



29th June 2020

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

Ref.: scrip code: 530845

Sir,

Sub.: Outcome of Board Meeting

The Board of Directors at its Meeting held on 29th June 2020 has approved and have taken on record the Audited Financial Results of the Company for year ended 31st March 2020 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 2020;
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 2020.

The Board Meeting started at 11.35 a.m. and concluded at 12.40 p.m.

Kindly acknowledge the receipt.

Thanking you,
Yours faithfully,
For Sunshield Chemicals Limited

Sd/-

Amit Kumashi
Company Secretary
Cell no. +91-8879519603

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

www.solvay.com

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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

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 2020	31 Dec 2019	31 Mar 2019	31 Mar 2020	31 Mar 2019
		Refer Note 3 below	Unaudited	Refer Note 3 below	Audited	Audited
I.	Revenue from operations	4,479	4,177	4,799	18,108	18,969
II.	Other income	56	7	30	124	228
III.	Total Income (I + II)	4,535	4,184	4,829	18,232	19,197
IV.	Expenses					
	(a) Cost of materials consumed	3,195	2,665	2,985	12,298	12,927
	(b) Changes in inventories of finished goods and work-in-progress	(302)	177	203	(174)	260
	(c) Employee benefits expense	173	162	141	659	646
	(d) Finance costs	247	232	277	1,000	1,070
	(e) Depreciation and amortisation expense	167	155	144	609	586
	(f) Other expenses	901	837	796	3,617	3,512
	Total expenses	4,381	4,228	4,546	18,009	19,001
V.	Profit / (Loss) before exceptional item and tax (III - IV)	154	(44)	283	223	196
VI.	Exceptional item (Refer Note 2)	14	73	37	104	174
VII.	(Loss) / Profit before tax (V - VI)	140	(117)	246	119	22
VIII.	Tax expense:					
	Current tax	14	(5)	-	14	-
	Deferred tax	41	-	-	41	-
IX.	(Loss) / Profit for the period (VII - VIII)	85	(112)	246	64	22
X.	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment benefit obligation	(10)	(1)	(8)	(13)	(4)
	Income tax related to items that will not be reclassified to profit or loss	4	-	-	4	-
XI.	Total Comprehensive Income for the period (IX + X)	79	(113)	238	55	18
XII.	Equity Share Capital (face value of Rs.10/- each)				735	735
XIII.	Other Equity excluding revaluation reserve (as per last audited balance sheet)				447	392
XIV.	Earnings per equity share (in Rs.) (not annualized for quarter)					
	Basic & Diluted - Rs.	1.16	(1.53)	3.36	0.88	0.30

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Audited Balance Sheet
Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at	As at
	31 March 2020	31 March 2019
	Audited	Audited
I ASSETS		
1 Non current Assets		
(a) Property, plant and equipment	7,124	6,869
(b) Capital work in progress	-	283
(c) Financial assets		
i. Other financial assets	33	59
(d) Other non current assets	335	427
Total non current assets	7,492	7,638
2 Current Assets		
(a) Inventories	2,872	2,756
(b) Financial Assets		
i. Trade receivables	2,824	2,658
ii. Cash and cash equivalents	105	187
iii. Loans	16	20
(c) Other current assets	1,381	1,526
Total current assets	7,198	7,147
TOTAL ASSETS	14,690	14,785
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	735	735
(b) Other equity	447	392
Total Equity	1,182	1,127
2 Non-Current Liabilities		
(a) Financial liabilities		
i. Borrowings	5,000	1,660
ii. Other financial liabilities	-	278
(b) Provisions	62	55
(c) Deferred tax liabilities (net)	38	-
Total non current liabilities	5,100	1,993
3 Current liabilities		
(a) Financial liabilities		
i. Borrowings	5,935	6,701
ii. Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	97	91
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,134	1,948
iii. Other financial liabilities	120	2,860
(b) Provisions	19	10
(c) Other current liabilities	103	55
Total current liabilities	8,408	11,665
TOTAL LIABILITIES	13,508	13,658
TOTAL EQUITY AND LIABILITIES	14,690	14,785



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Statement of Cash Flows:

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	119	22
Profit before tax		
Adjustments :		
Depreciation Expense	609	586
Liabilities / provisions no longer required written back	(37)	(77)
Finance cost	1,000	1,070
Allowance for credit impaired trade receivables written back	-	(21)
Provision for doubtful trade receivables (net of recoveries)	3	-
Unrealized foreign exchange gain (net)	(105)	3
Operating profit before changes in working capital	1,590	1,584
Adjustments for (increase) / decrease in working capital		
Trade receivables	(86)	330
Inventories	(116)	379
Other assets	263	(164)
Trade payables	251	(284)
Other liabilities	49	(347)
Provisions	(5)	(43)
Cash generated from operations	1,946	1,455
Income Tax refund/(paid)	(2)	0
Net cash flows from operating activities	1,944	1,455
Cash flow from investing activities		
Payments for property, plant and equipment	(675)	(210)
Net cash used in investing activities	(675)	(210)
Cash flow from financing activities		
Interest paid	(1,710)	(888)
Repayment of Borrowings	(675)	(2,134)
Net cash flows used in financing activities	(2,385)	(3,022)
Net decrease in cash and cash equivalents	(1,116)	(1,777)
Cash and cash equivalents at the beginning of the year	(1,514)	263
Cash and cash equivalents at the end of the year	(2,630)	(1,514)
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	105	187
Bank overdrafts (Refer Note 20)	(2,735)	(1,701)
Cash and Cash equivalents as per statement of cash flows	(2,630)	(1,514)

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Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 June 2020.
- 2 The Company, to improve the efficiency in operations, offered Voluntary Retirement Scheme ("Scheme") to all eligible workers. The total impact on account of the payment under the scheme is 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.

For SUNSHIELD CHEMICALS LIMITED

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Manoj Khullar

Managing Director

DIN NO : 06415392

Mumbai, 29 June 2020



**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 31 March 2020 and (b) reviewed the Financial Results for the quarter ended 31 March 2020 (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 31 March 2020" 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 Annual Financial Results for the year ended 31 March 2020:

- 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 31 March 2020

With respect to the Financial Results for the quarter ended 31 March 2020, 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 31 March 2020, 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.



Basis for Opinion on the Audited Financial Results for the year ended 31 March 2020

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 31 March 2020 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 31 March 2020 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 31 March 2020 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 31 March 2020

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended 31 March 2020 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.

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.

(b) Review of the Financial Results for the quarter ended 31 March 2020

We conducted our review of the Financial Results for the quarter ended 31 March 2020 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

- Due to the COVID-19 related lockdown restrictions, management was unable to perform planned year end physical verification of inventories at factory and its warehouse. The verification at the factory and its warehouse was carried out subsequent to the year end. We were unable to observe the Management's physical verification of inventory at its Factory and warehouse amounting to Rs. 2597 lakhs. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and subsequent communication received of the Institute of Chartered accountants of India (ICAI), which includes issuing written communication to independent firm of chartered accountants for audit procedures to be performed for physical verification of inventories carried out by the Management at the factory and its warehouse subsequent to year-end, roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date, comparing such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Results. Our report is not modified in respect of this matter.



**Deloitte
Haskins & Sells LLP**

- The figures for the corresponding quarter ended 31 March 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended 31 December 2018. We have not issued a separate limited review report on the results and figures for the quarter ended 31 March 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended 31 March 2020 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: 20102042AAAABE2862)

Place: Mumbai
Date: 29 June 2020

