



30th June 2021

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sirs,

Re : **Scrip Code No.530845**

Sub: **Outcome of the Board Meeting in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015**

The Board of Directors at its Meeting held on 30th June 2021 has approved and have taken on record the Audited Financial Results of the Company for year ended 31st March 2021 as recommended by Audit Committee.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, please find enclosed the following:

1. Audited Financial Results of the Company for year ended 31st March 2021;
2. Auditors Report on Audited Financial Results

The Auditors of the Company viz., M/ s. Deloitte Haskins & Sells LLP have given unmodified audit report with respect to the Audited Financials Results for the quarter / year ended 31st March 2021.

The Board of Directors at their meeting have considered and approved following:

1. Reappointment of Mr. Manoj Khullar (DIN-06415392) as Managing Director for a period of three years with effect from 1st July 2021 till 30th June 2024.
2. Reappointment of Mrs. Aruna Soman (DIN-03622209) as an Independent Director for the second term of five years effective from 1st June 2022, subject to approval of the Members at ensuing Annual General Meeting (AGM) of the Company.
3. Appointment of Mr. Ronald Alan Lehman (DIN: 09186872) as an Additional Director with effect from 1st July 2021.

The Board Meeting started at 11.45 a.m. and concluded at 1.50 p.m.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For **SUNSHIELD CHEMICALS LIMITED**


Amit Kumashi
Company Secretary

SUNSHIELD CHEMICALS LIMITED (SOLVAY GROUP)

Regd. Office: Equinox Business Park, Tower-4 9th Floor, unit no. 903, LBS Marg, Kurla (West), Mumbai 400070 Tel. : 022-66637100 Fax.: 022-24952834
Corporate Identity Number:L99999MH1986PLC041612

SUNSHIELD CHEMICALS LIMITED

Regd. Office: Equinox Business Park, Tower - 4, 9th floor - Unit No. 903, LBS Marg, Kurla West, Mumbai-400 070.

Corporate Identity Number : L99999MH1986PLC041612

Phone No.66637100 Fax No.24952834

E Mail : investor.sunshield@solvay.com Website : www.solvayindia.in/en/solvay-in/sunshield-chemical-limited.html

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

Rs. In Lakhs (Except earnings per share)

Sr. No.	Particulars	Three months ended	Previous three months ended	Corresponding three months ended	For the year ended	For the year ended
		31 Mar 2021	31 Dec 2020	31 Mar 2020	31 Mar 2021	31 Mar 2020
		(Unaudited) Refer Note 3 below	Unaudited	(Unaudited) Refer Note 3 below	Audited	Audited
I.	Revenue from operations	5,170	5,397	4,479	19,865	18,108
II.	Other income	14	8	56	26	124
III.	Total Income (I + II)	5,184	5,405	4,535	19,891	18,232
IV.	Expenses					
	(a) Cost of materials consumed	3,512	3,034	3,195	12,475	12,298
	(b) Changes in inventories of finished goods and work-in-progress	(198)	453	(302)	171	(174)
	(c) Employee benefits expense	198	195	173	756	659
	(d) Finance costs	142	179	247	737	1,000
	(e) Depreciation	142	146	167	580	609
	(f) Other expenses	919	854	901	3,510	3,617
	Total expenses	4,716	4,861	4,381	18,229	18,009
V.	Profit before exceptional item and tax (III - IV)	468	544	154	1,662	223
VI.	Exceptional item (Refer Note 2)	-	-	14	-	104
VII.	Profit before tax (V - VI)	468	544	140	1,662	119
VIII.	Tax expense: (Refer note 9)					
	Current tax	94	89	14	288	14
	Deferred tax	44	61	41	(44)	41
IX.	Profit for the period/year (VII - VIII)	330	394	85	1,418	64
X.	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment benefit obligation	30	(4)	(10)	18	(13)
	Income tax related to items that will not be reclassified to profit or loss	(8)	1	4	(5)	4
XI.	Total Comprehensive Income for the period/year (IX + X)	352	391	79	1,431	55
XII.	Equity Paid-up Share Capital (face value of Rs.10/- each)	735	735	735	735	735
XIII.	Other Equity excluding revaluation reserve (as per last audited balance sheet)				1,879	447
XIV.	Earnings per equity share (in Rs.) (* not annualized)					
	Basic & Diluted - Rs.	4.49*	5.36*	1.16*	19.29	0.88

Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at	As at
	31 March 2021	31 March 2020
	Audited	Audited
I ASSETS		
1 Non current Assets		
(a) Property, plant and equipment	6,627	7,124
(b) Capital work in progress	128	-
(c) Financial assets		
i. Other financial assets	33	33
(d) Deferred tax asset (net)	1	-
(e) Other non current assets	386	335
Total non current assets	7,175	7,492
2 Current Assets		
(a) Inventories	2,609	2,872
(b) Financial Assets		
i. Trade receivables	2,868	2,824
ii. Cash and cash equivalents	297	105
iii. Bank balance other than (ii) above	60	-
iv. Loans	11	16
(c) Other current assets	789	1,381
Total current assets	6,634	7,198
TOTAL ASSETS	13,809	14,690
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	735	735
(b) Other equity	1,879	447
Total Equity	2,614	1,182
2 Non-Current Liabilities		
(a) Financial liabilities		
i. Borrowings	5,000	5,000
(b) Provisions	67	62
(c) Deferred tax liabilities (net)	-	38
Total non current liabilities	5,067	5,100
3 Current liabilities		
(a) Financial liabilities		
i. Borrowings	3,780	5,935
ii. Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	135	97
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,939	2,134
iii. Other financial liabilities	115	120
(b) Provisions	84	19
(c) Other current liabilities	75	103
Total current liabilities	6,128	8,408
TOTAL LIABILITIES	11,195	13,508
TOTAL EQUITY AND LIABILITIES	13,809	14,690

Statement of Cash Flows:

Particulars	For the year ended	
	31 March 2021 (Audited)	31 March 2020 (Audited)
Cash flow from operating activities		
Profit before tax after exceptional item	1,662	119
Adjustments :		
Depreciation Expense	580	609
Liabilities / provisions no longer required written back	(13)	(37)
Loss on property, plant and equipment sold or written off	97	-
Finance cost	736	1,000
Provision for doubtful trade receivables (net of recoveries)	7	3
Unrealized foreign exchange gain (net)	(14)	(104)
Operating profit before changes in working capital	3,056	1,590
Adjustments for (increase) / decrease in working capital		
Trade receivables	(39)	(86)
Inventories	263	(116)
Other assets	546	263
Trade payables	(142)	251
Other liabilities	(26)	49
Provisions	25	(5)
Cash generated from operations	3,683	1,946
Income Tax paid	(224)	(2)
A. Net cash flows from operating activities	3,459	1,944
Cash flow from investing activities		
Payments for property, plant and equipment	(383)	(675)
Proceeds from disposal of property, plant and equipment	75	-
Investment in fixed deposits with bank (under lien)	(60)	-
B. Net cash (used in) investing activities	(368)	(675)
Cash flow from financing activities		
Interest paid	(743)	(1,710)
Borrowing Taken	1,500	-
Repayment of Borrowings	(1,500)	(675)
C. Net cash flows (used in) financing activities	(743)	(2,385)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,347	(1,116)
Cash and cash equivalents at the beginning of the year	(2,630)	(1,514)
Cash and cash equivalents at the end of the year	(283)	(2,630)
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	297	105
Bank overdrafts	(580)	(2,735)
Cash and Cash equivalents as per statement of cash flows	(283)	(2,630)

Notes

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30 June 2021. The financial results for the year ended 31 March 2021 have been audited and for the quarter ended 31 March 2021 have been reviewed by the statutory auditors of the Company and they have expressed an unmodified opinion / review conclusion thereon.
- The Company, to improve the efficiency in operations, offered Voluntary Retirement Scheme ("Scheme") to all eligible people in Financial Year 2019-20. The total impact on account of the payment under the scheme was shown as an exceptional item in the financial results.

- 3 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year.
- 4 The statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- 5 The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Speciality Chemicals. Accordingly, no separate disclosures of segment information have been made.
- 6 Pursuant to the Taxation Law (Amendment) Ordinance 2019 ('Ordinance') issued by the Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 01 April 2019, domestic companies have an option to pay corporate income tax at 22% plus applicable surcharge and cess subject to certain conditions. The company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated brought forward losses and MAT credit.
- 7 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventories, receivables and other assets. In assessing the recoverability of the assets, the Company has considered internal and external sources of information, available as at the date of approval of these financial results, including subsequent recoveries, credit risk profile, macroeconomic forecasts, latest selling prices of products, orders on hand, margins etc. Based on the above assessment, the Company is of the view that the carrying amounts of the assets will be realised. The impact of COVID-19 on the Company's financial results may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments.
- 8 The Indian Parliament has approved the code on Social Security, 2020 and rules thereunder relating to employee compensation and post employee benefits including Provident Fund, Gratuity and other benefits. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 9 In the absence of evidence of sustainable probable taxable profits, the company had not recognized the deferred tax for MAT credit entitlement till previous year on grounds of conservatism. Owing to the turnaround achieved by the Company in the current year, the company has assessed that the MAT Credit entitlement and usage of the deferred tax asset would be recoverable.
Accordingly, Tax expense includes MAT credit entitlement recognized during the year (including for earlier years) as under:
 - Current quarter ended 31 March 2021 Rs. 91 lakhs (including Rs. nil for earlier years);
 - Previous quarter ended 31 December 2020 Rs. 89 lakhs (including Rs. nil for earlier years);
 - Year ended 31 March 2021 Rs. 511 lakhs (including Rs. Rs. 225 lakhs relating to earlier years).
- 10 On account of product rationalisation activities of the Company, certain products manufactured by it along with Technology, Specifications, Brand names and Customer contracts were transferred to another company (Solvay Specialities India Private Limited) subsequent to 31 March 2021 for a consideration of Rs 17.82 crores.

For SUNSHIELD CHEMICALS LIMITED

MANOJ KHULLAR
Digitally signed by
MANOJ KHULLAR
Date: 2021.06.30
14:01:09 +05'30'

Manoj Khullar
Managing Director
DIN NO : 06415392

Mumbai, 30 June 2021

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SUNSHIELD CHEMICALS LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2021 and (b) reviewed the Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2021" of **Sunshield Chemicals Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2021:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2021

With respect to the Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte Haskins & Sells LLP

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2021 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

Deloitte Haskins & Sells LLP

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 Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Financial Results.

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.

Deloitte Haskins & Sells LLP

(b) Review of the Financial Results for the quarter ended March 31, 2021

We conducted our review of the Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Rakesh Sharma

Partner

(Membership No. 102042)

(UDIN: 21102042AAAABG2015)

Place: Mumbai

Date: 30 June 2021