have reviewed the effectiveness and efficiency of these controls and procedures. As per the said assessment, the Board is of the view that the Internal Financial Controls operate effectively and no material weaknesses exist.

VI. Key Financial Ratios

Key Ratios	2018-19	2017-18	Change%
Debtors Turnover* (No. of days)	51.24	58.67	-13%
Inventory Turnover* (No. of days)	29	34	-15%
Interest Coverage Ratio*	2	11	-81%
Current Ratio*	0.61	0.77	-20%
Debt Equity Ratio*	10.20	10.79	-5%
Operating Profit Margin (%)*	8.87%	9.28%	-4%
Net Profit Margin (%)*	0.12%	0.82%	-86%
Return on Net Worth (%)*	1.97%	13.65%	-86%

* Changes in these ratios are mainly due to lower operating profits during the year. Profitability was impacted due to slowdown in various sectors of the economy.

VII. Human Resources

The Company implemented Employee relationships at all levels continued to be satisfactory. The management would like to record its appreciation of dedicated and

strong support provided to your Company, by its employees at all levels. The number of the employees on the roll as on 31st March 2019 was 75.

(The statement in this report including Management's Discussions & Analysis Report reflects Company's projections, estimates, expectations or predictions. These may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied, since your Company's operations are influenced by many external and internal factors beyond the control of the Company.)

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Implementation of Voluntary Retirement Scheme

In view of the very challenging business environment faced by the Company in the backdrop of the tough competition from several players in the industry, the Company has taken several cost optimization and process improvement initiatives in order to improve the efficiency in this challenging business environment. During the year under review, the Company came out with Voluntary Retirement Scheme (VRS) for the employees of the Plant located at Rasal. In all 14 employees took the VRS. The total outgo for VRS was ₹ 174 Lakhs.

Maharashtra Pollution Control Board (MPCB) Issue

The Company received directions ('Closure Direction') from Maharashtra Pollution Control Board (MPCB) on 28th September 2018, for closure of manufacturing activity of the Company under section 33(A) of Water (Prevention & Control Pollution) Act, 1974, and under section 31 of the Air (Prevention & Control Pollution) Act, 1981 alleging Pollution caused by the Company. The Company replied to the notice received and also made representation to MPCB.

Thereafter on 20th October 2018, the Company has received a communication from MPCB to restart the manufacturing activities subject to fulfilling Effluent treatment conditions.

6. BOARD OF DIRECTORS COMPOSITION

The composition of the Board of Directors of the Company is in complete conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act 2013. The details of the Board of Directors, as on date of this report are as under:

Sr. no.	Name of Director	Category of Directorship
1.	R L Shenoy	Non-executive Chairman and Independent Director
2.	Ajit Shah	Non-Executive Independent Director
3.	Aruna Soman	Non-Executive Independent and Woman Director
4.	Manoj Khullar	Managing Director
5.	Srivata M K	Executive Director
6.	Lim Kim Swee	Non-Executive Director
7.	Boon Tong Koh	Non-Executive Director
8.	YockJeng Goh	Non-Executive Director

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business. None of the Directors of the Company is related inter-se.

None of the Directors on the Board is a Director in more than 10 public companies or is a member in more than 10 Committees or Chairperson of more than 5 Committees.

The Board of Directors of the Company bring to the fore a vast range of skills and experience from various fields, functions and sectors, which enhance the governance framework and Board's decision making process.

Following are the core skills, expertise and competencies that are identified and available within the Board of the Company for effective functioning:

- Strategic expertise: Ability to understand, review and suggest appropriate strategies;
- Experience: Leadership experience in managing people and achieving change;
- Industry: Knowledge of organic & Inorganic chemical Industry, manufacturing, marketing, finance, banking, HR, legal & public affairs in which the Company operates;

- Technical: Technical/professional skills to assist with ongoing aspects of the Company's Board's role;
- Legal & Governance: Knowledge and understanding of legal & regulatory landscape in which Company operates
- Behavioral: Behavioral competencies such as collaborative and ability to work as a team member, seeking and giving feedback to/from individual directors, be challenging but supportive in the Board room.
- Personal attributes: Willingness and ability to devote adequate time and energy to fulfill Board and Committee responsibilities, strategic thinking, integrity with high ethical standards, trust, accountability and avoid situations leading to conflict of interest.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment:

1. Mr. Lim Kim Swee was appointed as an additional director of the Company based on the recommendation of Nomination and Remuneration Committee, with effect from 27th May 2019. He holds office upto the conclusion of the ensuing Annual General Meeting (AGM).
2. Mr. Ranjal L Shenoy was appointed as an Independent Directors in the 28th AGM of the Company held on 15th September 2015 for a term of 5 years and his term ends on 31st March 2020. Mr. Shenoy is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. Mr. Shenoy has consented to his re-appointment and confirmed that he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 27th May 2019 have recommended the re-appointment of Mr. Ranjal L Shenoy as an Independent Director for a second term of five

consecutive years effective from 1st April 2020. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

3. Mr. Sandeep Kulkarni was appointed as Chief Financial Officer (CFO) of the Company in compliance with provisions of Section 203 of the Companies Act, 2013, with effect from 11th February 2019, in the Board Meeting held on 11th February 2019 on the recommendation of Audit Committee.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mr. Boon Tong Koh (DIN 08066070) will retire by rotation at the ensuing AGM of the Company and being eligible, offer himself for reappointment. The Board recommends his reappointment.

Cessation:

1. Mr. Rajeev Gupte retired as Chief Financial Officer w.e.f. 13th September 2018. Your Directors place on record their sincere appreciation of the valuable contribution made during his tenure as CFO of the Company.
2. Mr. Satish Kelkar, the non-executive director of the Company, resigned from the office of the Director with effect from 11th February 2019. Your Directors place on record their sincere appreciation of the valuable contribution made by him during his tenure as Director of the Company.
3. Mr. Guo Lin, the alternate director to Mr. YockJeng Goh ceased to be Alternate Director with effect from 12th April 2019. Your Directors place on record their sincere appreciation of the valuable contribution made by him during his tenure as Alternate Director of the Company.
4. Mr. Ian Brown, the non-executive director of the Company, resigned from the office of the Director with effect from 21st May 2019. Your Directors place on record their sincere appreciation of the valuable contribution

made by him during his tenure as Director of the Company.

None of the Directors is disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013. Note on the background of the Director(s) proposed for appointment/re-appointment is given as annexure to the Notice, which forms part of this Annual Report.

Pursuant to Sections 2(51) and 203 of the Companies Act 2013, the Board has proposed Mr. Manoj Khullar, Managing Director, Mr. Srivatsa M K, Director, Mr. Sandeep Kulkarni, Chief Financial Officer and Mr. Amit Kumashi Company Secretary of the Company as Key Managerial Personnel of the Company.

8. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) and the Listing Regulations.

9. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business.

The Board met five times in the financial year 2018-19 i.e on 28th May 2018, 19th July 2018, 13th August 2018, 12th November 2018 and 11th February 2019.

10. BOARD COMMITTEES

There are currently six Committees of the Board, which are given below:

- **Audit Committee**

Audit Committee includes Five Directors viz., Mr. Ajit Shah (Chairman/Independent Director), Mrs. Aruna Soman (Independent Director), Mr. Ranjal Laxmana Shenoy (Independent Director), Mr. Manoj Khullar (Managing Director) and Mr. Satish Kelkar (Non-Executive Director) (till 11th February 2019).

The role and the terms of reference of the Audit Committee include amongst others, oversight of Company's financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism, reviewing the findings of any internal investigation involving suspected fraud or irregularity. The Audit Committee also reviews before submission to the Board for approval of financial statements, the Directors Responsibility statement, changes in accounting policies, if any, with reasons for the same, Management Discussions and Analysis on Company's operations.

Audit committee met 4 times on 28th May 2018, 13th August 2018, 12th November 2018 and 11th February 2019.

- **Nomination and Remuneration Committee**

The Board has constituted Nomination and Remuneration Committee which comprises of Independent Directors viz. Mr. Ranjal Laxmana Shenoy, Mr. Ajit Shah, and Mrs. Aruna Soman.

The role of the committee include the Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identifying persons who are qualified to

become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and determining whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

Nomination and Remuneration Committee met 3 times on 28th May 2018, 19th July 2018 and 11th February 2019.

- **Stakeholders' Relationship Committee**

Stakeholders Relationship Committee comprises of Mr. Ajit Shah (Independent Director) Mrs. Aruna Soman (Independent Director), and Mr. Manoj Khullar (Managing Director).

The Committee focuses primarily on monitoring and ensuring that all shareholder and investor services operate in an efficient manner and that shareholder and investor grievances/complaints including those of all other stakeholders are addressed promptly with the result that all issues are resolved rapidly and efficiently.

Stakeholders Relationship committee met 12th November 2018.

- **Corporate Social Responsibility (CSR) Committee**

The Board has constituted Corporate Social Responsibility Committee comprising of Mr. Ajit Shah (Independent Director), Mr. Srivatsa M K (Director) and Mr. Manoj Khullar (Managing Director).

The Committee focuses on formulation and Review of CSR policy indicating activities to be undertaken by the Company; recommendation of the amount of expenditure to be incurred on CSR activities and monitoring and implementing this policy from time to time.

Corporate Social Responsibility Committee met on 28th May 2018.

During the year under review, the Company was not required to spend on CSR activities on account of the losses incurred by the Company in the three preceding financial years.

- **Risk Management Committee**

The Board though not mandatory has constituted Risk Management Committee comprising of Mr. Manoj Khullar (Managing Director), Mr. Srivatsa M K (Director) and Mr. Shekhar Pattekar (Manager-Factory). The Committee meets regularly for discussing Risk Management framework in the Company.

The role of Risk Management Committee includes reviewing and approving the risk management policies of the Company; assessment and monitoring of all risks associated with the operations of the Company and development and implementation of internal compliance and control systems and procedures to manage risk and framing, implementing, reviewing and monitoring the risk management plan and cyber security for the Company.

- **Committee for Issue of Duplicate Share Certificates**

The Board has constituted a Committee for the purpose of issuance of duplicate share certificates. The Committee comprises of viz Mr. Satish Kelkar (Non-executive director) (till 11th February 2019), Mr. Srivatsa M K (Director) and Mr. Manoj Khullar (Managing Director).

11. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of the working of its Committees. The Independent Directors have evaluated the performance of the non-independent Directors and the Board as a whole. They also assessed the quality, quantity and flow of information between Company's management and the Board which is essential for the Board to effectively and reasonably perform their duties.

Based on the evaluation, Company expects the Board and other Directors evaluated to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

12. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Company has in place Policy on Directors Appointment and Remuneration. The Policy has been published on the Company's website <https://www.solvayindia.in/en/solvay-in/Sunshield-Policies.html>.

Prior to the induction of the director on the Board, the Managing Director briefs the incoming director about the Company, its line of business, and the composition of the present board organization chart etc. The appointment letter issued to the independent directors also sets out detailed terms of employment including their roles, function, responsibilities and their fiduciary duties, code of conduct, performance evaluation process etc. as a director of the Company.

Independent directors have a right to access information and documents for enabling them to have a good understanding of the Company and its various operations.

13. RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

14. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism named as Whistle Blower Policy within the Company in compliance with the provisions of Companies Act and Listing Regulations.

The policy of such mechanism has been circulated to all employees within the Company, which provides a framework to the employees for guided & proper utilization of the mechanism. The Whistle Blower Policy has been placed on the Company's website <http://www.solvayindia.in/en/solvay-in/sunshield-chemical-limited>. There have been no instances of any personnel seeking access to the Audit Committee.

15. SIGNIFICANT AND MATERIALS ORDERS PASSED BY THE REGULATORS/COURTS/ TRIBUNALS

No significant or material order were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

16. CORPORATE GOVERNANCE REPORT

As per Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to Corporate Governance report and certain regulations are not applicable to Sunshield Chemicals Limited ("Company"), since Company's Paid-up Capital is less than ₹ 10 crores and net worth is less than ₹ 25 crores.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company confirm that:

- (a) in the preparation of the annual financial statement for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the profit of your Company for the said period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively and;

- (f) proper systems to ensure compliance with the provisions of all applicable laws were devised and that such systems were adequate and operating effectively.

18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT 2013

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. The Company has zero tolerance on Sexual Harassment at workplace.

In compliance with the provisions of Companies Accounts Rules, 2014, as amended, the internal committee is set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. All employees (permanent, contractual, temporary, trainees and other stakeholders) are covered under this policy. The following is the summary of sexual harassment complaints received and disposed off during the Financial Year 2018-19:

Number of Complaints of sexual harassment received during the period April 2018 to March 2019	Number of complaints disposed off during the period April 2018 to March 2019	Nature of action taken by the employer
NIL	Not applicable	Not applicable

19. SECRETARIAL STANDARDS

The Company complies with applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2019.

20. FRAUD REPORTING BY AUDITORS

As required under Section 134(3)(ca) of the Companies Act, 2013, there are no instances of fraud being reported by the Auditors.

21. AUDITORS

Statutory Auditors

The Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants, holds office till end of ensuing Annual General Meeting.

In terms of section 139 of the Companies Act 2013, Deloitte Haskins & Sells LLP, can be further reappointed for a further period of five years. Accordingly the Board of Directors at its Board Meeting held on 27th May 2019 has reappointed Deloitte Haskins & Sells LLP, as Statutory Auditors of the Company for a further period of five years. The proposed remuneration to be paid to Deloitte Haskins & Sells LLP, Chartered Accountants for the financial year 2019-20 is ₹ 20 Lakhs (Rupees Twenty Lakhs) plus out of Pocket expenses at actuals.

The Statutory Auditor has given a confirmation to the effect that they are eligible to continue with their appointment and have not been disqualified in any manner from continuing as Statutory Auditor. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2018-19.

Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has made and maintained such cost accounts and records. The Board on the recommendation of the Audit Committee has appointed M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 000294) as the Cost Auditors of the Company for FY 2019-20 under Section 148 and all other applicable provisions of the Act.

M/s. Kishore Bhatia & Associates, have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly,

a resolution for seeking Members' ratification for the remuneration payable to M/s. Kishore Bhatia & Associates is included at Item No. 5 of the Notice convening the AGM.

The Cost Audit Report for the Financial Year ended 31st March 2018 was filed with the Ministry of Corporate Affairs on 14th August 2018 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014, as amended.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alwyn D'Souza & Co., Company Secretaries to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit is annexed herewith as Annexure A. There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their report.

Internal Auditors

M/s. Nikhil Narkar & Associates, Chartered Accountants have conducted internal audits periodically and submitted their reports to the Audit Committee. Their Reports have been reviewed by the Audit Committee from time to time.

22. PROHIBITION OF INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/Leak of UPSI, the Company has adopted a Code of Conduct for Insider Trading for prohibition of Insider trading which was revised and approved by Board, for Promoters, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons.

23. EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure B to this Annual Report and also available on the website of the Company at <http://www.solvayindia.in/>

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

The Company has not provided any loans, Guarantees or made investments under Section 186 of the Companies Act, 2013.

25. RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) entered into by the Company during the year under review were at arms' length basis and were in the ordinary course of business. There were no materially significant RPT with Parent Company and its subsidiaries, Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large.

All RPT are placed before the Audit Committee for its review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. Since there are no material RPT and also all the transactions with related parties are at arm's length and are in the ordinary course of business, no transactions are required to be reported in Form AOC-2. Note No. 38 in the note to accounts provides the details on all the related party transactions.

The Board of Directors of the Company have re-framed policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and Regulation 23 of the Listing Regulations, as amended. The Policy as approved by the Board is uploaded and can be viewed on the Company's website <https://www.solvayindia.in/en/solvay-in/Sunshield-Policies.html>.

The Non-Executive Directors have no pecuniary relationship or transaction with the Company other than sitting fees paid to them.

26. DEPOSITS

Company has not accepted any deposits from public/members under Section 73 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

27. SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary or associates or joint ventures as on the date of this report.

28. TRANSFER OF SHARE TO IEPF DEMAT ACCOUNT

Since the Company has not declared dividend in the last preceding seven financial years, the provision pertaining to transfer of shares on which dividend was unclaimed/unpaid for seven years to Investor Education and Protection Fund (IEPF) Authority is not applicable to the Company.

29. EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed herewith as Annexure C.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of your company is available for inspection by the members at registered office of the company during business hour on working days up to the date of the ensuing AGM. If any member is interested in obtaining a copy thereof, such member may write to the company secretary,

whereupon a copy would be sent. There were no employees who were drawing remuneration exceeding ₹ 1.02 crores per annum and thus no particulars are to be given under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required by Section 134(3) (m) of the Act, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo, is given in Annexure D to this Report.

31. ENVIRONMENT, HEALTH AND SAFETY

Your Company recognizes importance of Health and Safety of its employees and its neighborhood. Regular Safety Audits are being conducted. Your Company has adopted a Health, Safety and Environment (HSE) Policy, which applies to all employees and activities.

32. APPRECIATION

Your Directors place on record their sincere appreciation of the wholehearted support extended by the Company's bankers, business associates, employees' union, shareholders, auditors and various statutory authorities, both, central and state Government.

The accompanying Annexure A to D is an integral part of this Director Report.

For and On Behalf of the Board of Directors

Mumbai,
27th May 2019

R L Shenoy
Chairman
DIN 00074761

ANNEXURE A TO THE DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sunshield Chemicals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sunshield Chemicals Limited** (CIN: L99999MH1986PLC041612) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliance and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 — **Not Applicable**;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 — **Not Applicable**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 — **Not Applicable**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 — **Not Applicable**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client — **Not Applicable**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 — **Not Applicable**;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 — **Not Applicable**;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 — **Not Applicable**;

(vi) Other specific business/industry related laws applicable to the Company:

The Company has complied with specific applicable laws, rules, regulations and guidelines viz The Factories Act, 1948, The Petroleum Rules, 2002, Maharashtra Poison Rules, 1972, Static & Mobile pressure vessels (unfired) Rules 1981, The Indian Boilers Act 1923, The Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of pollution) Act, 1981, and Authorization under Hazardous Wastes (Management & Handling) Rules, 1989 and amendment Rules 2003 and applicable general business laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period following material events/actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. The Company has on 28th September 2018, received directions ('Closure Direction') from Maharashtra Pollution Control Board (MPCB) for closure of manufacturing activity of the Company under section 33(A) of Water (Prevention & Control Pollution) Act, 1974, and under section 31 of the Air (Prevention & Control Pollution) Act, 1981 alleging Pollution caused by the Company. Further on 20th October 2018, the Company has received a communication from Maharashtra Pollution Control Board (MPCB) to restart the manufacturing activities subject to fulfilling Effluent treatment conditions.
2. The Company has obtained approval of the members under section 180(1)(a) of the Companies Act, 2013 by way of Special resolution for borrowing up to ₹ 150 crores over and above the aggregate of the paid up share capital and free reserves of the Company.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza, FCS.5559
[Proprietor]
[Certificate of Practice No.5137]

Place : Mumbai

Date : 27th May 2019

Office Address :

Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East)
Mumbai-400 101.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Sunshield Chemicals Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Sunshield Chemicals Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza, FCS.5559
[Proprietor]
[Certificate of Practice No.5137]

Place : Mumbai
Date : 27th May 2019
Office Address :
Annex-103, Dimple Arcade
Asha Nagar, Kandivali (East)
Mumbai-400 101.

ANNEXURE B TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

1. Registration and other details

CIN	L99999MH1986PLC041612
Registration Date	19 th November 1986
Name of the Company	Sunshield Chemicals Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Phoenix House, A Wing, 4 th Floor, 462, Senapati Bapat Marg, Lower Parel (West) Mumbai-400 013 Tel: 022-6663 7100 Fax: 022-2495 2834 Website: www.solvayindia.in E-mail: investor.sunshield@solvay.com
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any.	TSR Darashaw Consultants Private Limited 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai-400 011. Tel: 022-6656 8484 Fax: 022-6656 8494 Website: www.tsrdarashaw.com E-mail: csg-unit@tsrdarashaw.com

2. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main products	NIC Code of the Product/ service	% to total turnover of the Company
ETHOXYLATES & PROPOXYLATES	20119	36%
SUN THEIC	20119	32%
ANTIOXIDANT	20119	25%
MISCELLANEOUS	20119	7%

3. Particulars of holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Rhodia Amines Chemicals Pte Ltd. 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315	Foreign Company	Holding	62.36	2(46)

4. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year – 01.04.2018				No. of shares held at the end of the year – 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	—	—	—	—	—	—	—	—	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks /FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Sub-Total (1A)	—	—	—	—	—	—	—	—	—
2. Foreign									
a) NRIs –Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporates	45,85,196	—	45,85,196	62.36	45,85,196	—	45,85,196	62.36	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
Sub-total (2A)	45,85,196	—	45,85,196	62.36	45,85,196	—	45,85,196	62.36	—
Total Shareholding of Promoter (A)=(A1)+(A2)	45,85,196	—	45,85,196	62.36	45,85,196	—	45,85,196	62.36	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	700	700	0.01	—	700	700	0.01	—
b) Banks /FI	—	—	—	—	—	—	—	—	—
c) Central Govt.	—	200	200	0.00	—	200	200	0.00	—
d) State Govt.	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
Sub-Total (B1)	—	900	900	0.01	—	900	900	0.01	—
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	52,674	22,000	74,674	1.02	81,396	22,000	1,03,396	1.41	0.39
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Shareholders holding nominal share capital upto ₹ 1 Lac	14,28,458	1,56,525	15,84,983	21.56	16,18,757	1,40,305	17,59,062	23.92	2.37
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	8,79,626	—	8,79,626	11.96	7,24,878	—	7,24,878	9.86	-2.10
c) Others									
i) Clearing Members	1,73,452	—	1,73,452	2.36	1,45,358	—	1,45,358	1.98	-0.38
ii) Limited Liability Partnership	1,400	—	1,400	0.02	7,979	—	7,979	0.11	0.09
iii) Non-Residents (NRI)	50,458	—	50,458	0.69	26,294	—	26,294	0.36	-0.33
iv) Director & their Relatives	2,371	—	2,371	0.03	—	—	—	—	-0.03
Sub-total (B2)	25,88,439	1,78,525	27,66,964	37.63	26,04,659	1,62,305	27,66,964	37.63	0.00
Total Public Shareholding (B)=(B1)+(B2)	25,88,439	1,79,425	27,67,864	37.64	26,04,659	1,63,205	27,67,864	37.64	0.00
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A)+(B)+(C)	71,73,635	1,79,425	73,53,060	100	71,89,855	1,63,205	73,53,060	100	0.00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year – 01.04.2018			Shareholding at the end of the year – 31.03.2019			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
Rhodia Amines Chemicals Pte Ltd.	45,85,196	62.36	Nil	45,85,196	62.36	Nil	Nil
TOTAL	45,85,196	62.36	Nil	45,85,196	62.36	Nil	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year – 01.04.2018		Cumulative Shareholding during the year – 31.03.2019	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year-	No change during the year			
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/equity etc.)	No change during the year			
At the end of the year	No change during the year			

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year – 01.04.2018		Shareholding at the end of the year – 31.03.2019		
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1. Asha Mukul Agrawal							
a)	At the beginning of the year		1,71,899	2.34	1,71,899	2.34	
b)	Changes during the year		No Change during the year				
c)	At the end of the year				1,71,899	2.34	
2. Dipak Kanayalal Shah							
a)	At the beginning of the year		1,57,000	2.14	1,57,000	2.14	
b)	Changes during the year	Date	Reason				
		27-04-2018	Purchase	300	0.00	1,57,300	2.14
		15-06-2018	Purchase	200	0.00	1,57,500	2.14
		22-06-2018	Purchase	500	0.01	1,58,000	2.15
		05-10-2018	Purchase	482	0.01	1,58,482	2.16
		19-10-2018	Purchase	700	0.01	1,59,182	2.16
		26-10-2018	Purchase	500	0.01	1,59,682	2.17
		09-11-2018	Purchase	100	0.00	1,59,782	2.17
		16-11-2018	Purchase	40	0.00	1,59,822	2.17
		25-01-2019	Purchase	178	0.00	1,60,000	2.18
		22-02-2019	Purchase	500	0.01	1,60,500	2.18
c)	At the end of the year				1,60,500	2.18	

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (contd.)

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year – 01.04.2018		Shareholding at the end of the year – 31.03.2019	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3. IIFL Securities Limited						
a) At the beginning of the year			1,19,117	1.62	1,19,117	1.62
b) Changes during the year	Date	Reason				
	06-04-2018	Purchase	50	0.00	1,19,167	1.62
	13-04-2018	Sale	-1,19,162	-1.62	5	0.00
	20-04-2018	Purchase	1,19,716	1.62	1,19,721	1.62
	20-04-2018	Sale	-5	-0.00	1,19,716	1.62
	04-05-2018	Purchase	200	0.00	1,19,916	1.62
	11-05-2018	Sale	-200	-0.00	1,19,716	1.62
	17-08-2018	Purchase	75	0.00	1,19,791	1.62
	24-08-2018	Sale	-75	0.00	1,19,716	1.62
	05-10-2018	Sale	-1,19,716	-1.65	0	0
	15-02-2019	Purchase	39	0.00	39	0.00
	22-02-2019	Sale	-39	-0.00	0	0
	22-03-2019	Purchase	102	0.00	102	0.00
	29-03-2019	Sale	-102	0.00	0	0
29-03-2019	Purchase	17,724	0.24	17,724	0.24	
30-03-2019	Purchase	85,270	1.16	1,02,994	1.40	
c) At the end of the year					1,02,994	1.40
4. Lincoln P Coelho						
a) At the beginning of the year			80,000	1.09	80,000	1.09
b) Changes during the year			No Change during the year			
c) At the end of the year					80,000	1.09
5. Jigney Bhachech						
a) At the beginning of the year			51,410	0.70	51,410	0.70
b) Changes during the year	Date	Reason				
	06-04-2018	Sale	-6,560	-0.09	44,850	0.61
	13-04-2018	Sale	-2,576	-0.04	42,274	0.57
	20-04-2018	Purchase	11,901	0.16	54,175	0.74
	27-04-2018	Sale	-1,099	-0.01	53,076	0.72
	11-05-2018	Sale	-736	-0.01	52,340	0.71
	25-05-2018	Sale	-1,000	-0.01	51,340	0.70
	01-06-2018	Sale	-3,247	-0.04	48,093	0.65
	08.06.2018	Purchase	2,530	0.03	50,623	0.69
	15.06.2018	Sale	-2,939	-0.04	47,684	0.65
	22.06.2018	Sale	-1,834	-0.02	45,850	0.62
	06.07.2018	Purchase	2,960	0.04	48,810	0.66
	13.07.2018	Sale	-391	-0.00	48,419	0.66
	20.07.2018	Sale	-598	-0.01	47,821	0.65
	27.07.2018	Sale	-16	-0.00	47,805	0.65
	03.08.2018	Sale	-1,955	-0.03	45,850	0.62
	15.02.2019	Purchase	10,000	0.14	55,850	0.76
22.03.2019	Purchase	1,000	0.01	56,850	0.77	
c) At the end of the year					56,850	0.77

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (contd.)

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year – 01.04.2018		Shareholding at the end of the year – 31.03.2019		
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
6. Rajtaru Commex Services Private Limited							
a)	At the beginning of the year		44,084	0.60	44,084	0.60	
b)	Changes during the year		No Change during the year				
c)	At the end of the year				44,084	0.60	
7. Bipin Vadilal Gosalia							
a)	At the beginning of the year		34,153	0.46	34,153	0.46	
b)	Changes during the year		No Change during the year				
c)	At the end of the year				34,153	0.46	
8. Kundanben Bharatbhai Patel							
a)	At the beginning of the year		18,000	0.24	18,000	0.24	
		Date	Reason				
b)	Changes during the year	17.08.2018	Purchase	2,285	0.03	20,285	0.28
c)	At the end of the year				20,285	0.28	
9. Arihant Capital Mkt. Ltd.							
a)	At the beginning of the year		1,280	0.02	1,280	0.02	
		Date	Reason				
b)	Changes during the year	27-04-2018	Purchase	500	0.00	1,780	0.02
		04-05-2018	Sale	-300	-0.00	1,480	0.02
		01-06-2018	Purchase	400	0.00	1,880	0.02
		10-08-2018	Purchase	229	0.00	2,109	0.02
		31-08-2018	Purchase	200	0.00	2,309	0.02
		28-09-2018	Purchase	500	0.00	2,809	0.03
		02.11.2018	Purchase	10	0.00	2,819	0.03
		21-12-2018	Sale	-2,339	-0.03	480	0.00
		11-01-2019	Sale	-100	-0.00	380	0.00
		25-01-2019	Purchase	19,658	0.27	20,038	0.27
c)	At the end of the year				20,038	0.27	
10. T C M Limited (Formerly known as Travancore Chemical & Manufacturing Company Limited)							
a)	At the beginning of the year		20,000	0.27	20,000	0.27	
b)	Changes during the year		No Change during the year				
c)	At the end of the year				20,000	0.27	

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year – 01.04.2018		Cumulative Shareholding during the year – 31.03.2019	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Sandeep Kulkarni Chief Financial officer				
At the beginning of the year	—	—	—	—
Changes during the year (Purchase 14.09.2018)	5	0.00	5	0.00
At the end of the year	—	—	5	0.00

Note: None of the other Directors and Key Managerial Personnel holds any shares in the Company as on 31st March 2019.

5. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakhs

	Security Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	535.00	10825.93	—	11360.93
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	124.68	—	124.68
Total (i+ii+iii)	535.00	10950.61	—	11485.61
Change in indebtedness during the financial year				
Addition	1701.10	96.36	—	1797.46
Reduction	535.00	1424.68	—	1959.68
Net Change	1166.10	(1328.32)	—	(162.22)
Indebtedness at the end of the financial year				
i) Principal Amount	1701.10	9547.46	—	11248.56
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	74.83	—	74.83
Total (i+ii+iii)	1701.10	9622.29	—	11323.39

6. Remuneration of Directors and Key Managerial Personnel
A. Remuneration to Managing Director, Whole-time Directors and/or Managers:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Mr. Manoj Khullar Managing Director	Mr. Chidananda Bhagwat Director*	Mr. Srivatsa M K Director#	Total Amount
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.12	27.94	24.82	52.88
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission As % of profit	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	0.12	27.94	24.82	52.88

* Mr. Chidananda Bhagwat ceased to be Director with effect from 23rd July 2018

Mr. Srivatsa M K was appointed as Director with effect from 19th July 2018

Sunshield Chemicals Limited

B. Remuneration to other Directors:

1. Independent Director

₹ in Lakhs

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. R L Shenoy	Mr. Ajit Shah	Mrs. Aruna Soman	
Fee for attending Board/Committee meetings	4.80	5.60	5.20	15.60
Commission	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
	Total (B)(1)			15.60

2. Other Non-Executive Director

₹ in Lakhs

Particulars of Remuneration	Name of Director	Total Amount
	Mr. Satish Kelkar	
Fee for attending Board/Committee meetings	3.20	3.20
Commission	Nil	Nil
Others – please specify	Nil	Nil
	Total (B) (2)	
	Total (B) = (B)(1) + (B)(2)	
		3.20
		18.80

Note:

Other Non-executive Directors of the Company are not paid any remuneration.

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD

₹ in Lakhs

Particulars of Remuneration	Key Managerial Personnel			Total
	Amit Kumashi Company Secretary	Rajeev Gupte* (CFO)	Sandeep Kulkarni# (CFO)	
Gross Salary				
a) salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	14.23	10.23	3.22	27.68
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil
Commission – as % of profit	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
Total	14.23	10.23	3.22	27.68

* Mr. Rajeev Gupte retired as CFO with effect from 13th September 2018

Mr. Sandeep Kulkarni was appointed as CFO with effect from 11th February 2019

7. Penalties/Punishment/Compounding of Offences:

There were no penalties/punishment/compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

Annexure C to the Directors' Report

Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Ratio of remuneration of Director to median remuneration of employees	% increase in Remuneration in the Financial Year 2018-19
1	Mr. R L Shenoy Non-Executive Independent Director	1.01	20
2	Mrs. Aruna Soman Non-Executive Independent Director	1.09	160
3	Mr. Ajit Shah Non-Executive Independent Director	1.18	27
4	Mr. Satish Kelkar * Non-Executive Director	0.67	33
5	Mr. Manoj Khullar Managing Director	0.03	Nil
6	Mr. Srivatsa M K § Executive Director	5.23	Not Applicable
7	Mr. Chidananda Bhagwat # Executive Director	5.88	Not Applicable

* Mr. Satish Kelkar ceased to be a Director with effect from 11th February 2019.

§ Mr. Srivatsa MK was appointed as Director with effect from 19th July 2018.

Mr. Chidananda Bhagwat ceased to be a Director with effect from 23rd July 2018.

Other Non-executive Directors are not paid any remuneration from the Company.

The average percentage increase in remuneration of the Chief Financial Officer and of the Company Secretary is 12%.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 4.75 Lakhs per annum.
- iii. In the financial year, there was an average increase of 8% in the median remuneration of employees.
- iv. 75 persons were on the rolls of Company as on 31st March 2019.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is on an average of 8% on a cost to Company basis. The average increase in remuneration is not based on Company's performance alone. The increment given to each individual employee is based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN 00074761

Mumbai, 27th May 2019

Annexure D to Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

CONSERVATION OF ENERGY:

The Company has always been conscious of the need to conserve energy. The Company is continuously identifying areas where energy can be saved and appropriate measures have been taken for optimizing energy conservation.

a) The steps taken or impact on conservation of energy:

1. Energy saving in cooling tower fan operations Online Monitoring of wet bulb temperature put in place and real time trend and fan running status hook up with DCS. This will help us the desired temperature for process by PID control of cooling tower fan. This has resulted in 150 Kwh/day savings.
2. Procurement of IE2 motor for new HQEE projects.
3. Installation of LED lighting in new Theic warehouse and HQEE facility.
4. Monitoring of area wise consumption is included in daily departmental performance board.

b) The steps taken by the Company for utilising alternate sources of energy:

NIL

c) The capital investment on energy conservation equipment:

NIL

TECHNOLOGY ABSORPTION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: N.A.
2. Benefits derived as a result of the above efforts: e.g. product improvement, cost reduction, product development, import substitution, etc.: N.A.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

<ol style="list-style-type: none"> a) Technology imported b) Year of Import c) Has the technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reason there of, and future plans of action. 	}	Not Applicable as no Imported technology is put to use
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4. Expenditure on R & D: (in ₹)

<ol style="list-style-type: none"> a) Capital b) Recurring c) Total d) Total R & D Expenditure as percentage of turnover 	}	NIL
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FOREIGN EXCHANGE EARNINGS AND OUTGO:

On account of activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and new export plans, the total foreign exchange used and earned is as follows:

(₹ in Lakhs)

	2018-19	2017-18
i) Total foreign exchange used	6110	5512
ii) Total foreign exchange earned	7992	7953

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN 00074761

Mumbai, 27th May 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Sunshield Chemicals Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sunshield Chemicals Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements 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 statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition on sale of products (Notes 2.2 and 25 to the Financial Statements)</p> <p>There is a risk that revenue from sale of products is overstated because of the pressure the management may have to improve the revenue number since the focus of internal reporting as well as of external stakeholders is on revenue as well. Also, Revenue recorded in the books of account is a significant audit risk and is a key profit driver and therefore any misstatement would also have a material impact on the results for the year.</p>	<p>Principal audit procedures performed:</p> <p>Assessed the appropriateness of the Company's revenue recognition policies by mapping them with the applicable accounting standards.</p> <p>Performed a walkthrough of the revenue business cycle to gain an understanding of the relevant risks and controls around occurrence and timing of revenue recognition. We also tested the design, implementation and operating effectiveness of the relevant controls.</p> <p>Tested transactions on a sample basis by, agreeing sales with the invoices, purchase orders and delivery documents, comparing the invoice prices to the Company price lists, agreeing the revenue amount recorded by management to underlying accounting records. We also reviewed the contracts / purchase orders, as applicable, to assess the terms of sale and confirmed that the sales were recorded in the correct accounting period.</p>

Sunshield Chemicals Limited

Sr. No.	Key Audit Matter	Auditor's Response
		<p>We sought confirmations from customers on a test check basis and checked realisation / performed other alternate procedures, where applicable, to support the assertion that revenue has been recognised for sales that has occurred during the year.</p> <p>We made enquiries of the management and obtained written representations as to whether there exist any side agreements or unusual arrangements which may impact revenue recognition.</p> <p>We also reviewed variations in revenue over the corresponding period and tested any unusual transactions to determine whether the information corroborates with the revenue recorded in the books of account.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Directors' Report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. 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 financial statement 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 for the Audit of the Financial Statements

Our objectives are 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 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 statements.

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 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial 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 the 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 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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

1. As required by Section 143(3) of the Act, based on our audit of the financial statements, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rakesh Sharma
(Partner)
(Membership No. 102042)

Place: Mumbai
Date: 27 May 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Sunshield Chemicals Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the Ind AS 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. 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and

their operating effectiveness. Our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence is sufficient and appropriate to provide a basis for our 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 our opinion, to the best of our information and according to the explanations given to us 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 2019, based on the criteria for internal financial control over financial reporting 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.

**For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)**

**Rakesh Sharma
(Partner)
(Membership No. 102042)**

Place: Mumbai
Date: 27 May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold and building thereof are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and any other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (c) Details of dues of Sales Tax and Value Added Tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Net of amount paid under protest) (Rs. in Lakhs)	Amount paid under protest (Rs. in Lakhs)
Maharashtra Value Added Tax Act, 2002	Value Added Tax including interest	Joint Commissioner of Sales Tax (Appeals)	2006-2007	25.56	—
Central Sales Tax Act, 1956	Sales Tax including interest and penalty	Joint Commissioner of Sales Tax (Appeals)	2006-2007	607.21	5.00
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeals)	2007-2008	78.09	7.50
Maharashtra Value Added Tax Act, 2002	Value Added Tax including interest and penalty	Joint Commissioner of Sales Tax (Appeals)	2009-2010	141.07	—
Central Sales Tax Act, 1956	Sales Tax including interest	Joint Commissioner of Sales Tax (Appeals)	2009-2010	378.65	1.00

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018)**

**Rakesh Sharma
Partner
(Membership Number: 102042)**

Place: Mumbai
Date: 27 May 2019

Balance Sheet as at 31 March 2019

₹ in Lakhs

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
1. Non current assets			
(a) Property, plant and equipment	5	6,869.17	7,073.74
(b) Capital work-in-progress	6	283.08	303.65
(c) Financial assets			
— Other financial assets	7	59.07	34.33
(d) Other non current assets	8	426.51	543.85
Total non current assets		7,637.83	7,955.57
2. Current assets			
(a) Inventories	9	2,756.12	3,134.93
(b) Financial assets			
i. Trade receivables	10	2,658.06	2,973.49
ii. Cash and cash equivalents	11	187.08	263.21
iii. Loans	12	19.74	20.28
(c) Other current assets	13	1,526.09	1,332.87
Total current assets		7,147.09	7,724.78
TOTAL ASSETS		14,784.92	15,680.35
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	14	735.31	735.31
(b) Other equity	15	391.72	373.67
Total Equity		1,127.03	1,108.98
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	16	1,659.61	3,676.26
ii. Other financial liabilities	17	278.05	720.99
(b) Provisions	18	54.67	90.24
(c) Deferred tax liabilities (net)	19	—	—
Total non current liabilities		1,992.33	4,487.49
3. Current liabilities			
(a) Financial liabilities			
i. Borrowings	20	6,701.11	6,835.00
ii. Trade payables	21		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		91.46	87.32
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,947.60	2,316.49
iii. Other financial liabilities	22	2,859.84	729.32
(b) Provisions	23	10.44	13.83
(c) Other current liabilities	24	55.11	101.92
Total current liabilities		11,665.56	10,083.88
Total liabilities		13,657.89	14,571.37
TOTAL EQUITY AND LIABILITIES		14,784.92	15,680.35
Significant accounting policies	2		

The accompanying Notes 1 – 43 are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunshield Chemicals Limited

R. L. Shenoy
Chairman
(DIN 00074761)

Ajit Shah
Director
(DIN 02396765)

Srivatsa M. K.
Director
(DIN 08178041)

Rakesh Sharma
Partner
Place : Mumbai
Date : 27 May, 2019

Sandeep Kulkarni
Chief Financial Officer
Place : Mumbai
Date : 27 May, 2019

Amit Kumashi
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2019

		₹ in Lakhs	
Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income:			
I. Revenue from operations	25	18,968.90	18,526.37
II. Other income	26	228.12	165.27
III. Total Income (I + II)		19,197.02	18,691.64
IV. Expenses:			
Cost of materials consumed	27	12,926.60	12,724.92
Changes in inventories of finished goods, work-in-progress	28	259.79	(139.81)
Excise Duty	29	—	189.58
Employee benefits expense	30	645.66	703.68
Finance costs	31	1,070.49	969.01
Depreciation	32	586.19	596.49
Other expenses	33	3,512.46	3,496.43
Total Expenses (IV)		19,001.19	18,540.30
V. Profit before exceptional item and tax (III – IV)		195.83	151.34
VI. Exceptional item	41	173.57	—
VII. Profit before tax (V – VI)		22.26	151.34
VIII. Tax Expense:	36		
Current Tax		—	30.86
Net tax expense (VIII)		—	30.86
IX. Profit for the year (VII – VIII)		22.26	120.48
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(4.20)	4.67
Total Other Comprehensive (Loss) / Income (X)		(4.20)	4.67
XI. Total Comprehensive Income for the year (IX + X)		18.06	125.15
XII. Earnings per equity share:	40		
(1) Basic (₹)		0.30	1.64
(2) Diluted (₹)		0.30	1.64
Significant Accounting Policies	2		

The accompanying Notes 1 – 43 are an integral part of the financial statements

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Rakesh Sharma
Partner
Place : Mumbai
Date : 27 May, 2019

Sandeep Kulkarni
Chief Financial Officer
Place : Mumbai
Date : 27 May, 2019

Amit Kumashi
Company Secretary

Statement of cash flows for the year ended 31 March 2019

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit before tax	22.26	151.34
Adjustments :		
Depreciation Expense	586.19	596.49
Interest income	—	(0.30)
Liabilities / provisions no longer required written back	(77.24)	(36.34)
Loss on property, plant and equipment sold or written off	—	11.86
Finance cost	1,070.49	969.01
Allowance for credit impaired trade receivables written back	(20.93)	(22.07)
Unrealized foreign exchange gain (net)	3.08	(41.09)
Operating profit before changes in working capital	1,583.85	1,628.90
Adjustments for (increase) / decrease in working capital		
Trade receivables	329.93	(191.91)
Inventories	378.81	(887.08)
Other assets	(164.08)	(606.88)
Trade payables	(284.16)	352.37
Other liabilities	(346.94)	(91.80)
Provisions	(43.16)	13.48
Cash generated from operations	1,454.25	217.08
Income Tax refund/(paid)	0.07	(3.58)
Net cash flows from operating activities	1,454.32	213.50
Cash flow from investing activities		
Payments for property, plant and equipment	(210.16)	(392.93)
Proceeds from disposal of property, plant and equipment	—	2.35
Interest received	—	0.30
Net cash used in investing activities	(210.16)	(390.28)
Cash flow from financing activities		
Interest paid	(887.90)	(736.94)
Proceeds from Borrowings	—	2,735.00
Repayment of Borrowings	(2,133.50)	(1,682.03)
Net cash flows (used in) / generated from financing activities	(3,021.40)	316.03
Net (decrease) / increase in cash and cash equivalents	(1,777.24)	139.25
Cash and cash equivalents at the beginning of the year	263.21	123.96
Cash and cash equivalents at the end of the year (Refer note 11)	(1,514.03)	263.21
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	187.08	263.21
Bank overdrafts (Refer Note 20)	(1,701.11)	—
Cash and Cash equivalents as per statement of cash flows	(1,514.03)	263.21

Significant accounting policies – Note 2

The accompanying Notes 1 – 43 are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sunshield Chemicals Limited

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(DIN 08178041)

Rakesh Sharma
Partner
Place : Mumbai
Date : 27 May, 2019

Sandeep Kulkarni
Chief Financial Officer
Place : Mumbai
Date : 27 May, 2019

Amit Kumashi
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2019

(a) Equity share capital :

₹ in Lakhs

	Notes	Balance at the beginning of the year	Change in equity share capital during the year	Balance as at the end of the year
As at 31 March 2018	14	735.31	—	735.31
As at 31 March 2019		735.31	—	735.31

(b) Other equity

₹ in Lakhs

Particulars	Notes	Reserves & Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
As at 1 April 2017		453.56	883.10	(1,088.14)	248.52
Profit for the year		—	—	120.48	120.48
Other comprehensive income for the year (net of income tax)		—	—	4.67	4.67
Total comprehensive income for the year		—	—	125.15	125.15
As at 31 March 2018	15	453.56	883.10	(962.99)	373.67
Profit for the year		—	—	22.26	22.26
Other comprehensive loss for the year (net of income tax)		—	—	(4.20)	(4.20)
Total comprehensive income for the year		—	—	18.06	18.06
As at 31 March 2019		453.56	883.10	(944.94)	391.72

Significant accounting policies

2

The accompanying Notes 1 – 43 are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants
Sunshield Chemicals Limited
R. L. Shenoy
Chairman
 (DIN 00074761)

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Rakesh Sharma
Partner

 Place : Mumbai
 Date : 27 May, 2019

Sandeep Kulkarni
Chief Financial Officer
 Place : Mumbai
 Date : 27 May, 2019

Amit Kumashi
Company Secretary

Notes forming part of the financial statements for the year ended 31 March 2019

1. COMPANY BACKGROUND

Sunshield Chemicals Limited ('the Company') was incorporated in India on 19th November 1986. The Company is engaged in manufacture and sale of Speciality Chemicals in the domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 (the "Act").

The financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except where otherwise indicated.

2.1. Basis of preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.2. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

(a) Sale of products

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable and is net of discounts, allowances, returns, goods and services tax / value added taxes / sales tax.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(b) Sale of Services

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services.

2.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4. Foreign currency transactions and translations

Transactions in foreign currencies are recognised at the exchange rates prevailing on the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Notes forming part of the financial statements for the year ended 31 March 2019

2.5. Taxation:

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax asset arising from unused tax losses or tax credits is recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.6. Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Freehold land is not depreciated. Depreciation on property, plant and equipment has been provided on the straight-line method.

The estimated useful life which is in line with Schedule II of the Act is set out herein below.

Type of asset	Useful Life
Buildings	5 to 60 years
Plant and Equipments	3 to 30 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 to 6 years
Office Equipments	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes forming part of the financial statements for the year ended 31 March 2019

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost.

Capital work-in-progress:

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and attributable interest, if applicable.

2.7. Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are tested at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's (CGU) carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of the future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset or the CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.8. Inventories

Inventories are measured at the lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

2.9. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, when there is:

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

Contingent assets

A contingent asset is neither recognised nor disclosed in the financial statements.

2.10. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, financial assets and financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss FVTPL) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised in the Statement of Profit and Loss.

Notes forming part of the financial statements for the year ended 31 March 2019

Financial assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. After initial recognition all financial assets (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as FVTPL or Fair Value through Other Comprehensive Income (FVTOCI).

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in the statement of profit or loss and is included in the "Other income" line item.

Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables and any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under IND AS 109.

Financial Liabilities and equity instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

Derecognition of Financial Assets and Liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts and principal swap to manage its exposure to foreign currency exchange rate risks. Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in the Statement of Profit and Loss.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Few of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

2.11. Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in IND AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents for the purposes of Cash Flow Statement comprises cash on hand and demand deposits with banks (with an original maturity of three months or less from the date of acquisitions).

Notes forming part of the financial statements for the year ended 31 March 2019

2.12. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The Company identifies secondary segment on the basis of geographical location of the customers.

2.13. Employee benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Indian Accounting Standard 19 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to profit or loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

2.14. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15. Earnings per share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with IND AS 33 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not effective

Ind AS 116, Leases : The Ministry of Corporate Affairs ('MCA') has notified the Ind AS 116, Leases which will be effective from 1 April 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures in relation to leases contracts and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements.

Amendment to Ind AS 12 'Income Taxes' : On 30 March 2019, the MCA has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1 April 2019. There is no impact of this amendment in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments : On 30 March 2019, the MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the effect of the above in the financial statements.

Notes forming part of the financial statements for the year ended 31 March 2019

Amendment to Ind AS 19 'Employee Benefits' : On 30 March 2019, the MCA has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with the accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment and settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1 April 2019. The Company is evaluating the effect of the above in the financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Key sources of estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2019 and 2018, there were no changes in useful lives of property plant and equipment.

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether the plant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

Impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Deferred tax

The management of the company estimates whether the company will earn sufficient taxable profits in future periods during which the temporary differences become deductible. The carrying amount of deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. There are certain obligations which management have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the financial statements.

Notes forming part of the financial statements for the year ended 31 March 2019

Note 5

Property, plant and equipment

₹ in Lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	As at 31 March 2019	As at 31 March 2019
Freehold Land	76.82	—	—	76.82	—	—	—	—	76.82
Buildings	1,541.99	—	—	1,541.99	142.59	71.55	—	214.14	1,327.85
Plant and Equipments	6,476.30	360.92	—	6,837.22	934.26	472.82	—	1,407.08	5,430.14
Furniture and Fixtures	0.04	—	—	0.04	0.01	0.01	—	0.02	0.02
Vehicle	—	14.00	—	14.00	—	0.26	—	0.26	13.74
Computers	149.02	6.70	—	155.72	99.18	39.24	—	138.42	17.30
Office Equipments	7.02	—	—	7.02	1.41	2.31	—	3.72	3.30
TOTAL	8,251.19	381.62	—	8,632.81	1,177.45	586.19	—	1,763.64	6,869.17

₹ in Lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018
Freehold Land	76.82	—	—	76.82	—	—	—	—	76.82
Buildings	1,442.79	100.04	0.84	1,541.99	69.99	72.72	0.12	142.59	1,399.40
Plant and Equipments	6,331.86	164.30	19.86	6,476.30	468.38	473.31	7.43	934.26	5,542.04
Furniture and Fixtures	0.05	—	0.01	0.04	—	0.01	—	0.01	0.03
Vehicle	2.50	—	2.50	—	0.71	0.70	1.41	—	—
Computers	126.60	22.42	—	149.02	50.83	48.35	—	99.18	49.84
Office Equipments	2.00	5.02	—	7.02	0.01	1.40	—	1.41	5.61
TOTAL	7,982.62	291.78	23.21	8,251.19	589.92	596.49	8.96	1,177.45	7,073.74

Note 6

Capital Work in progress

₹ in Lakhs

Description	Amount
Opening Balance as at 1 April 2017	307.86
Additions	287.57
Transfer	(291.78)
Closing Balance as at 31 March 2018	303.65
Additions	361.05
Transfer	(381.62)
Closing Balance as at 31 March 2019	283.08

Notes forming part of the financial statements for the year ended 31 March 2019

Note 7

Other non-current financial assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Security Deposits	32.76	34.33
Derivative asset	26.31	—
TOTAL	59.07	34.33

Note 8

Other non-current assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Balances with Government authorities		
— VAT refund receivable	306.40	326.96
— Revenue deposit receivable	14.01	11.80
— VAT paid under protest (Refer note 34)	13.50	13.50
— Duty Drawback receivable	3.06	38.05
Capital Advances	1.77	65.70
Advance income-tax [net of provision ₹ 188.89 Lakhs (2018 – ₹ 188.89 Lakhs)]	87.77	87.84
TOTAL	426.51	543.85

Note 9

Inventories (at lower of cost and net realisable value)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials [(includes Goods-in-Transit ₹ 71.45 Lakhs, (2018 – ₹ 101.02 Lakhs)]	1,344.35	1,518.19
Packing materials	78.18	61.55
Work-in-progress	78.90	189.00
Finished goods [(includes Goods-in-Transit ₹ 339.62 Lakhs, (2018 – ₹ 402.31 Lakhs)]	1,114.65	1,264.34
Stores and spares	140.04	101.85
TOTAL	2,756.12	3,134.93

Note: The mode of valuation has been stated in Note 2.8

Notes forming part of financial statements for the year ended 31 March 2019

Note 10

Trade Receivables

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Credit impaired	3.13	24.06
Considered Good	2,658.06	2,973.49
Less: Allowance for credit impaired trade receivables	(3.13)	(24.06)
	<u>2,658.06</u>	<u>2,973.49</u>
TOTAL	<u><u>2,658.06</u></u>	<u><u>2,973.49</u></u>

Note:

The average credit period on sale of goods is 60 days. No interest is charged on trade receivables. The above Trade Receivables include amount due from related parties of ₹ 367.20 Lakhs (2018 - ₹ 321.19 Lakhs).

For movement in allowance for credit impaired trade receivable refer Note no: 42

Note 11

Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with Banks		
— In current accounts	187.08	263.21
TOTAL	<u><u>187.08</u></u>	<u><u>263.21</u></u>

Note 12

Loans (Current)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered Good		
Loans to employees	19.74	20.28
TOTAL	<u><u>19.74</u></u>	<u><u>20.28</u></u>

Note 13

Other current assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Prepaid Expenses	25.26	19.08
Balance with government authorities		
— Goods and Service Tax	1,072.52	806.64
— Input/CENVAT credit receivable	180.54	106.32
Advances to suppliers of goods and services	242.81	400.83
Others	4.96	—
TOTAL	<u><u>1,526.09</u></u>	<u><u>1,332.87</u></u>

Notes forming part of financial statements for the year ended 31 March 2019

Note 14

Equity Share Capital

₹ in Lakhs

Particulars	As at	
	31 March 2019	31 March 2018
Authorised		
1,50,00,000 equity shares of ₹ 10/- each	1,500.00	1,500.00
50,00,000 7% Non Cumulative Redeemable Preference shares of ₹ 10/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, Subscribed and fully paid up		
73,53,060 (2018: 73,53,060) equity shares of ₹ 10/- each fully paid up	735.31	735.31
TOTAL	<u>735.31</u>	<u>735.31</u>

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period

₹ in Lakhs

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	73,53,060	735.31	73,53,060	735.31
Add : Fresh issue during the year	—	—	—	—
Closing balance	73,53,060	735.31	73,53,060	735.31

Details of shareholders holding more than 5% shares in the Company:

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Rhodia Amines Chemicals Pte. Limited (Holding Company)	45,85,196	62.36%	45,85,196	62.36%

Details of Equity Shares held by the Holding Company:

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Rhodia Amines Chemicals Pte. Limited (Holding Company)	45,85,196	62.36%	45,85,196	62.36%

Terms/Rights attached to equity shares

The Company has issued only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2019

Note 15

Other equity

₹ in Lakhs

Particulars	As at	As at
	31 March 2019	31 March 2018
Capital reserve	453.56	453.56
Securities premium	883.10	883.10
Retained earnings	(944.94)	(962.99)
TOTAL	391.72	373.67

(a) Capital reserve

Capital Reserves includes:

- ₹ 26.06 Lakhs of various capital incentive grants received from time to time from Government of Maharashtra on the basis of investments made in plant and machinery as backward area incentives.
- ₹ 427.50 Lakhs of reserves was created in an earlier year consequent to surrender of tenancy rights for redevelopment in exchange for office premises. The office premises have since been disposed off.

Both the capital reserves are not available for the distribution to shareholders as dividend.

(b) Securities premium

Security premium account is created when shares are issued at premium. Company can use this reserve in accordance with the provisions of the Act.

(c) Retained earnings

The amount that can be distributed by the company as dividends to its equity shareholders is determined considering the requirements of the Act. Thus, the amounts reported above may not be distributable in entirety.

Note 16

Borrowings (Non Current)

₹ in Lakhs

Particulars	As at	As at
	31 March 2019	31 March 2018
Unsecured loan – At amortised cost		
Deferred payment liabilities		
— Interest free sales tax loan 1993 scheme (Refer (i) below)	—	27.96
Loans and Advances from related party (Refer (ii) below & 22)	1,659.61	3,648.30
TOTAL	1,659.61	3,676.26

Particulars	Present Rate of Interest	Terms of Repayment
(i) Interest free sales tax loan 1993 scheme		Predetermined yearly installment repayable till 2021. Repaid during the year.
(ii) External Commercial Borrowing (ECB) taken from Solvay Finance Ireland a subsidiary of Solvay S.A. Belgium, the ultimate holding company	5.18% (2018: 4.95%)	5 years from the date of utilisation of respective drawdown, the maturity dates range from November 2018 to February 2020.

Note 17

Other financial liabilities (Non current)

₹ in Lakhs

Particulars	As at	As at
	31 March 2019	31 March 2018
Interest accrued but not due on borrowings	278.05	431.97
Derivative liability	—	289.02
TOTAL	278.05	720.99

Notes forming part of the financial statements for the year ended 31 March 2019

Note 18

Provisions (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Employee Benefits (Refer note 39):		
— Compensated absences	54.67	57.08
— Gratuity	—	33.16
TOTAL	54.67	90.24

Note 19

Deferred tax liabilities (net)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment	772.39	726.73
Deferred tax assets		
Disallowance under section 43(B) / 40(a) of Income tax Act, 1961	(33.51)	(14.27)
Others	(104.49)	—
Unabsorbed depreciation and unabsorbed business loss carried forward – restricted to the extent of deferred tax liability	(634.39)	(712.46)
TOTAL	—	—

* For deferred tax movement refer note 36

Note 20

Borrowings (Current)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Loans repayable on demand from banks		
— Overdraft facilities	1,701.11	—
— Working capital Demand Loan	—	535.00
Loans from related party (Refer note 38)	5,000.00	6,300.00
TOTAL	6,701.11	6,835.00

Notes forming part of the financial statements for the year ended 31 March 2019

Note 21

Trade Payables

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of Micro Enterprises and Small Enterprises	91.46	87.32
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,947.60	2,316.49
TOTAL	2,039.06	2,403.81

Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made. On the basis of the information and records available with the Management, the outstanding dues to the Suppliers as defined in MSMED are set out in the following disclosure:

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	91.46	87.32
Interest	0.83	0.82
(b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	461.96	305.08
Interest	—	—
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	11.55	6.85
(d) The amount of interest accrued and remaining unpaid at the end of the year	33.23	21.68
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	33.23	21.68

Note 22

Other financial liabilities (Current)

Particulars	₹ in Lakhs	
	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debts	2,215.41	497.26
Interest accrued but not due on borrowings	469.22	132.71
Other Payables		
— Payables on Capital Expenditure	98.92	11.96
— Employee benefits payable	76.29	87.39
TOTAL	2,859.84	729.32

Notes forming part of the financial statements for the year ended 31 March 2019

Note 23

Provisions (Current)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (Refer note 39):		
— Compensated absences	10.44	13.83
TOTAL	10.44	13.83

Note 24

Other current liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Other Payables		
— Statutory remittances (Contributions to Provident Fund, profession tax, withholding taxes, GST, ESIC, etc.)	28.03	19.50
— Advance from customers	1.14	66.21
— Others	25.94	16.21
TOTAL	55.11	101.92

Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2019

Note 25

Revenue from operations

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<u>Sale of products</u>		
— Finished goods (Speciality Chemicals)	18,741.11	18,329.93
<u>Sale of services</u>		
— Processing charges	191.96	170.19
<u>Other operating revenue</u>		
— Scrap sales	27.75	19.10
— Duty Drawback	8.08	7.15
TOTAL	18,968.90	18,526.37

Note:

Consequent to the introduction of Goods and Service Tax ("GST") with effect from 1 July 2017, Central Excise, Value Added Tax (VAT), etc. have been subsumed into GST. Accordingly, the figures for the period upto 30 June, 2017 in the previous year are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from Operations (A)	18,968.90	18,526.37
Excise Duty (B)	—	189.58
Revenue from Operations excluding Excise Duty (A-B)	18,968.90	18,336.79

Note 26

Other income

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<u>Interest income:</u>		
— On bank deposits	—	0.30
— From others	2.36	1.40
Liabilities / provisions no longer required written back	77.24	36.34
Net gain on foreign currency transactions and restatements	127.59	105.16
Allowance for credit impaired trade receivables written back	20.93	22.07
TOTAL	228.12	165.27

Notes forming part of the financial statements for the year ended 31 March 2019

Note 27

Cost of material consumed

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Raw materials consumed		
Opening stock of raw materials	1,518.19	773.42
Add: Purchases	12,021.83	12,700.42
Less: Closing stock of raw materials	(1,344.35)	(1,518.19)
Cost of raw materials consumed	<u>12,195.67</u>	<u>11,955.65</u>
(b) Packing materials consumed		
Opening stock of packing materials	61.55	58.74
Add: Purchases	747.56	772.08
Less: Closing stock of packing materials	(78.18)	(61.55)
Cost of packing material consumed	<u>730.93</u>	<u>769.27</u>
TOTAL	<u><u>12,926.60</u></u>	<u><u>12,724.92</u></u>

Note 28

Changes in inventories of finished goods and work-in-progress

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Work-in-progress		
Opening stock	189.00	70.63
Less: Closing stock	(78.90)	(189.00)
	<u>110.10</u>	<u>(118.37)</u>
(b) Finished goods		
Opening stock	1,264.34	1,242.90
Less: Closing stock	(1,114.65)	(1,264.34)
	<u>149.69</u>	<u>(21.44)</u>
TOTAL [Net Decrease / (Increase)]	<u><u>259.79</u></u>	<u><u>(139.81)</u></u>

Note 29

Excise Duty

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Excise Duty	—	189.58
TOTAL	<u><u>—</u></u>	<u><u>189.58</u></u>

Note 30

Employee benefits expense

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	564.28	620.49
Contribution to provident and other funds (refer note 38)	44.12	38.64
Staff welfare expenses	37.26	44.55
TOTAL	<u><u>645.66</u></u>	<u><u>703.68</u></u>

Notes forming part of the financial statements for the year ended 31 March 2019

Note 31

Finance Cost

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on bank overdraft and loans (other than those from related parties)	376.47	419.64
Interest on loans from related parties	690.39	547.21
Other borrowing costs	3.63	2.16
TOTAL	1,070.49	969.01

Note 32

Depreciation

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on Property, Plant and Equipment	586.19	596.49
TOTAL	586.19	596.49

Note 33

Other expenses

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spare parts	200.56	165.46
Power and fuel	799.80	718.57
Rent	58.07	51.82
Repairs and maintenance		
— Plant and machinery	143.02	132.86
— Others	9.84	11.12
Insurance	39.16	37.85
Rates and taxes	16.04	17.89
Loss on assets sold, discarded or written off	—	11.86
Sub-contract charges	452.34	454.28
Legal and professional fees	126.42	126.36
Service charges	652.25	544.25
Computer maintenance expense	104.56	112.94
Travelling and conveyance	39.95	42.84
Director's sitting fees	18.80	14.00
Payments to Auditors (Refer Note (i) below)	20.70	20.47
Freight and forwarding expenses	449.39	514.30
Effluent treatment charges	157.39	305.16
Miscellaneous Expenses	224.17	214.40
TOTAL	3,512.46	3,496.43

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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Notes (i):

Payment to Auditors include:

(net of input credit, where applicable)

To statutory auditors

— Statutory audit fees (including quarterly reviews)

— Reimbursement of expenses

	20.00	20.00
	0.70	0.47
	20.70	20.47

Notes forming part of the financial statements for the year ended 31 March 2019

Note 34

Contingent Liabilities and Commitments:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Contingent Liabilities		
Claims against the Company not acknowledged as debt:		
(a) Income Tax matters		
Demand notices issued by Income Tax Department for which the Company has preferred appeal	—	136.59
(b) Sales Tax Matters		
Demand notices issued by Sales Tax Department for which the Company has preferred appeal	1,244.08	1,244.08
(c) Bank guarantees	140.00	145.51
(d) In the financial year 2015-16, the Company had received a legal notice from a party alleging that the Company has been using their land (approximately 0.43 acres) for the past several years and has claimed mesne profit for it aggregating ₹ 1,166.40 lakhs. The Company had replied to the said notice calling upon the party to cancel / withdraw the notice since there was no merit in the matter raised by the party. During the financial year 2016-17, the party filed a suit in the district court against the Company relating to the same matter, without mentioning any amount and has requested the Court to grant appropriate relief to it. The management is of the view that there is no merit in the matter raised by the party and the Company has a strong case. Also, since the matter is subjudice, a sufficiently reliable estimate of the possible obligation is not determinable.		

Note:

- Future ultimate outflow of resources embodying economic benefits in respect of matters stated above is uncertain as it depends on the final outcome of judgments / decisions on the matters involved.
- Management considers that excise, service tax, sales tax and income tax demands received from the respective authorities and demand relating to land case are not tenable against the Company, and therefore no provision for these tax contingencies have been made.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have materially adverse effect on its financial statements.

Note 35

Capital Commitments

₹ in Lakhs

The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances) and not provided for relating to Tangible Assets.	81.23	20.02
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Note 36

Tax expense

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Amounts recognised in profit and loss		
Current income tax	—	30.86
Tax expense for the year	—	30.86
(b) Reconciliation of effective tax rate		
%		
Profit before tax	22.26	151.34
Tax using the Company's domestic tax rate (MAT rate)	20.59% (2018: 20.39%) 4.58	30.86
Reduction in tax on account of MAT adjustments	(4.58)	—
	—	30.86

Notes forming part of the financial statements for the year ended 31 March 2019

₹ in Lakhs

(c) Movement in deferred tax balances : 31 March 2019

	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred tax liability				
Property, plant and equipment	726.73	45.66	—	772.39
Employee Benefits	(14.27)	(19.24)	—	(33.51)
Others	—	(104.49)	—	(104.49)
Unabsorbed depreciation and tax losses – restricted to Deferred tax liability	(712.46)	78.07	—	(634.39)
Tax Assets/(Liabilities)	—	—	—	—

Movement in deferred tax balances : 31 March 2018

	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Deferred tax liability				
Property, plant and equipment	775.42	(48.69)	—	726.73
Employee Benefits	(12.69)	(1.58)	—	(14.27)
Others	(42.11)	42.11	—	—
Unabsorbed depreciation and tax losses - restricted to Deferred tax liability	(720.62)	8.16	—	(712.46)
Tax assets/(Liabilities)	—	—	—	—

Notes :

- (i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 37
Segment information
(a) General information

The Company is engaged in the business of specialty chemicals.

The Chief Operating Decision Maker (“CODM”) i. e. the Managing Director of the Company evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by operating segment “specialty chemicals” which is the only operating segment. Revenue arising from sale of products from one customer amounted to ₹ 2,154 Lakhs (31 March 2018: from one customer amounted to ₹ 1,898 Lakhs), which exceeds 10% of revenue from operations of the Company.

(b) Geographical segment information

₹ in Lakhs

Geographical Segment	Revenues for the year ended 31 March 2019	Segment assets as at 31 March 2019
India	11,205.37	14,040.40
	(10,748.57)	(14,545.34)
Others	7,991.65	744.52
	(7,943.07)	(1,135.01)

Figures in bracket are for the previous year ended 31 March 2018

Notes forming part of the financial statements for the year ended 31 March 2019

Note 38

Related Party Disclosures

Related Party Disclosures in accordance with the Indian Accounting Standard 24 — Related Party Disclosures" are given below:

(a) **Parties where Control exists:**

(i) **Ultimate Holding Company:**

Solvay S.A.

(ii) **Holding Company:**

Rhodia Amines Chemicals Pte Limited (holds 62.36% of the equity share capital in the Company)

(b) **Names of the related parties with whom the Company had transactions during the year:**

(i) **Fellow Subsidiaries:**

Solvay (China) Co. Ltd.

Solvay Specialty Chemicals Asia Pacific Pte. Ltd.

Rhodia Operations S.A.S.

Solvay Asia Pacific Co. Ltd.

Solvay Chemicals Korea Co. Ltd.

Solvay Specialties India Pvt. Ltd.

Solvay (Zhenjiang) Chemicals Co. Ltd.

Rhodia Specialty Chemicals India Private Limited (Formerly known as Rhodia Specialty Chemicals India Limited)

Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.

Solvay Solutions Italia S.p.A

Solvay CR S.R.O

Rhodia Poliamida E Especialidades S. A.

Rhodia Argentina S.A.

Solvay Istanbul Kimya TIC

Solvay Finance Ireland Unlimited

Note I: The above have been identified on the basis of the information available with the Company.

Note II: During FY 18-19, Rhodia Specialty Chemicals India Private Limited (Formerly known as Rhodia Specialty Chemicals India Limited) merged with Solvay Specialties India Pvt. Ltd.

(ii) **Key Management Personnel:**

Mr. Manoj Khullar	Managing Director
Mr. Chidananda Bhagwat, Head of Operations (upto 23 July 2018)	Executive Director
Mr. Srivatsa M K, Operation Manager (w.e.f. 19 July 2018)	Executive Director
Mr. R. L. Shenoy, Chairman of Board	Independent Director
Mr. Ajit Shah, Chairman of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee	Independent Director
Mrs. Aruna Soman	Independent Director
Mr. Sanjeev Mukherjee (upto 31 May 2017)	Independent Director
Mr. Satish Kelkar (upto 11 February 2019)	Non-executive Director
Mr. Amit Kumashi	Company Secretary
Mr. Rajeev Gupte (upto 14 September 2018)	Chief Financial Officer
Mr. Sandeep Kulkarni (w.e.f. 1 February 2019)	Chief Financial Officer

Notes forming part of the financial statements for the year ended 31 March 2019
(c) Transactions with the Related Parties:

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 1 March 2018
Fellow Subsidiaries		
(i) Sale of goods:		
Solvay (Zhenjiang) Chemicals Co. Ltd.	8.71	8.23
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	769.29	589.94
Solvay Chemicals Korea Co. Ltd.	9.33	12.66
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	580.79	431.50
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	236.02	82.33
Rhodia Operations S.A.S.	252.44	—
Rhodia Poliamida E Especialidades S. A.	1.21	0.24
	<u>1,857.79</u>	<u>1,124.90</u>
(ii) Purchase of Raw Materials:		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	54.06	163.77
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	134.07	367.45
Solvay Solutions Italia S.p.A	32.09	29.28
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	9.43	23.34
	<u>229.65</u>	<u>583.84</u>
(iii) Rendering of services:		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	26.77	9.53
(iv) Reimbursement of Expenses from:		
Solvay (China) Co. Ltd.	—	4.68
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	28.85	—
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	—	1.00
	<u>28.85</u>	<u>5.68</u>
(v) Receipt of services:		
(a) Service charges		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	652.25	544.58
(b) Computer maintenance		
Rhodia Operations S.A.S.	66.91	112.94
(c) Sales commission		
Rhodia Poliamida E Especialidades S. A.	2.68	0.77
Rhodia Argentina S.A.	0.18	—
Solvay Istanbul Kimya TIC	3.52	—
Solvay Chemicals Korea Co. Ltd.	45.28	38.09
	<u>770.82</u>	<u>696.38</u>
(vi) Inter corporate loan taken:		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	—	2,200.00
(vii) Inter corporate loan repaid:		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	1,300.00	—
(viii) Interest expense on inter-corporate loan taken:		
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	447.97	366.75
(ix) External Commercial Borrowings (ECB) repaid		
Solvay Finance Ireland Unlimited	446.95	—
(x) Interest expense on ECB loan taken:		
Solvay Finance Ireland Unlimited	242.42	180.46

Notes forming part of the financial statements for the year ended 31 March 2019

(d) Key management personnel compensation

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Short-term employee benefits		
Mr. Manoj Khullar	0.12	0.12
Mr. Chidananda Bhagwat	27.94	41.03
Mr. Srivatsa M. K.	25.77	—
Mr. Amit Kumashi	14.99	11.97
Mr. Rajeev Gupte	8.52	13.70
Mr. Sandeep Kulkarni	4.41	—
	<u>81.75</u>	<u>66.82</u>
(ii) Post-employment benefits		
Mr. Chidananda Bhagwat	0.50	2.50
Mr. Srivatsa M. K.	1.28	—
Mr. Amit Kumashi	1.39	0.47
Mr. Rajeev Gupte	0.24	0.91
Mr. Sandeep Kulkarni	7.92	—
	<u>11.33</u>	<u>3.88</u>
(iii) Directors Sitting Fees		
Mr. R. L. Shenoy	4.80	4.00
Mr. Ajit Shah	5.60	4.40
Mrs. Aruna Soman	5.20	2.00
Mr. Sanjeev Mukherjee	—	1.20
Mr. Satish Kelkar	3.20	2.40
	<u>18.80</u>	<u>14.00</u>

(e) Balances outstanding as at year end

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
(i) Amount Payable:		
Rhodia Operations S.A.S.	98.65	155.64
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	41.23	241.34
Solvay Specialties India Pvt. Ltd. (Refer Note II above)	35.62	75.12
Rhodia Poliamida E Especialidades S. A.	3.58	0.79
Solvay (Zhenjiang) Chemicals Co. Ltd.	0.59	—
Rhodia Argentina S.A.	0.18	—
Solvay Istanbul Kimya TIC	1.82	—
Solvay Chemicals Korea Co. Ltd.	80.69	38.73
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	9.14	—
Solvay Solutions Italia S.p.A	32.09	—
	<u>303.59</u>	<u>511.62</u>

Notes forming part of the financial statements for the year ended 31 March 2019

(e) Balances outstanding as at year end (contd.)		₹ in Lakhs	
		As at 31 March 2019	As at 31 March 2018
(ii) Amount Receivable:			
Solvay Chemicals Korea Co. Ltd.		9.18	—
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.		82.72	76.20
Solvay Specialties India Pvt. Ltd. (Refer Note II above)		220.03	211.24
Solvay (Zhenjiang) Chemicals Co. Ltd.		—	—
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.		6.25	28.75
Solvay (China) Co. Ltd.		—	5.00
Rhodia Operations S.A.S.		49.02	—
		<u>367.20</u>	<u>321.19</u>
(iii) Loan Outstanding:			
Solvay Specialties India Pvt. Ltd. (Refer Note II above)		5,065.65	6,364.46
(includes interest accrued but not due of ₹ 65.65 lakhs (2018 – ₹ 64.46 Lakhs))			
Solvay Finance Ireland Unlimited		4,556.64	4,765.98
(includes interest accrued but not due of ₹ 681.62 lakhs (2018 – ₹ 500.22 Lakhs))			
		<u>9,622.29</u>	<u>11,130.44</u>
(iv) Finance Gaurantee provided by:			
Solvay SA		5,500.00	5,500.00
(f) No amounts have been written off / provided for or written back in respect of amounts receivable from or payable to the related parties.			

Note 39

Details of Employee Benefits as required by the Indian Accounting Standard (Ind AS) 19 “Employee Benefits” are as follows:

1 Defined contribution plan:

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the current year, the Company recognised ₹ 23.17 Lakhs (Year ended 31 March 2018 ₹ 26.19 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

2 Defined Benefit Plan (Funded)

(a) A general description of the Employees Benefit Plan:

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees.

The plan provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of the employment. Gratuity is calculated in accordance with the provisions of the Payment of Gratuity Act, 1972. Vesting occurs upon the completion of five years of service or on death.

(b) The Plan exposes the Company to the following risks:

Investment risk	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net defined benefit obligation will increase the value of the liability.
Interest risk	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability.
Longevity risk	The company has used certain mortality and attrition assumptions in the valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes forming part of the financial statements for the year ended 31 March 2019

(c) **Details of defined benefit plan - as per Actuarial Valuation:**

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gratuity:		
1. Change in present value obligation:		
Present value of defined benefit obligation at the beginning of the year	144.21	132.82
Current Service Cost	9.75	10.28
Interest Cost	10.22	8.64
Actuarial (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumption	0.01	—
Actuarial (gains)/losses arising from changes in financial assumption	—	(6.61)
Actuarial (gains)/losses arising from changes in experience adjustment	6.17	1.92
Past Service Cost	—	0.74
Benefits Paid	(60.14)	(3.58)
Liabilities assumed/(settled)	6.65	—
Present value of defined benefit obligation at the end of the year	<u>116.87</u>	<u>144.21</u>
2. Changes in Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	111.05	106.78
Expected Return on Plan Assets	6.32	7.88
Actuarial (gains)/losses	1.98	(0.02)
Employer's Contributions	62.62	—
Benefits Paid	(60.14)	(3.59)
Fair value of plan assets at the end of the year	<u>121.83</u>	<u>111.05</u>
3. Net Benefit (Asset)/Liability		
Present value of funded defined benefit obligation	116.87	144.21
Fair value of plan assets	121.83	111.05
Net Benefit (Asset)/Liability	<u>(4.96)</u>	<u>33.16</u>
4. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	9.75	10.28
Past Service Cost	—	0.75
Interest cost on benefit obligation (net)	3.89	0.76
Liabilities assumed/(settled)	6.65	—
Total Expenses recognised in the Statement of Profit and Loss	<u>20.29</u>	<u>11.79</u>
5. Remeasurement Effects Recognised in Other Comprehensive Income		
Actuarial (gains)/losses arising from changes in demographic assumption	0.01	—
Actuarial (gains)/losses arising from changes in financial assumption	—	(6.61)
Actuarial (gains)/losses arising from changes in experience adjustment	6.17	1.92
Return on plan asset	(1.98)	0.02
Recognised in Other Comprehensive Income	<u>4.20</u>	<u>(4.67)</u>
6. Actuarial Assumptions		
Discount Rate	7.55%	7.55%
Salary Escalation Rate	8.00%	8.00%
Retirement age	60	60
Attrition:		
21 - 44 years	12.00%	12.00%
45 years & above	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
7. Estimated amounts of contribution in the immediate next year	20.00	20.00

Notes forming part of the financial statements for the year ended 31 March 2019

8. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
9. The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

	For the year ended 31 March 2019	For the year ended 31 March 2018
10. The major categories of Plan Assets as a percentage of the total plan assets		
Insurer managed funds	100%	100%

11. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Amount ₹ in Lakhs	%	Amount ₹ in Lakhs	%
(i) Discount rate (25 basis point)				
Increase	(2.40)	(2.05%)	(2.39)	(1.66%)
Decrease	2.48	2.12%	2.48	1.72%
(ii) Future salary escalation rate (25 basis point)				
Increase	2.46	2.11%	2.47	1.71%
Decrease	(2.39)	(2.05%)	(2.39)	(1.66%)

The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

12. Defined benefit obligation - Average duration

The weighted average duration of the defined benefit obligation is 8.35 years (31 March 2018: 6.76 years).

13. Other long term employee benefits

Compensated absences are payable to employees. The charge towards compensated absences for the year ended 31 March 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 5.91 lakhs (31 March 2018: ₹ 3.03 lakhs).

Note 40

Earnings Per Equity Share

		For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Weighted average number of equity shares outstanding as at the Balance Sheet date	Nos.	73,53,060	73,53,060
(b) Nominal value of share	₹	10	10
(c) Net Profit attributable to equity shareholders	₹ in Lakhs	22.26	120.48
(d) Earnings per share (basic and diluted)	₹	0.30	1.64

Notes forming part of the financial statements for the year ended 31 March 2019

Note 41

Exceptional item

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 31 March 2018
The Company, to improve the efficiency in operations, offered Voluntary Retirement Scheme ("Scheme") to all eligible employees. Few employees have availed the benefit of the scheme during the current year. The total impact on account of the payment under the scheme is shown as an exceptional item in the statement of profit and loss.	173.57	—

Note 42

Financial instruments

(A) Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company is not subject to any externally imposed capital requirements.

(B) Categories of financial instruments

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL):		
(a) Other financial assets - Derivative Asset	26.31	—
Measured at amortised cost :		
(a) Trade receivables	2,658.06	2,973.49
(b) Cash and cash equivalents	187.08	263.21
(c) Loans	19.74	20.28
(d) Other financial assets	32.76	34.33
Financial liabilities		
Measured at fair value through profit or loss (FVTPL):		
(a) Other financial liabilities – Derivative Liability	—	289.02
Measured at amortised cost		
(a) Borrowings	11,323.40	11,573.20
(b) Trade payables	2,039.06	2,403.81
(c) Other financial liabilities	175.21	99.35

(C) Fair value measurements

This note provides information about how the group determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Notes forming part of the financial statements for the year ended 31 March 2019

₹ in Lakhs

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how their fair values are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets and Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 March 2019	31 March 2018		
Derivative Assets – Principal Swap	26.31	—	Level 2	The fair value is determined using quotes from Banks and financial institutions with whom the Company contracts.
Derivative Liabilities – Principal Swap	—	289.02		

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company is of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(D) Financial risk management objectives

The Company's principal financial liabilities comprise borrowings, trade payables, other financial liabilities (including derivative liability). The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables and cash that are derived directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

ii. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Neither past due nor impaired	2,367.42	2,600.33
Past due but not impaired		
Past due 1–90 days	275.44	309.95
Past due 91–180 days	7.39	55.12
Past due more than 180 days	7.81	8.09
	<u>2,658.06</u>	<u>2,973.49</u>

Notes forming part of the financial statements for the year ended 31 March 2019

Expected credit loss assessment for customers as at 31 March 2018 and 31 March 2019

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at 31 March 2019 related to customers who have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	₹ in Lakhs
Balance as at 1 April 2017	46.13
Impairment loss recognised	—
Amounts written back	(22.07)
Balance as at 31 March 2018	24.06
Impairment loss recognised	—
Amounts written back	(20.93)
Balance as at 31 March 2019	3.13

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 187.08 lakhs as at 31 March 2019. (₹ 263.21 lakhs as at 31 March 2018).

Derivatives

The derivatives are entered into principal only swap with credit worthy banks and financial institution counterparties.

The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Other than trade and other receivables, the Company has no other financial assets that are past due and impaired.

(E) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has access to funds from group companies in the form of long/short term borrowings and external commercial borrowings. The company also has various working capital facilities from banks.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities

* Derivative financial instruments for which the contractual maturities are essential for understanding the timing of the cash flows.

As at 31 March 2019	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
₹ in Lakhs						
Non-derivative financial liabilities						
Borrowings	11,323.40	11,174.34	9,300.52	1,873.82	—	—
Trade and other payables	2,039.06	2,039.06	2,039.06	—	—	—
Other financial liabilities	175.21	175.21	175.21	—	—	—
Derivative financial liabilities						
Principal swap						
Inflow	—	—	—	—	—	—
Outflow	—	—	—	—	—	—

Notes forming part of the financial statements for the year ended 31 March 2019

₹ in Lakhs

As at 31 March 2018	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	11,573.20	11,949.19	7,763.31	2,408.00	1,777.88	—
Trade and other payables	2,403.81	2,403.81	2,403.81	—	—	—
Other financial liabilities	99.35	99.35	99.35	—	—	—
Derivative financial liabilities						
Principal swap						
Inflow	—	4,084.94	437.64	2,085.79	1,562.51	—
Outflow	289.02	4,172.91	446.95	2,130.18	1,595.77	—

Financing facilities

₹ in Lakhs

Particulars	As at	
	31 March 2019	31 March 2018
Unsecured bank overdraft facility, reviewed annually and payable at call:		
— amount used	1,701.11	—
— amount unused	2,798.89	4,500.00
	<u>4,500.00</u>	<u>4,500.00</u>

(F) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar and Euro, against the respective functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange derivative instruments primarily to hedge foreign exchange exposure. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

₹ in Lakhs

Particulars	31 March 2019		31 March 2018	
	FC	INR	FC	INR
Borrowings				
External Commercial Borrowings (ECB)				
USD	55,93,683	3,875.02	62,64,683	4,085.94
Interest accrued but not due on ECB				
USD	9,83,932	681.62	7,66,961	500.22

Notes forming part of the financial statements for the year ended 31 March 2019

₹ in Lakhs

Particulars	31 March 2019		31 March 2018	
	FC	INR	FC	INR
Trade receivables				
EUR	3,37,086	264.58	7,38,721	576.39
USD	10,37,232	722.44	15,14,791	964.02
Trade payables				
EUR	1,05,289	79.61	1,01,117	76.23
USD	7,98,954	555.52	3,40,619	219.73
Net statement of financial position exposure				
EUR	(2,31,797)	(184.97)	(6,37,604)	(500.16)
USD	63,39,337	4,389.71	58,57,472	3,841.87
Principal swap				
USD (@closing rate)	55,93,683	3,875.02	62,64,683	4,085.93
Net exposure				
EUR	(2,31,797)	(184.97)	(6,37,604)	(500.16)
USD	7,45,654	514.69	(4,07,211)	(244.06)

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

₹ in Lakhs

Effect	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
EUR	18.50	(18.50)	18.50	(18.50)
USD	(51.47)	51.47	(51.47)	51.47
31 March 2018				
EUR	50.02	(50.02)	50.02	(50.02)
USD	24.41	(24.41)	24.41	(24.41)

(Note: The impact is indicated on the profit/loss and equity before tax basis)

(G) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to variable rate borrowings from related party.

₹ in Lakhs

Particulars	Nominal amount	
	31 March 2019	31 March 2018
Borrowings		
Fixed rate borrowings	6,766.76	6,987.19
Variable rate borrowings	4,556.64	4,586.01
	<u>11,323.40</u>	<u>11,573.20</u>

Notes forming part of the financial statements for the year ended 31 March 2019

Interest rate sensitivity – fixed rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity – variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

(₹ in Lakhs)	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
As at 31 March 2019				
ECB	(45.57)	45.57	(45.57)	45.57
	—	—	—	—
Sensitivity (net)	(45.57)	45.57	(45.57)	45.57
As at 31 March 2018				
ECB	(45.86)	45.86	(45.86)	45.86
	—	—	—	—
Sensitivity (net)	(45.86)	45.86	(45.86)	45.86

(Note: The impact is indicated on the profit/loss and equity before tax basis)

Note 43

Approval of financial statements

The financial statements were approved for issue by the board of directors on 27 May 2019.

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

R. L. Shenoy
Chairman
(DIN 00074761)

Ajit Shah
Director
(DIN 02396765)

Srivatsa M. K.
Director
(DIN 08178041)

Sandeep Kulkarni
Chief Financial Officer

Amit Kumashi
Company Secretary

Place : Mumbai
Date : 27 May, 2019



SUNSHIELD CHEMICALS LIMITED

Regd. Office: Equinox Business Park, Tower-4, 9th Floor, unit-903, LBS Marg, Kurla (West), Mumbai-400 070.

Corporate Identification No. (CIN) : L99999MH1986PLC041612

Phone: 91-22-66637101 • Fax: 91-22-24952834

E-mail: investor.sunshield@solvay.com • Website: www.solvayindia.in

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

I/We hereby record my/our presence at the 32nd ANNUAL GENERAL MEETING of the Company at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021, at 11.00 a.m on Saturday, the 21st September 2019.

Folio No. : _____ / DP ID No.* : _____ & Client ID No.* : _____

Full Name of the Member (in BLOCK LETTERS) _____

No of Shares held _____

Full Name of Proxy (in BLOCK LETTERS) _____

SIGNATURES OF THE MEMBER(S) OR PROXY / PROXIES PRESENT _____

Please complete and sign this attendance slip and hand over the same at the entrance of the meeting hall. Only member(s) or their proxies with this attendance slip will be allowed entry to the meeting.

* Applicable for investors holding shares in electronic form.

Note:

Please refer to the instructions printed under the Notes to the Notice of the 32nd Annual General Meeting. The voting period starts from 9.00 am on Wednesday, the 18th September 2019 and ends at 5.00 pm on Friday, the 20th September 2019. The voting portal shall be disabled by CDSL for voting thereafter.

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SUNSHIELD CHEMICALS LIMITED

Regd. Office: Equinox Business Park, Tower-4, 9th Floor, unit-903, LBS Marg, Kurla (West), Mumbai-400 070.

Corporate Identification No. (CIN) : L99999MH1986PLC041612

Phone: 91-22-66637101 • Fax: 91-22-24952834

E-mail: investor.sunshield@solvay.com • Website: www.solvayindia.in

PROXY FORM

Name of the member(s) :

Registered address :

E-mail ID :

Folio No./Client ID :

DP ID :

I/We, being the member(s) of _____ shares of the Sunshield Chemicals Limited, hereby appoint:

1. Name: _____ E-mail ID: _____

Address: _____

Signature: , or failing him

2. Name: _____ E-mail ID: _____

Address: _____

Signature: , or failing him

3. Name: _____ E-mail ID: _____

Address: _____

Signature:

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held on Saturday, the 21st September 2019, at 11.00 a.m. at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai-400 021, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

1. Adoption of financial statement for the year ended 31st March, 2019, together with Auditors' Report and Directors' Report
2. Reappointment of Mr. Boon Tong Koh as Director, who retires by rotation
3. Reappointment of M/s. Deloitte Haskins & LLP as Statutory Auditors for a term of five years

Special Business :

4. Appointment of Mr. Lim Kim Swee as Director of the Company
5. Approval of remuneration of Cost Auditors
6. Reappointment of Mr. R L Shenoy as an Independent Director of the Company
7. Increasing the borrowing limits



Signed this _____ day of _____ 2019.

Signature across the stamp

Signature of the Shareholder

Signature of Proxy holder(s)

- Notes:
1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Equinox Business Park, Tower-4, 9th Floor, unit-903, LBS Marg, Kurla (West), Mumbai-400 070, not less than 48 hours before the commencement of the Meeting.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 32nd Annual General Meeting.

If undelivered, please return to :

Sunshield Chemicals Limited

Equinox Business Park

Tower-4, 9th Floor, unit-903

LBS Marg, Kurla (West)

Mumbai-400 070.