

5th July 2022

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

Sir,

Sub: Annual Report 2021-22

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2021-22.

The said Annual Report 2021-22 is available on the website of the Company i.e. www.sunshieldchemicals.com

This is for your information and records.

Thanking you,

Yours faithfully,
For Sunshield Chemicals Limited


Amit Kumashi
Company Secretary





35th ANNUAL REPORT
2021-22

Performance Summary

₹ In Lakhs

Particulars	Percentage of Growth in comparison to Previous Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	Year =>	1	2	3	4	5	6	7	8	9	10
Volume Sales (M.T)	11.65%	14066	12598	12088	12528	13359	13323	10446	8765	9703	8146
Revenue											
Gross Sales	22.83	24400	19865	18108	18969	18526	17509	15853	12738	14057	11185
Net Sales	22.83%	24400	19865	18108	18969	18337	16523	15023	11901	13365	10530
Other Income	173.8	71	26	124	228	165	22	304	69	37	20
Expenses											
Material Consumed	33.95	16939	12646	12124	13187	12775	11358	10060	8627	9594	7559
Employee benefits expense	21.96	922	756	659	646	704	665	667	629	499	468
Finance costs	(35.14)	478	737	1000	1070	969	946	1080	349	357	510
Depreciation and amortization expense	0.17	581	580	609	586	596	598	548	327	230	248
Other expenses	(71)	3415	3510	3617	3512	3496	3661	3315	2428	2184	1654
Profit / Loss before Tax & exception item	28.52	2136	1662	223	196	151	(684)	(343)	(391)	539	110
Exceptional item	100	1782	0	104	174	—	—	—	—	—	(7)
Profit / Loss before Tax	135.74	3918	1662	119	22	151	(684)	(343)	(391)	539	103
Profit / Loss after Tax	93.79	2748	1418	55	22	31	(544)	(85)	(318)	(40)	84
Earning Per Share	93.73	37.37	19.29	0.88	0.30	1.64	(7.40)	(1.15)	(4.33)	(0.55)	1.24



ANNUAL REPORT 2021-22

DIRECTORS

R L Shenoy	Chairman
Virendrasingh Baidwal	Managing Director
Ajit Shah	Director
Anand Parihar	Director
Aruna Soman	Director
Cyrus Poonevala	Director
Jeet Malhotra	Director & CEO
Maya Parihar Malhotra	Director

CHIEF FINANCIAL OFFICER

Ravishanker Sharma (upto 2 June 2022)

COMPANY SECRETARY

Amit Kumashi

AUDITORS

M/s. Deloitte Haskins & Sells LLP (upto 17 June 2022)

BANKERS

HDFC Bank
Kotak Mahindra Bank Ltd.
State Bank of India
Citi Bank N.A.

REGISTERED OFFICE

1501-A, Universal Majestic
P L Lokhande Marg,
Behind RBK International School,
Chembur (W) Mumbai
Tel. No.: 91-22-25550126
E-mail : investorservices@sunshieldchemicals.com
Website : www.sunshieldchemicals.com

REGISTRARS & SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shashtri Marg, Vikhroli (W),
Mumbai – 400 083
Tel : 91-22-66568484
E-mail : csg-unit@tcplindia.co.in
Website: www.tcplindia.com

WORKS

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

CORPORATE INDENTITY NUMBER

L99999MH1986PLC041612

AUDIT COMMITTEE

Ajit Shah	Chairman
Aruna Soman	Member
R L Shenoy	Member
Virendrasingh Baidwal	Member
Jeet Malhotra	Member
Cyrus Poonevala	Member

NOMINATION & REMUNERATION COMMITTEE

Ajit Shah	Chairman
Aruna Soman	Member
R L Shenoy	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ajit Shah	Chairman
Aruna Soman	Member
Jeet Malhotra	Member

C O N T E N T S

Notice	02
Directors' Report	14
Independent Auditors' Report	34
Balance Sheet	44
Statement of Profit & Loss	45
Cash Flow Statement	46
Statement of changes in Equity	47
Notes to Financial Statements	48

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting (“AGM”) of the Members of **Sunshield Chemicals Limited** will be held on **Friday, 29th July 2022** at 11.00 am through video conferencing (“VC”)/other Audio Visual Means (“OAVM”) to transact the following business:-

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2022, the Reports of the Board of Directors and Auditors thereon.

2. Dividend Approval

To declare a final dividend on equity shares for the financial year ended 31st March 2022.

3. Appointment of Director

To appoint a Director in place of Dr. Maya Parihar Malhotra (DIN: 00302976), who retires by rotation and, being eligible, offers herself for re-appointment.

4. Appointment of Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution by approving the appointment of M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W100036) as Statutory Auditors of the Company effective 27th June 2022 till the conclusion of Thirty Sixth Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants.

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W100036), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018).

RESOLVED FURTHER THAT M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W100036), be and are hereby appointed as Statutory Auditors of the Company from this

Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of ensuing Annual General Meeting to be held in 2023, at such remuneration (including fees for certification) and reimbursement of out of pocket expenses for the purpose of audit as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. Ratification of remuneration payable to Cost Auditor of the Company

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 2023, 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.”

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

Mumbai,
27 June 2022

**Amit Kumashi
Company Secretary**

Registered office:

1501A, Universal Majestic,
P L Lokhande Marg,
Behind RBK International Academy,
Chembur (W), Mumbai 400043
CIN:L99999MH1986PLC041612

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular no.20/2020 dated 5th May 2020, Circular no. 02/2021 dated 13th January 2021, Circular no. 19/2021 dated 8th December 2021, Circular no. 21/2021 dated 14th December 2021 and Circular no. 2/2022 dated 5th May 2022 (collectively referred to as MCA Circulars) permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Explanatory Statement pursuant to Section 102 of Companies Act, 2013 and statement giving the relevant details of the Director seeking re-appointment under item no. 3 of the accompanying Notice, as required under Regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
3. Pursuant to the provisions of the Companies Act, 2013 a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers shall be carried out compulsorily in the dematerialised form with effect from 1st April 2021. Hence no transfer of shares in physical form are allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will

be processed and the shares will be issued in dematerialization form only:-

- a. Issue of duplicate share certificate
- b. Claim from unclaimed suspense account
- c. Renewal/Exchange of securities certificate
- d. Endorsement
- e. Sub-division/splitting of securities certificate
- f. Consolidation of securities certificates/folios
- g. Transmission
- h. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of TSR Darashaw Consultants Private Limited (TDCPL), Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

5. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company/RTA:

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The forms mentioned above are available on the website of the Company as well as on the website of RTA.

6. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has made it mandatory for all holders holding shares in physical form to furnish the following documents/details to the RTA:

- a) PAN
- b) Contact details, Postal address with PIN, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFS code)
- d) Specimen signature

For furnishing the above-mentioned details, shareholder must submit Form ISR-1 and/or ISR-2 in hard copy form to the company/ RTA. The forms are available on the website of the company as well as on the website of RTA.

7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TDCPL in case the shares are held by them in physical form.
 8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TDCPL in case the shares are held by them in physical form.
 9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 10. Members are requested to participate on first come first served basis and the Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice,. However, the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. Participation is restricted upto 1000 members only.
 11. Dividend on Equity Shares if declared at the AGM will be credited/dispatched within the prescribed time-limit mentioned in section 126 of the Companies Act, 2013 –
 - to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as of the end of the day of 21st July 2022; and
 - to all those Shareholders holding shares in physical form, whose names stand registered in the Company's Register of Members as Members on the end of the day on 21st July 2022.
- In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. The Company has sent a detailed communication to the Members in this regard. The Shareholders are requested to refer to the same and comply to ensure appropriate deduction of tax and in any case update Residential status, PAN, Category of holding, etc. with their DP or in case shares are held in physical form, with the Company's RTA. Further, shareholders who have not registered their email address are requested to register the same with the RTA. Shareholders are further requested to update their Bank details with the Depository/ Company for enabling the Company to make timely credit of dividend in respective bank account.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.sunshieldchemicals.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of NSDL <https://www.evoting.nsdl.com>. No physical copies of the Annual Reports are being sent to the Members.
 13. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 14. The Register of Members/Shareholders and Share Transfer Books of the Company will remain closed from Friday, the 22nd day of July 2022 to Thursday, the 28th day of July 2022 (inclusive of both days).
 15. Relevant documents referred in the accompanying Notice and Director's Report will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29th July 2022. Members seeking to inspect such documents can send an email to investor.sunshield@sunshieldchemicals.com

16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
17. Instructions for e-voting and joining the AGM are as follows:

A. Voting through Electronic Means

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Monday, 25th July 2022 (9:00 am IST) and ends on Thursday, 28th July 2022 (5:00 pm IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 22nd July 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed Mr. Prasen Naithani (Membership No. FCS 3830 CP No: 3389), of M/s. P. Naithani & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

- v. Any person holding shares in physical form and non-individual shareholders holding securities in demat mode, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 4430. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- vi. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:


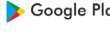


Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com . Select “Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL . Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the

email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to naithanipcs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorservices@sunshieldchemicals.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorservices@sunshieldchemicals.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed

under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorservices@sunshieldchemicals.com from 21st July 2022 (9:00 a.m. IST) to 25th July 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Those of the Members seeking the replies or clarifications on the working of the Company can send their queries/ views to the Company Secretary before 7 days of the AGM. The company will send the replies to such Members to their Email address.

Other Instructions

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, 48 hours of 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 authorised by him in writing, who shall countersign the same.
5. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company's website www.sunshieldchemicals.com and on the website of NSDL immediately after the result is declared. The Company shall forward the results to BSE Limited, where the shares of the Company are listed.

Annexure to Notice
Explanatory Statement under Section 102 of the Companies Act, 2013

Item no. 4

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were reappointed as Statutory Auditors of the Company at the 32nd AGM held on 21st September 2019 to hold office up to 37th AGM. However, they have resigned on 17th June 2022 stating that they do not desire to continue as the Auditors of the Company due to proposed fees for conducting the statutory audit for the year ending March 31, 2023 is not commensurate to the efforts that auditors would be incurring to conduct an audit in accordance with the standards on Auditing issued by the Institute of Chartered Accounts of India.

The Board thus appointed M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W100036) as Statutory Auditors of your Company effective 27th June 2022 in the casual vacancy caused by the said resignation till the conclusion of the forthcoming AGM to be held in 2023.

M/s. C N K & Associates LLP (CNK or The Firm), is a Chartered Accountant Firm registered with The Institute of Chartered Accountants of India ("ICAI") with Firm Registration No. 101961W/W-100036. The Firm has presence in 4 major cities in India. The Firm has been associated as Statutory Auditor of many listed and other large companies, Banks, including PSUs (including a Fortune 500 company) for more than 5 decades and is closely working with regulatory bodies in various capacities. The Firm has been subjected to Peer Review process by The Institute of Chartered Accountants of India and has received a Certificate of Peer Review which is valid till 31st July 2024. The Firm has significant experience in audit of large manufacturing entities.

M/s. CNK & Associates LLP have consented to act as statutory auditors of the Company for the financial year 2022-23 i.e upto 36th AGM of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

The Audit Committee has taken into account the experience and expertise of the auditors and recommended them to the Board for appointment. The Board has accordingly appointed them in the causal

vacancy caused by resignation of M/s. Deloitte Haskins & Sells LLP and recommending to the shareholders for their appointment.

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. 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 2022-23.

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 2022-23 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.

By Order of the Board of Directors
For SUNSHIELD CHEMICALS LIMITED

Mumbai,
27 June 2022

Amit Kumashi
Company Secretary

Registered office:

1501A, Universal Majestic,
P L Lokhande Marg,
Behind RBK International Academy,
Chembur (W), Mumbai 400043
CIN:L99999MH1986PLC041612

Profile of the Director being re-appointed at the AGM

Name	Dr. Maya Parihar Malhotra
Director Identification Number (DIN)	00302976
Date of Birth	08.06.1966
Nationality	Indian
Qualifications	MBBS and MD from Seth GSMC and KEM hospital, Mumbai.
Experience/Expertise	Dr. Maya Parihar Malhotra is head of department of Transfusion Medicine at Bombay Hospital and has over 25 years of experience as a doctor in the field of Pathology. She also serves on the Board of Directors of Indus Petrochem Limited. She has been instrumental in implementing positive change across through policy changes across the group. She also serves on the Governing Council of Chembur Trombay Education Society's N. G. Acharya & D. K. Marathe College which has a strength of more than 6000 students. Though her efforts the college has initiated new streams of education and has strengthen governance across their various departments. She also has a keen interest in farming and is a nature enthusiast. She is passionate about giving back to society through her various charitable endeavours. She is a master administrator and a visionary that is able to drive change across industries.
Date of appointment on Board	30.11.2021
Terms and conditions of appointment/re-appointment	Nil
List of Directorships held in other Indian Companies	1. Indus Petrochem Limited 2. Ashni Logistics Private Limited
Details of committee Memberships held in other Indian Companies	Not Applicable
Shares held	Dr. Maya Parihar Malhotra is related to Mr. Jeet Malhotra and Dr. Anand Parihar.
Relationship between Directors inter se and other key managerial personnel of the company	Appointed as Non-Executive Director liable to retire by rotation
Number of Board Meeting attended during the year	3 (Three)

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 35th Annual Report of the business operations together with the Audited Financial Statements of the Company for the year ended 31st March 2022:

1. OVERVIEW OF FINANCIAL RESULTS

(₹ In Lakhs)

	2021-2022	2020-2021
Sales	24345	19848
Other Operating Income	55	17
Revenue from Operations	24400	19865
Other Income	71	26
Total Income	24471	19891
Less: Materials Consumed	16939	12646
Employees Remuneration & Benefits	922	756
Manufacturing, Administrative, Selling & Other Expenses	3415	3510
Total Expenses	21276	16912
Operating Profit (EBITDA)	3195	2979
Less: Finance Cost	478	737
Profit Before Tax & Depreciation	2717	2242
Less: Depreciation	581	580
Net Profit Before Tax	2136	1662
Less: Exceptional Item	1782	-
Net Profit Before Tax	3918	1662
Less: Tax Expense		
Current Tax Expense	683	288
Deferred Tax	487	(44)
Net Profit after Tax	2748	1418
Other Comprehensive Income		
Add: Remeasurements of post-employment benefit obligation	7	18
Income tax related to items that will not be reclassified to profit or loss	(2)	(5)
Total Comprehensive Income for the period	2753	1431
Earnings per share		
Basic & Diluted	37.37	19.29

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

2. DIVIDEND

Based on Company's performance, your Directors are pleased to recommend for approval of members a final dividend @ of ₹ 2/- (previous year – Nil) per equity share of the face value of ₹ 10.00/- each for the financial year 2021-22. Dividend, if approved, aggregating to ₹ 147.06 lacs, will be paid to those Shareholders whose name appear on the Register of Members on 21st July 2022.

TRANSFER TO RESERVE

There is no amount proposed to be transferred to Reserves out of profit of the financial year 2021-22.

3. SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March 2022 was ₹ 7.35 Crores. During the year under review, the Company has not issued new shares.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS: F.Y. 2021-2022

I. Industry Structure & Development:-

The Chemical Industry is a key enabler for other industries. As chemicals are consumed in varying proportions 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.

Company's main products belong to:

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

II. Operating and Financial Performance of the Company

(₹ In Lakhs)

	F.Y. 2021-2022	F.Y. 2020-2021	Change over Previous year
i) Exports	6695	6098	9.79%
ii) Domestic	17650	13750	28.36%
iii) Other Operating Income	55	17	223.53%
Revenue from Operation	24400	19865	22.83%
Other Income	71	26	172.37%
Total Income	24471	19891	23.02%

	F.Y. 2021-2022	F.Y. 2020-2021	Change over Previous year
Volume Sales (MT)	14066	12598	11.65%
Sales Value (₹)	24345	19848	22.66%
Average Product Price (₹ per kg)	173	158	9.49%

During the year, Sales by Volume went up by 11.65%, and the sales in Value terms went up by 22.83%.

Export Sales increased by 9.79% from ₹ 6,098 Lakhs to ₹ 6,695 Lakhs and domestic Sales went up by 28.36% from ₹ 13,750 Lakhs in 2020-21 to ₹ 17,650 Lakhs in 2021-22.

Major change was in the sales of Theic where sales value went by 89%. In case of Ethoxylates, Propoxylates and Antioxidants based products volume has gone down but on higher price realization.

III. Outlook

COVID-19 hit the world and unprecedented lockdowns disrupted economies, businesses and society. India was no exception. The pandemic has caused widespread concern and economic hardship for consumers, businesses and communities across the globe.

Volatile demand, operational and supply chain disruptions, potentially tightening credit markets and the health of workforce remains concern.

The Russia-Ukraine crisis has stoked uncertainty in global trade and has impacted oil and other commodities. The war has brought demand volatility, severe supply chain disruptions in raw materials and international logistics. The cost of raw materials and international logistics have significantly increased, and efforts are on to pass on the cost increase to customer.

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 those have potential for

growth, driven by growing end user industry. Technology & Innovation will play a major role in growth. Even though our company's product profile is part of essential chemicals, the demand for essentials largely depend on how Indian and Global economy opens up in the future pandemic scenario.

Rural demand is likely to remain resilient on a good projection for the agriculture sector. We would like to remain cautiously optimistic for the year. The Company expects the demand for its products to remain positive.

The Company has announced CAPEX plan to enhance existing antioxidant plant capacity, debottlenecking of EO/Theic unit and automation which the Company expects to complete by end of March 2023. With increased capacity, the Company hopes to meet the additional demand raised by existing customers.

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 however, is currently and consistently available from one manufacturer in the country. If there is an issue with the supply of EO, production of several products would be affected.

Other risks like newer variants of COVID-19, forex fluctuations, disruption in supply chain and volatility in market demand will continue to have impact going forward.

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 their adequacy

Internal Checks and Controls covering operations of the Company are in place and are constantly being improved upon. The Company has laid down internal financial controls to be followed and such policies and procedures adopted are for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and 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 assessments, the Board is of the view that the Internal Financial Controls operate effectively and no material weaknesses exist.

VI. Key Financial Ratios

Key Ratios	2021-22	2020-21	Change
Current Ratio	1.14	1.08	5.03%
Debt Equity Ratio*	1.46	3.36	(56.43%)
Debt service Coverage Ratio*	7.88	3.83	105.43%
Return on Equity Ratio	68.85%	74.72%	(7.86%)
Inventory Turnover Ratio	8.79	7.25	21.33%
Trade Receivable Turnover Ratio	6.97	6.98	(0.15%)

Key Ratios	2021-22	2020-21	Change
Trade Payable Turnover ratio	6.39	5.75	11.13%
Net Capital Turnover Ratio**	22.53	39.43	(42.85%)
Net Profit Ratio***	11.26%	7.14%	57.71%
Return on capital employed Ratio***	32.06%	21.06%	52.26%

* Earnings Improved

** Revenue growth along with efficiency in working capital management

*** Improvement in Profitability

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 2022 was 118.

(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. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisition of Majority Stake in the Company by Indus Petrochem Limited

During the year the Agreement for the Sale and Purchase of shares in Sunshield Chemicals Limited was executed between the Company, its erstwhile Promoters and Indus Petrochem Limited. In terms of the said Agreement, Indus Petrochem Limited on 30th November 2021 acquired 45,85,196 Equity shares of ₹ 10/- each representing 62.36% Equity Shares in the Company as per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

Further 300 shares acquired by Indus Petrochem Limited under Open offer required to given under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

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 (hereinafter referred as "Listing Regulations") 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.	Cyrus Poonevala#	Non-Executive Independent Director
5.	Virendrasingh Baidwal*	Managing Director
6.	Jeet Malhotra*	Executive Director & CEO
7.	Maya Parihar Malhotra*	Non-Executive Director
8.	Anand Parihar*	Non-Executive Director

* appointment effective from 30th November 2021

appointment effective from 15th January 2022

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 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. And none of the Independent Directors serve as Independent Director in more than 7 listed entities.

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
- 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:

Directors

Subsequent to transfer of shares by Rhodia Amines Chemicals Pte. Ltd. to Indus Petrochem Limited and on recommendation of Nomination and Remuneration Committee Dr. Maya Parihar Malhotra, Dr. Anand Parihar were appointed as Non-Executive additional directors and Mr. Virendrasingh Baidwal and Mr. Jeet Malhotra were appointed as Executive Directors effective from 30th November 2021.

Effective from 1st January 2022, on recommendation of Nomination and Remuneration Committee, Mr. Virendrasingh Baidwal and Mr. Jeet Malhotra were appointed as Managing Director and Executive Director & CEO for a period of three years.

Mr. Cyrus Poonevala was appointed as an additional non-executive independent director of the Company based on the recommendation of Nomination and Remuneration Committee, with effect 15th January 2022.

The Company has on 28th March 2022, by way of Postal Ballot has taken approval of Shareholders for appointment of Dr. Maya Parihar Malhotra, Dr. Anand Parihar, Mr. Jeet Malhotra, Mr. Virendrasingh Baidwal and Mr. Cyrus Poonevala.

Key Managerial Personnel

On recommendation of Nomination and Remuneration Committee, Mr. Amit Kumashi was appointed as Company Secretary and Mr. Ravishanker Sharma was appointed as Chief Financial Officer effective from 1st December 2021.

Resignation:

Director

Subsequent to transfer of Shares by Rhodia Amines Chemicals Pte. Ltd. to Indus Petrochem Limited, Mr. Manoj Khullar, Managing Director, Mr. Mohit Jalote, Mr. Lim Kim Swee, Mr. Yock Jeng Goh and Mr. Ronald Lehman, Non-executive Directors ceased to be Director with effect from 30th November 2021. Your Directors place on record their sincere appreciation of the valuable contribution made during their tenure as Directors of the Company.

Key Managerial Personnel

During financial year 2021-22, Mr. Amit Kumashi, Company Secretary resigned effective from 31st July 2021 and Mr. Sandeep Kulkarni, Chief Financial Officer resigned effective from 31st October 2021.

After the conclusion of financial year Mr. Ravishanker Sharma, Chief Financial Officer resigned effective from 2nd June 2022.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Dr. Maya Parihar Malhotra (DIN: 00302976) will retire by rotation at the ensuing AGM of the Company and being eligible, offer herself for reappointment. The Board recommends her reappointment.

None of the Directors is disqualified from being appointed as Director as specified in Section 164(2) of the Companies Act, 2013. Note on the background of the Director proposed for 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, Mr. Jeet Malhotra, Director & CEO, Mr. Virendrasingh Baidwal, Managing Director, and Mr. Amit Kumashi, Company Secretary of the Company are designated 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).

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 seven times in the financial year 2021-22 i.e on 30th June 2021, 12th August 2021, 12th November 2021, 29th November 2021, 30th November 2021, 27th December 2021 and 14th February 2022.

10. BOARD COMMITTEES

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

- **Audit Committee**

Audit Committee includes Six Directors viz., Mr. Ajit Shah (Chairman/Independent Director), Mrs. Aruna Soman (Independent Director), Mr. Ranjal Laxmana Shenoy (Independent Director), Mr. Cyrus Poonevala (Independent Director), Mr. Virendrasingh Baidwal (Managing Director) and Mr. Jeet Malhotra (Director and CEO).

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 30th June 2021, 13th August 2021, 12th November 2021 and 14th February 2022.

- **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 evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation. Prepare a description of the role and capabilities required of on Independent Director, 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; 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 30th June 2021, 30th November 2021 and 27th December 2021.

- **Stakeholders' Relationship Committee**

Stakeholders Relationship Committee comprises of Mr. Ajit Shah (Independent Director) Mrs. Aruna Soman (Independent Director), and Mr. Jeet Malhotra (Director and CEO).

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 14th February 2022.

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

The Board has constituted Corporate Social Responsibility Committee comprising of Mr. Ajit Shah (Independent Director), Mr. Mohit Jalote and Mr. Manoj Khullar (Managing Director). The Committee met on 30th June 2021.

Since CSR spend is less than ₹ 50 lakhs, CSR committee was dissolved by the Board at its meeting held on 30th June 2021. The Board is now discharging all functions of CSR committee.

The Board Report on CSR is annexed herewith as Annexure A.

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 at their meeting held on 25th March 2022 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 under policies section on the Company's website <https://sunshieldchemicals.com/investors>.

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, 2013 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 under section policies on the Company's website <https://sunshieldchemicals.com/investors>. There have been no instances of denying any personnel seeking access to the Chairman of the Audit Committee.

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

No significant or material orders 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

Based on the opinion received, the provision relating to submission of Corporate Governance Report under Regulation 27 and compliance with other Corporate Governance provisions as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is not applicable to the Company as Company's paid-up Capital is less than ₹ 10 crores and Net worth is less than 25 crores. Capital Reserve of ₹ 4.54 crores is excluded while calculating Net Worth of the Company.

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 31st March 2022, 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 31st March 2022 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 as certified by the internal auditors 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 2021-22:

Number of Complaints of sexual harassment received during the period April 2021 to March 2022	Number of complaints disposed off during the period April 2021 to March 2022	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 2022.

20. FRAUD REPORTING BY AUDITORS

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

21. AUDITORS

Statutory Auditors

As per the provisions of Section 139 of the Act, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), were reappointed as Statutory Auditors of your Company at the 32nd AGM held on 21st September 2019, to hold office until the conclusion of the 37th AGM. However, vide their letter dated 17th June 2022 have expressed their inability to continue as Statutory Auditors of your Company. The Board thus appointed M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W/W100036) as Statutory Auditors of your Company effective 27th June 2022 in the casual vacancy caused by the said resignation till the conclusion of the forthcoming AGM and have sought approval of members to appoint them for the aforesaid period.

M/s. CNK & Associates LLP have consented to act as statutory auditors of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company. As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

There are no qualifications, reservations or adverse remarks made by erstwhile Statutory Auditors, in their Report.

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. The Company has maintained the cost records as Prescribed under the companies (Cost Records and Audit) Rules, 2014. 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 2022-23 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 2021 was filed with the Ministry of Corporate Affairs on 18th August 2021 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 for the financial year 2021-22.

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

The Board on the recommendation of the Audit Committee has appointed M/s. P. Naithani & Associates, Company Secretaries as the Secretarial Auditors of the Company for financial year 2022-23.

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 associate 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:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <http://www.sunshieldchemicals.com/>

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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.

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 an anticipated and of repetitive nature. The particulars of contracts/ arrangements with related parties in Form AOC-2 are provided in Annexure C to this Report. Note No. 36 in the notes to financial statements provides the details of all the related party transactions.

The Company has in place 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://sunshieldchemicals.com/investors>.

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

26. DEPOSITS

There are no deposits outstanding as on 31st March 2022 and that 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 D.

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 Managerial Personnel 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.

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 E 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 Annexures A to E form an integral part of this Director Report.

For and on behalf of the Board of Directors

Mumbai,
27 June 2022

R L Shenoy
Chairman
DIN No. 00074761

ANNEXURE A TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR Policy

To take up certain CSR activities in areas or subject specified in Schedule VII of the Companies Act, 2013 and implement in the areas surrounding to the Company and to adopt an organized approach for spending money on the CSR activities. The present CSR initiatives focus on providing infrastructure support in local areas.

2. The Composition of the CSR Committee: Since CSR spend is less than ₹ 50 lakhs CSR committee was dissolved by the Board at its meeting held on 30th June 2021. The Board is discharging all functions of CSR committee.
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

CSR Policy and CSR Projects are available on the Company's website on www.sunshieldchemicals.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. no.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
-	-	Nil	Nil

6. Average net profit of the Company for last three financial years: ₹ 6,33,39,333
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 12,66,787
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 12,66,787/-

Sunshield Chemicals Limited

8. (a) CSR amount spent or unspent for the financial year:

	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Total Amount Spent for the Financial Year. (in ₹)	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
14,86,856	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
NA												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Amount spent for the project (in ₹).	Mode of implementation on - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration Number
1	School Renovation Project executed at village Ambole	vii	Yes	Maharashtra	Raigad	9,00,000	Yes	Direct	-
2	CSR activities (Tree Plantations, support to school students)	ii, iv	Yes	Maharashtra	Raigad	89,555	Yes	Direct	-
3	Infrastructure support to a Crematorium at village Rasal	x	Yes	Maharashtra	Raigad	4,97,301	Yes	Direct	-

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 14,86,856/-

(g) Excess amount for set off, if any: ₹ 2,20,069/-

9. (a) CSR amount spent or unspent for the financial year:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	-	Nil	-	-	Nil	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Virendrasingh Baidwal
Managing Director

R L Shenoy
Chairman

Place : Mumbai

Date : 27 June 2022

ANNEXURE B TO THE DIRECTORS' REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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").

Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our 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, 2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has 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, 2022** 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 for compliance 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') **as amended from time to time:-**

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (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 to the Company**;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company**;
- (e) 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 to the Company**;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company**;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company**;
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company**;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(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 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) SEBI (Listing Obligations and Disclosures 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.

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 Women 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 a 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, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, 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 the following events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. There was a transfer of the beneficial interest in respect of 45,85,196 Equity Shares of ₹ 10/- each of the Company in dematerialized form from the erstwhile promoters of the Company viz. Rhodia Amines Chemicals Pte. Ltd. in favour of Indus Petrochem Limited on 30th November, 2021 and pursuant to this transactions, Indus Petrochem Limited had become the Sole Promoter of the Company with effect from 30th November, 2021.

Alwyn D'Souza & Co.
Company Secretaries

Alwyn D'Souza, FCS. 5559
Proprietor
Certificate of Practice No. 5137
UDIN: F005559D000430434

Place : Mumbai
Date : 30 May 2022
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

Our 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. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and 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
UDIN: F005559D000430434

Place : Mumbai
Date : 30 May 2022
Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai-400 101.

Annexure C to Directors' Report

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. NIL
2. Details of Material contracts or arrangements or transactions at Arm's length basis.

a)	Name (s) of the related party & nature of relationship	Solvay Specialities India Private Limited ("SSIPL") *
b)	Nature of contracts/arrangements/ transaction	The Company has entered into Asset Transfer Agreement dt. 5 th April 2021 for transferring Surfactant Products of the Company to SSIPL
c)	Duration of the contracts/arrangements/ transaction	One-time basis
d)	Salient terms of the contracts or arrangements or transaction including the value if any	Transfer of 21 products along with technology, specification, brand names, customer contracts to SSIPL for a consideration of ₹ 17.82 crores which has been arrived at after taking into consideration valuation report.
e)	Date of approval by the Board	Please refer Note 1 below
f)	Amount paid as advances if any	NA

* Effective from 30th November 2021, SSIPL has ceased to be Related Party Transaction.

Notes: 1. Transactions with Solvay Specialities India Private Limited were considered material and approval of shareholders has been obtained via Postal Ballot on 23rd March 2021 for a consideration of ₹ 17.82 crores (Rupees Seventeen Crores and Eighty-Two Lakhs only).

For and on behalf of the Board of Directors

**R L Shenoy
Chairman
DIN: 00074761**

Mumbai, 27 June 2022

Annexure D 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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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 2021-22
1	Mr. R L Shenoy Non-Executive Independent Director	0.92	40
2	Mrs. Aruna Soman Non-Executive Independent Director	0.98	36
3	Mr. Ajit Shah Non-Executive Independent Director	1.05	45
4	Mr. Manoj Khullar * Managing Director	0.01	Nil
5	Mr. Virendrasingh Baidwal # Managing Director	0.98	NA
6	Mr. Jeet Malhotra # Executive Director	0.80	NA
7	Dr. Maya Parihar Malhotra # Non-Executive Director	0.13	NA
8	Dr. Anand Parihar # Non-Executive Director	0.13	NA
9	Mr. Cyrus Poonevala @ Non-Executive Independent Director	0.06	NA

* Resigned effective 30 November 2021

Appointed effective 30 November 2021

@ Appointed effective 15 January 2022

The percentage increase in remuneration of the Chief Financial Officer and of the Company Secretary - Not Applicable.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 6,10,852 per annum.
- iii. In the financial year, there was an average increase of 7% in the median remuneration of employees.
- iv. 118 persons were on the rolls of Company as on 31st March 2022.
- 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 7% 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 No. 0074761

Mumbai, 27 June 2022

Annexure E 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. Major repairs of boiler briquette furnace chamber and flue gas ducting to minimize heat losses and installation new economizer for increasing boiler feed water temperature to reduce briquette consumption.
2. Installation of LED Lights 45 W, 30 Nos in place of 125 W mercury halide lamps resulting in saving of approximately 10000 electrical unit consumption.

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

Identified locations for installation of Solar street lights - 13 Nos

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:

- | | |
|--|--|
| a) Technology imported | } Not Applicable as no Imported technology is put to use |
| 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. | |

4. Expenditure on R & D: (in ₹)

- | | |
|--|-------|
| a) Capital | } NIL |
| b) Recurring | |
| c) Total | |
| d) Total R&D Expenditure as percentage of turnover | |

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)

	2021-22	2020-21
i) Total foreign exchange used	6657	5238
ii) Total foreign exchange earned	6695	6098

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN No. 0074761

Mumbai, 27 June 2022

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 March 31, 2022, 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 March 31, 2022, 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 Matters

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.	Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue not being recorded in the correct accounting period establishing with certainty the point of time when control has passed. Refer Note 2.2 to the Financial Statements - Significant Accounting Policies	Our audit approach was a combination of test of internal controls and substantive procedures including: <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of the IT application controls. Testing the effectiveness of such controls over revenue cut off, at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year-end and subsequent to the year-end, including examination of credit notes issued after the year-end to determine whether revenue was recognised in the correct period.
		<ul style="list-style-type: none"> Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Evaluating the design and implementation of the Company's controls in respect of revenue recognition.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report including annexures to Director's 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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.

Sunshield Chemicals Limited

- 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 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 so far as it appears from our examination of those books.
 - 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 relevant 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has not declared or paid any dividend during the year. As stated in note 15 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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)
(UDIN: 22102042AJVSN3816)**

Place: Mumbai
Date: 30 May 2022

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 March 31, 2022 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 (“ICAI”) 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 we have obtained 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 March 31, 2022, 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 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)
(UDIN: 22102042AJVSAN3816)**

Place: Mumbai
Date: 30 May 2022

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) Property Plant and Equipment :

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress.
- (B) As the Company does not hold any intangible assets, reporting under this clause of the Order is not applicable.
- (b) The Company has a program of verification of Property, Plant, and Equipment, capital work-in-progress so to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant, and equipment, Right of Use assets during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) Inventory :

- (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) Loans, Investments etc :

- (a) The Company has granted loans during the year, the details of which are given below:

Particulars	Loans Amount (₹ in Lakhs)
A. Aggregate amount granted / provided during the year:	
— Others (Loans to Employees)	1.30
B. Balance outstanding as at balance sheet date in respect of above cases:	
— Others (Loans to Employees)	6.88

The Company has not provided any guarantee or security to any other entity during the year.

- (b) The terms and conditions of the grant of all the above-mentioned loan, during the year are, in our opinion, prima facie, not

prejudicial to the Company's interest. The Company has not made any investment, provided any guarantee or security to any other entity during the year.

- (c) In respect of the loans granted to employees by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted to employees by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdues of existing loan given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) Section 185 and 186 :

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) Public Deposits :

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Cost Records :

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues :

According to the information and explanations given to us, in respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Sunshield Chemicals Limited

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ In Lakhs)^	Period to which the Amount Relates	Forum where Dispute is Pending
Central Sales Tax Act, 1956	Sales Tax including interest	326.75	2006-2007 to 2007-2008; 2009-2010; and 2013-14 to 2016-17	Maharashtra Sales Tax Tribunal

^ Net of ₹ 182.01 Lakhs paid under protest

(viii) Undisclosed Income :

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) Borrowings :

- In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
- On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.

(x) Issue of Securities :

- The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

- During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) Fraud :

- To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) Nidhi Company :

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Related Parties :

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies 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) Internal Audit :

- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2022 for the period under audit.

(xv) Non-Cash Transactions :

In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) 45-IA :

- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) Cash Loss :

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of Statutory Auditors :

There has been no resignation of the statutory auditors of the Company during the year.

(xix) Ability to pay Liabilities :

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial

statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) CSR unspent amount :

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Rakesh Sharma
(Partner)
(Membership Number: 102042)
(UDIN: 22102042AJVSAN3816)

Place: Mumbai
Date: 30 May 2022

Sunshield Chemicals Limited

Balance Sheet

Particulars	Notes	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
I. ASSETS			
1. Non current assets			
(a) Property, plant and equipment	5	7,108.07	6,627.00
(b) Capital work-in-progress	6	736.65	128.46
(c) Financial assets			
— Other financial assets	7	32.81	32.81
— Loans	12B	3.10	4.27
(d) Deferred tax assets (net)	18	—	0.98
(e) Other non current assets	8	462.20	384.25
Total Non current assets		8,342.83	7,177.77
2. Current Assets			
(a) Inventories	9	2,939.85	2,609.33
(b) Financial assets			
i. Trade receivables	10	4,134.43	2,868.07
ii. Cash and cash equivalents	11	446.56	297.13
iii. Bank balance other than (ii) above	11A	137.50	60.00
iv. Loans	12A	3.78	6.01
(c) Other current assets	13	1,343.54	791.22
Total current assets		9,005.66	6,631.76
TOTAL ASSETS		17,348.49	13,809.53
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	14	735.31	735.31
(b) Other equity	15	4,631.91	1,878.94
Total Equity		5,367.22	2,614.25
Liabilities			
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	16	3,500.00	5,000.00
(b) Provisions	17	70.32	67.39
(c) Deferred tax liabilities (net)	18	488.25	—
Total non current liabilities		4,058.57	5,067.39
3. Current liabilities			
(a) Financial liabilities			
i. Borrowings	19	4,354.05	3,779.98
ii. Trade payables	20		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		166.95	134.90
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		3,150.52	1,939.18
iii. Other financial liabilities	21	124.80	114.63
(b) Provisions	22	46.84	83.74
(c) Other current liabilities	23	79.54	75.46
Total current liabilities		7,922.70	6,127.89
Total liabilities		11,981.27	11,195.28
TOTAL EQUITY AND LIABILITIES		17,348.49	13,809.53
Significant accounting policies	2		

The accompanying Notes to 1 - 44 are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
Sunshield Chemicals Limited

Rakesh Sharma
Partner
 Place : Mumbai
 Date : 30 May 2022

Virendrasingh Baidwal
Managing Director
 (DIN No 05237385)

Jeet Malhotra
Director
 (DIN No 07208234)

Ravishanker Sharma
Chief Financial Officer
 Place : Mumbai
 Date : 30 May 2022

Amit Kumashi
Company Secretary

Statement of Profit and Loss

₹ in Lakhs

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
I. Revenue from operations	24	24,400.42	19,865.31
II. Other income	25	70.52	25.89
III. Total income (I + II)		24,470.94	19,891.20
IV. Expenses			
Cost of materials consumed	26	17,266.53	12,474.78
Changes in inventories finished goods and work-in-progress	27	(327.88)	171.38
Employee benefits expense	28	922.45	755.76
Finance costs	29	478.30	736.93
Depreciation	30	580.57	579.94
Other expenses	31	3,415.37	3,510.04
Total expenses (IV)		22,335.34	18,228.83
V. Profit before exceptional item and tax (III - IV)		2,135.60	1,662.37
VI. Exceptional item	39	1,782.00	—
VII. Profit before tax (V - VI)		3,917.60	1,662.37
VIII. Tax Expense:	34		
Current tax		682.94	288.15
Deferred tax		487.14	(44.16)
Net tax expense (VIII)		1,170.08	243.99
IX. Profit for the year (VII - VIII)		2,747.52	1,418.38
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		7.55	18.99
Income tax related to items that will not be reclassified to profit or loss		(2.10)	(5.28)
Total Other Comprehensive Income		5.45	13.71
XI. Total Comprehensive Income for the year (IX + X)		2,752.97	1,432.09
XII. Earnings per equity share			
(1) Basic (₹)	38	37.37	19.29
(2) Diluted (₹)		37.37	19.29
Significant accounting policies	2		

The accompanying Notes to 1 - 44 are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh Sharma
Partner
 Place : Mumbai
 Date : 30 May 2022

For and on behalf of the Board of Directors
Sunshield Chemicals Limited

Virendrasingh Baidwal
Managing Director
 (DIN No 05237385)

Ravishanker Sharma
Chief Financial Officer
 Place : Mumbai
 Date : 30 May 2022

Jeet Malhotra
Director
 (DIN No 07208234)

Amit Kumashi
Company Secretary

Sunshield Chemicals Limited

Statement of Cash Flows

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
(A) Cash flow from operating activities		
Profit before tax and after exceptional item (Refer Note No 39)	3,917.60	1,662.37
Adjustments :		
Depreciation Expense	580.57	579.94
Liabilities / provisions no longer required written back	(38.94)	(13.43)
Loss on property, plant and equipment sold or written off	—	96.55
Finance cost	478.30	736.93
Provision for doubtful trade receivables (net of recoveries)	—	7.28
Unrealized foreign exchange gain (net)	(30.93)	(13.81)
Operating profit before changes in working capital	4,906.60	3,055.83
Adjustments for (increase) / decrease in working capital		
Trade receivables	(1,192.83)	(38.52)
Inventories	(330.52)	262.99
Other assets	(564.49)	546.30
Trade payables	1,239.73	(142.83)
Other liabilities	11.51	(26.23)
Provisions	11.32	25.07
Cash generated from operations	4,081.32	3,682.61
Income Tax paid (Refer Note No 39)	(784.29)	(223.93)
Net cash flows from operating activities (A)	3,297.03	3,458.68
(B) Cash flow from investing activities		
Payments for property, plant and equipment, Capital work-in-progress	(1,634.19)	(383.70)
Proceeds from disposal of property, plant and equipment	—	75.23
Investment in fixed deposits with banks (under lien)	(77.50)	(60.00)
Net cash (used in) investing activities (B)	(1,711.69)	(368.47)
(C) Cash flow from financing activities		
Interest paid	(509.98)	(743.47)
Borrowing Taken	11,754.05	1,500.00
Repayment of Borrowings	(12,100.00)	(1,500.00)
Net cash flows (used in) financing activities (C)	(855.93)	(743.47)
Net Increase in cash and cash equivalents (A)+(B)+(C)	729.41	2,346.74
Cash and cash equivalents at the beginning of the year	(282.85)	(2,629.59)
Cash and cash equivalents at the end of the year (Refer note 11)	446.56	(282.85)
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	446.56	297.13
Bank overdrafts (Refer Note 19)	—	(579.98)
Cash and Cash equivalents as per statement of cash flows	446.56	(282.85)

Significant accounting policies - Note 2

The accompanying Notes to 1 - 44 are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh Sharma
Partner
 Place : Mumbai
 Date : 30 May 2022

For and on behalf of the Board of Directors
Sunshield Chemicals Limited

Virendrasingh Baidwal
Managing Director
 (DIN No 05237385)

Ravishanker Sharma
Chief Financial Officer
 Place : Mumbai
 Date : 30 May 2022

Jeet Malhotra
Director
 (DIN No 07208234)

Amit Kumashi
Company Secretary

Statement of Changes in Equity

(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 2022	14	735.31	—	735.31
As at 31 March 2021		735.31	—	735.31

(b) Other equity :

₹ in Lakhs

Particulars	Notes	Reserves & Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
As at 1 April 2020		453.56	883.10	(889.81)	446.85
Profit for the year		—	—	1,418.38	1,418.38
Other comprehensive income for the year (net of income tax)		—	—	13.71	13.71
Total comprehensive income for the year		—	—	1,432.09	1,432.09
As at 31 March 2021	15	453.56	883.10	542.28	1,878.94
Profit for the year		—	—	2,747.52	2,747.52
Other comprehensive income for the year (net of income tax)		—	—	5.45	5.45
Total comprehensive income for the year		—	—	2,752.97	2,752.97
As at 31 March 2022		453.56	883.10	3,295.24	4,631.91

Significant accounting policies

2

The accompanying Notes to 1 - 44 are an integral part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rakesh Sharma
Partner
 Place : Mumbai
 Date : 30 May 2022

For and on behalf of the Board of Directors
Sunshield Chemicals Limited

Virendrasingh Baidwal
Managing Director
 (DIN No 05237385)

Ravishanker Sharma
Chief Financial Officer
 Place : Mumbai
 Date : 30 May 2022

Jeet Malhotra
Director
 (DIN No 07208234)

Amit Kumashi
Company Secretary

Notes forming part of the financial statements for the year ended 31 March 2022

1. COMPANY BACKGROUND

Sunshield Chemicals Limited ('the Company') is a Public Limited Company and was incorporated in India on 19 November 1986 under the Companies Act, 1956 and has its registered office 1501-A, Universal Majestic, P.L. Lokhande Marg, Opp. RBK International School, Chembur West Mumbai Maharashtra. The Company is engaged in manufacture and sale of Speciality Chemicals in the domestic and international markets.

During the year the Agreement for the Sale and Purchase of shares in Sunshield Chemicals Limited was executed between the Company, its erstwhile Promoters and Indus Petrochem Limited. In terms of the said Agreement, Indus Petrochem Limited on 30th November 2021 acquired 45,85,196 Equity shares of ₹ 10/- each representing 62.36% Equity Shares in the Company as per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011. The standalone Financials statements are approved by the Company's Board of Directors on 30th May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES:

Statement of compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 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 expected 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 the consideration received or receivable and is net of discounts, allowances, returns, goods and services tax.

(b) Sale of Services

Revenue from services is recognised on rendering of services as per the terms and conditions agreed with the customers.

(c) Export Incentives

Income from export Incentives such as duty drawback are recognized on an accrual basis.

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,

Notes forming part of the financial statements for the year ended 31 March 2022

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

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions is as under:

a) Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.

b) Measurement at the balance sheet date

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

c) Treatment of exchange differences

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

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 recognised for all taxable temporary differences. Deferred tax assets are 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and 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.

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 a 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 assets and liabilities 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

Notes forming part of the financial statements for the year ended 31 March 2022

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 (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of certain items of Plant & Machinery over their useful lives ranging from 7 years to 18 years as estimated by the company.

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.

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 the Statement of Profit and Loss.

For transition to Ind AS, the Company had 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 as Capital work-in-progress.

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 the 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 the 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 of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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.

Notes forming part of the financial statements for the year ended 31 March 2022

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

a) 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.

i) 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) meeting the relevant criteria, 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 115, 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. The expected credit loss allowance has been made taking into the account historical credit loss experience and adjusted for forward looking information.

ii) 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.

Notes forming part of the financial statements for the year ended 31 March 2022

Financial Liabilities

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

b) 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 remeasured 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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 Ind AS 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.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

Notes forming part of the financial statements for the year ended 31 March 2022

- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

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.

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans.

2.14. Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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 INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

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 various factors including 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 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.

Notes forming part of the financial statements

a) **Useful lives of property, plant and equipment**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During financial years ended 31 March 2022 and 2021, 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.

b) **Impairment of trade receivables**

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

c) **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 has concluded, which 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.

Note 5

Property, plant and equipment

₹ in Lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2021	Additions	Deductions	As at 31 March 2022	As at 1 April 2021	For the year	Deductions	As at 31 March 2022	As at 31 March 2022
Freehold Land	195.01	—	—	195.01	—	—	—	—	195.01
Buildings	1,670.79	37.24	—	1,708.03	367.50	74.25	—	441.75	1,266.28
Plant and Equipment	7,421.41	1,021.20	—	8,442.60	2,316.14	494.68	—	2,810.82	5,631.78
Furniture and Fixtures	1.18	—	—	1.18	0.10	0.12	—	0.22	0.96
Vehicle	14.00	—	—	14.00	3.76	1.75	—	5.51	8.49
Computers	180.27	3.22	—	183.49	168.16	9.77	—	177.93	5.56
Office Equipments	7.02	—	—	7.02	7.02	—	—	7.02	—
TOTAL	9,489.68	1,061.66	—	10,551.33	2,862.68	580.67	—	3,443.25	7,108.07

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	For the year	Deductions	As at 31 March 2021	As at 31 March 2021
Freehold Land	190.27	4.74	—	195.01	—	—	—	—	195.01
Buildings	1,637.94	32.85	—	1,670.79	293.33	74.17	—	367.50	1,303.29
Plant and Equipment	7,475.83	207.22	(261.65)	7,421.41	1,915.68	490.32	(89.86)	2,316.14	5,105.26
Furniture and Fixtures	1.18	—	—	1.18	0.07	0.03	—	0.10	1.08
Vehicle	14.00	—	—	14.00	2.01	1.75	—	3.76	10.24
Computers	170.80	9.47	—	180.27	155.29	12.87	—	168.16	12.11
Office Equipments	7.02	—	—	7.02	6.22	0.80	—	7.02	—
TOTAL	9,497.04	254.28	(261.65)	9,489.68	2,372.60	579.94	(89.86)	2,862.68	6,627.00

Note 6

Capital Work in progress

₹ in Lakhs

Description	Amount
Opening Balance as at 1 April 2021	128.46
Additions	1,669.85
Transfer to Property, plant and equipment	(1,061.66)
Closing Balance as at 31 March 2022	736.65
Opening Balance as at 1 April 2020	—
Additions	373.28
Transfer to Property, plant and equipment	(244.82)
Closing Balance as at 31 March 2021	128.46

Notes forming part of the financial statements

Capital work-in-progress ageing schedule for the year ended 31 March 2022 and 31 March 2021

₹ in Lakhs

Particulars	Amount in CWIP for a Period				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress-Plant Automation	720.80	15.85	—	—	736.65
Projects in Progress-Plant Automation	(128.46)	—	—	—	(128.46)
Total Capital work in Progress	720.80	15.85	—	—	736.65
	(128.46)	—	—	—	(128.46)

Project wise breakup of Capital-work-in Progress

₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project in Progress					
Plant Automation	736.65	—	—	—	736.65
Plant Automation	(128.46)	—	—	—	(128.46)
Total Capital Work in Progress	736.65	—	—	—	736.65
	(128.46)	—	—	—	(128.46)

Note 7

Other non-current financial assets

₹ in Lakhs

Particulars	As at	As at
	31 March 2022	31 March 2021
Carried at amortized cost (Unsecured, considered good)		
Security Deposits	32.81	32.81
TOTAL	32.81	32.81

Note 8

Other non-current assets

₹ in Lakhs

Particulars	As at	As at
	31 March 2022	31 March 2021
(Unsecured, considered good)		
Balances with Government authorities (other than Income Tax)		
— VAT refund receivable	117.00	159.93
— Revenue deposit receivable	14.01	14.01
— VAT paid under protest (Refer note 32)	182.01	124.14
Capital Advances	—	1.22
Deposits with Bank*	0.62	—
Advance income-tax (net of provision ₹ 837.60 Lakh (2021 ₹ 202.44 Lakh))	148.56	84.95
TOTAL	462.20	384.25

* Lien marked with irrigation division Kolad, Raigad

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 9

Inventories (at lower of cost and net realisable value)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Raw materials (Includes Good in Transit ₹ Nil (2021 ₹ 98.19 lakh)	1,131.15	1,146.60
Packing materials	60.21	98.70
Work-in-progress	421.14	249.59
Finished goods (Includes Good in Transit ₹ 310.14 Lakh (2021 ₹ 373.08 Lakh)	1,102.50	946.17
Stores and spares	224.85	168.27
TOTAL	2,939.85	2,609.33

Note:

The mode of valuation has been stated in Note 2.8 of significant accounting policies.

Note 10

Trade Receivables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured		
Undisputed Trade Receivable-Considered Good	4,138.62	2,881.09
Undisputed Trade Receivables-Which have significant increase in credit Risk	—	—
Undisputed Trade Receivables-Credit Impaired	—	—
Disputed Trade Receivables- Considered Good	—	—
Disputed Trade Receivables-Which have significant increase in credit Risk	—	—
Disputed Trade Receivables-Credit Impaired	—	—
Less: Allowance for Expected Credit Loss	(4.19)	(13.02)
TOTAL	4,134.43	2,868.07

Note:

The average credit period on sale of goods is 60 days. No interest is charged on trade receivables. The above gross Trade Receivables include amount due from related parties of ₹ Nil (2021 - ₹ 71.61 Lakhs).

In accordance with Ind AS 109, the Company has used the Practical expedient by computing the expected credit Loss allowance for trade receivables by following simplified approach. The Expected credit Loss Model takes into account historical credit loss experience and adjusted forward looking information.

For movement in allowance for doubtful debts refer Note no: 40.

Notes forming part of the financial statements

Trade Receivable Ageing Schedule for the year ended as on March 31, 2022 and March 31, 2021

₹ in Lakhs

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	3,389.06	749.56	—	—	—	—	4,138.62
Total Trade Receivables	3,389.06	749.56	—	—	—	—	4,138.62
Less: Allowance for Expected Credit Loss	—	—	—	—	—	—	(4.19)
Total	3,389.06	749.56	—	—	—	—	4,134.43

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	2,790.48	86.41	4.20	—	—	—	2,881.09
Total Trade Receivables	2,790.48	86.41	4.20	—	—	—	2,881.09
Less: Allowance for Expected Credit Loss	—	—	—	—	—	—	(13.02)
Total	2,790.48	86.41	4.20	—	—	—	2,868.07

Note 11

Cash and cash equivalents

₹ in Lakhs

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance with Banks-In Current Accounts	446.56	297.13
TOTAL	446.56	297.13

Note 11A

Other Bank balance

₹ in Lakhs

Particulars	As at	As at
	31 March 2022	31 March 2021
Fixed deposits with bank*	137.50	60.00
TOTAL	137.50	60.00

* above deposits are held against bank guarantee

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 12 A

Loans:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Current Assets		
Unsecured, Considered Good		
Loans/Advances to employees	3.78	6.01
TOTAL	3.78	6.01

Note 12 B

Loans:

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Non Current Assets		
Unsecured, Considered Good		
Loans/Advances to employees	3.10	4.27
TOTAL	3.10	4.27

Note 13

Other current assets

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Considered Good		
Prepaid Expenses	88.73	45.97
Balance with government authorities (Other than Income Tax)		
— Goods and Service Tax	969.69	416.86
— GST Export Rebate	69.56	126.10
— Duty Drawback receivable	2.68	1.97
Advances to Employees against expenses	3.83	0.24
Advances to suppliers of goods and services	206.59	200.08
Others- Interest Receivable on Deposits	2.46	—
TOTAL	1,343.54	791.22

Notes forming part of the financial statements

Note 14

Equity Share Capital

₹ in Lakhs

Particulars	As at	
	31 March 2022	31 March 2021
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
	2,000.00	2,000.00
Issued, Subscribed and fully paid up		
73,53,060 (2021: 73,53,060) equity shares of ₹ 10/- each fully paid up	735.31	735.31
TOTAL	735.31	735.31

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

₹ in Lakhs

	As at 31 March 2022		As at 31 March 2021	
	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 2022		As at 31 March 2021	
	No. of Shares	% of held	No. of Shares	% of held
Indus Petrochem Limited (Holding Company) w.e.f 30 Nov 2021	45,85,396	62.36%	—	—
Rhodia Amines Chemicals Pte Limited upto 30 Nov 2021	—	—	45,85,196	62.36%

Details of Equity Shares held by the Holding Company:

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Indus Petrochem Limited (Holding Company) w.e.f 30 Nov 2021	45,85,396	62.36%	—	—
Rhodia Amines Chemicals Pte Limited upto 30 Nov 2021	—	—	45,85,196	62.36%

Share held by Promoters as at 31st March 2022

Promoters Name	No of shares	% of total shares	% change during the year
Indus Petrochem Limited w.e.f 30 Nov 2021	45,85,396	62.36%	100%

Share held by Promoters as at 31st March 2021

Promoters Name	No of shares	% of total shares	% change during the year
Rhodia Amines Chemicals Pte. Ltd	45,85,196	62.36%	0%

Note: Above list is certified by the Share Transfer Agent.

Notes forming part of the financial statements

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 shares 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.

Note 15

Other equity

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
A. Capital reserve	453.56	453.56
B. Securities premium	883.10	883.10
C. Retained earnings		
Balance at the beginning of the year	542.28	(889.81)
Add : Profit for the year	2,747.52	1,418.38
Add : Other comprehensive income	5.45	13.71
Balance at the end of the year	3,295.25	542.28
TOTAL	4,631.91	1,878.94

The Board of Directors of the Company have recommended Final Dividend of ₹ 2.00 per share for the financial year ended 31st March 2022 to be paid on fully paid Equity Shares amounting to ₹ 147.06 lakh. The Final dividend is subject to the approval of shareholder at Annual general Meeting and has not been included as liability in these financial statements.

(a) Capital reserve

Capital Reserves includes :

- i) ₹ 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.
- ii) ₹ 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 distribution to the shareholders as dividend.

(b) Securities premium

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

(c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, less any dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Notes forming part of the financial statements

Note 16

Borrowings (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured loan - At amortised cost		
Loans from a related party		
— Term loan (Refer note 36 e (iii))	3,500.00	5,000.00
TOTAL	3,500.00	5,000.00

Note:

Particulars	Present Rate of interest	Terms of Repayment	Amount
Indus Petrochem Limited- the Holding Company	8.25% p.a.	The loan shall be repayable in 3.5 years from 29 th Feb 2024, in 6 equal quarterly Installments	3,500.00
Solvay Specialities India Pvt Limited, a fellow subsidiary	Loan repaid during the year		5,000.00

Note 17

Provisions (Non Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee Benefits (Refer note 37):		
— Compensated absences	70.32	67.39
TOTAL	70.32	67.39

Note 18

Deferred tax (asset)/liabilities

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Tax effect of items consisting Deferred tax liability		
On property, plant and equipment allowances on	873.74	796.92
Tax effect of items consisting Deferred tax assets		
Disallowance under section 43(B) / 40 (a) of Income tax Act, 1961	(51.83)	(47.17)
Unabsorbed depreciation and unabsorbed business loss carried forward	—	(191.59)
MAT credit	(303.44)	(511.09)
Others*	(30.22)	(48.05)
Tax (Assets)/Liabilities	488.25	(0.98)

Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 19

Borrowings (Current)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured		
Loans repayable on demand from banks		
— Overdraft facilities	—	579.98
— Working capital Demand Loan	—	3,200.00
Loans from related party (Refer note 36 e (iii))	3,354.05	—
Short term Loan	1,000.00	—
TOTAL	4,354.05	3,779.98

Loan from Indus Petrochem Limited repayable in one year - interest rate @ 8.25%

Short Term Loan - rate of Interest @ 8.25%

Note 20

Trade Payables

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	166.95	134.90
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	3,150.52	1,939.18
TOTAL	3,317.47	2,074.08

Trade Payable ageing schedule for the year ended March 31, 2022

Particulars	₹ in Lakhs					
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 Year	Total
Trade Payables						
(i) MSME	155.95	11.00	—	—	—	166.95
(ii) Others	1,867.30	1,209.54	49.23	8.72	15.73	3,150.52
(iii) Disputed Due-MSME	—	—	—	—	—	—
(iv) Disputed Due-Others	—	—	—	—	—	—
TOTAL	2,023.25	1,220.54	49.23	8.72	15.73	3,317.47

Notes forming part of the financial statements

Trade Payable ageing schedule for the year ended March 31, 2021

₹ in Lakhs

Particulars	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 Year	Total
Trade Payables						
(i) MSME	134.90	—	—	—	—	134.90
(ii) Others	1,198.51	632.34	42.02	41.31	25.00	1,939.18
(iii) Disputed Due-MSME	—	—	—	—	—	—
(iv) Disputed Due-Others	—	—	—	—	—	—
TOTAL	1,333.41	632.34	42.02	41.31	25.00	2,074.08

Dues to Micro, Small and Medium Enterprises

Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. This has been relied upon by the auditors. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below:

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
(a) The amount remaining payable to any supplier at the end of the accounting year:		
Principal amount	166.95	134.90
Interest due thereon	3.70	0.02
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	—	23.43
(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 under the Micro, Small and Medium Enterprises Development Act, 2006	3.70	3.54
(d) The amount of interest accrued and remaining unpaid at the end of the year	25.64	21.94
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.98	0.03

Note 21

Other financial liabilities (Current)

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost		
Interest accrued but not due on borrowings	—	31.68
Other Payables		
— Payable for Capital Expenditure	38.63	4.21
— Employee benefits payable	86.17	78.74
TOTAL	124.80	114.63

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 22

Provisions (Current)

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 37):		
— Compensated absences	12.03	11.19
— Provision for tax (Net of Advance tax of ₹ 302.20 lakh (2021 ₹ 215.03 Lakh))	34.81	72.55
TOTAL	46.84	83.74

Note 23

Other current liabilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Other Payables		
— Statutory remittances (Contributions to Provident Fund, profession tax, withholding taxes, GST, ESIC, etc.)	51.60	29.17
— Payable on account of gratuity (net)	16.53	12.63
— Advance from customers	9.71	15.80
— Others	1.70	17.86
TOTAL	79.54	75.46

Note 24

Revenue from operations

Particulars	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<u>Sale of products</u>		
— Finished goods (Speciality Chemicals)	24,288.32	19,655.86
<u>Sale of services</u>		
— Processing charges	57.23	191.95
<u>Other operating revenue</u>		
— Scrap sales	46.55	10.58
— Duty Drawback	8.32	6.92
TOTAL	24,400.42	19,865.31

Notes forming part of the financial statements

Note 25

Other income

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income:		
— On bank deposits	3.88	0.71
— From others	6.69	1.07
Liabilities / provisions no longer required written back	38.94	13.43
Net gain on foreign currency transactions and restatements	21.01	5.28
Others	—	5.40
TOTAL	70.52	25.89

Note 26

Cost of material consumed

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Raw materials consumed		
Opening stock of raw materials	1,146.60	1,265.69
Add: Purchases	16,670.19	11,748.92
Less: Closing stock of raw materials	(1,131.15)	(1,146.60)
Cost of raw materials consumed	16,685.64	11,868.01
(b) Packing materials consumed		
Opening stock of packing materials	98.70	85.26
Add: Purchases	542.40	620.21
Less: Closing stock of packing materials	(60.21)	(98.70)
Cost of packing material consumed	580.89	606.77
TOTAL	17,266.53	12,474.78

Note 27

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

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Work-in-progress		
Opening stock	249.59	71.01
Less: Closing stock	(421.14)	(249.59)
	(171.55)	(178.58)
(b) Finished goods		
Opening stock	946.17	1,296.13
Less: Closing stock	(1,102.50)	(946.17)
	(156.33)	349.96
TOTAL [Net Decrease / (Increase)]	(327.88)	171.38

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 28

Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	848.11	653.10
Contribution to provident and other funds (refer note 37)	50.04	45.16
Staff welfare expenses	24.30	57.50
TOTAL	922.45	755.76

Note 29

Finance Cost

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on bank overdraft and loans (other than those from related parties)	173.99	321.21
Interest on loans from related parties	293.26	381.29
Other borrowing costs (Includes Paid to related Party ₹ Nil) (2021- ₹ 22 Lakh) (refer note 36)	11.05	34.43
TOTAL	478.30	736.93

Note 30

Depreciation

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, Plant and Equipment	580.57	579.94
TOTAL	580.57	579.94

Note 31

Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	192.85	193.27
Power and fuel	997.51	889.86
Rent	102.35	114.58
Repairs and maintenance		
— Plant and machinery & Others	196.49	260.72
Insurance	97.40	52.87
Rates and taxes	11.46	49.52
Loss on assets sold, discarded or written off	—	96.55
Sub-contract charges	485.98	451.32
Legal and professional fees	56.33	85.70
Service charges & Computer maintenance	516.09	469.03
Corporate social responsibility expense	14.87	4.09

Notes forming part of the financial statements

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Travelling and conveyance	19.42	18.78
Director's sitting fees	20.00	12.80
Payments to Auditors (Refer Note (i) below)	25.29	22.35
Freight and forwarding expenses	464.36	502.23
Provision for doubtful trade receivables (net of recoveries)	—	7.28
Effluent treatment charges	40.32	63.47
Miscellaneous Expenses	174.64	215.62
TOTAL	3,415.37	3,510.04

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Notes (i):		
Payment to Auditors include: (net of input credit, where applicable)		
To statutory auditors		
— Statutory audit fees (including quarterly reviews)	25.00	22.20
— Reimbursement of expenses	0.29	0.15
TOTAL	25.29	22.35

Note 32

Contingent Liabilities and commitments:

₹ in Lakhs

	As at 31 March 2022	As at 31 March 2021
Contingent Liabilities		
Claims against the Company not acknowledged as debt:		
(a) Sales Tax Matters		
Demand notices issued by Sales Tax Department for which the Company has preferred appeal	508.76	508.76
(b) Bank guarantees	—	140.00
(c) Claims of Solvay SA not acknowledged by the Company	72.45	—

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/ outcomes on the matters involved.
- 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 matters to have a materially adverse effect on its financial statements.

Note 33

Capital Commitments

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.	77.27	233.19
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Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 34

Tax expense

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Amounts recognised in profit and loss		
Current income tax	682.94	288.15
Deferred tax expense (also refer note (ii))	487.14	(44.16)
Tax expense for the year	1,170.08	243.99

(b) Reconciliation of effective tax rate

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	3,917.60	1,662.37
Tax using the Company's domestic tax rate	1,140.81	462.47
MAT credit recognised pertaining to earlier years	—	(224.95)
Effect of expenses that are not deductible in determining taxable profits	2.16	0.99
Others	27.12	5.47
	1,170.08	243.99

(c) Movement in deferred tax balances : 31 March 2022

₹ in Lakhs

	Balance as on 1 April 2021	Recognised in profit or loss	Recognised in OCI	Balance as on 31 March 2022
Deferred tax liability on				
Property, plant and equipment	796.92	76.82	—	873.74
Deferred tax assets on				
Employee Benefits	(47.17)	(6.76)	(2.10)	(51.83)
Unabsorbed depreciation and tax losses carried forward	(191.59)	191.59	—	—
MAT credit	(511.09)	207.65	—	(303.44)
Others	(48.04)	17.82	—	(30.21)
Tax (Assets)/Liabilities	(0.98)	487.14	(2.10)	488.25

Movement in deferred tax balances : 31 March 2021

₹ in Lakhs

	Balance as on 1 April 2020	Recognised in profit or loss	Recognised in OCI	Balance as on 31 March 2021
Deferred tax liability on				
Property, plant and equipment	803.31	(6.39)	—	796.92
Deferred tax assets on				
Employee Benefits	(39.65)	(12.80)	(5.28)	(47.17)
Unabsorbed depreciation and tax losses carried forward - restricted to the extent of deferred tax liability	(664.57)	472.98	—	(191.59)
MAT credit (also refer note (ii))	—	(511.09)	—	(511.09)
Others	(61.19)	13.15	—	(48.04)
Tax (Assets)/Liabilities	37.90	(44.15)	(5.28)	(0.98)

Notes :

- 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.
- 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) is ₹ 511 lakhs (₹ 225 Lakhs).

Notes forming part of the financial statements

Note 35

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 does not exceed 10% from any individual customer.

(b) Geographical segment information

₹ in Lakhs

Geographical Segment	Revenues for the year ended 31 March 2022	Segment assets as at 31 March 2022
India	17,775.41 (13,793.13)	15,907.98 (13,147.72)
Others	6,695.53 (6,098.07)	1,440.51 (661.81)

Figures in brackets are for the previous year ended 31 March 2021

Note 36

Related Party Disclosures (Transaction are at arm's length transaction-to be disclosed as per para 23 under Ind AS 24)

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. Upto 30th Nov 2021

(ii) Holding Company:

Rhodia Amines Chemicals Pte Limited (holds 62.36% of the equity share capital in the Company) Upto 30th Nov 2021

Indus Petrochem Limited (holds 62.36% of the equity share capital in the Company) w.e.f 1st Dec 2021

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

(i) Fellow Subsidiaries:

Solvay Specialty Chemicals Asia Pacific Pte. Ltd. Upto 30th Nov 2021

Rhodia Operations S.A.S. Upto 30th Nov 2021

Solvay Chemicals Korea Co. Ltd. Upto 30th Nov 2021

Solvay Specialities India Pvt. Ltd. Upto 30th Nov 2021

Solvay (Zhenjiang) Chemicals Co. Ltd. Upto 30th Nov 2021

Solvay USA Inc. Upto 30th Nov 2021

Solvay (China) Co. Ltd. Upto 30th Nov 2021

Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd. Upto 30th Nov 2021

Solvay Solutions Italia S.p.A Upto 30th Nov 2021

Rhodia Poliamida E Especialidades S. A. Upto 30th Nov 2021

Solvay Quimica S.A. Upto 30th Nov 2021

Solvay Istanbul Kimya TIC Upto 30th Nov 2021

Solvay Finance Ireland Unlimited Upto 30th Nov 2021

Note 1: The above have been identified on the basis of the information available with the Company.

Notes forming part of the financial statements

(ii) Key Management Personnel:

Mr. Jeet Malhotra Director w.e.f. 30 th Nov 2021 & CEO w.e.f. 1 st Jan 2022	Director & CEO
Mr. Virendrasingh Baidwal w.e.f. 30 th Nov 2021 & Managing Director w.e.f. 1 st Jan 2022	Managing Director
Dr. Maya Parihar Malhotra w.e.f. 30 th Nov 2021	Director
Dr Anand Parihar w.e.f. 30 th Nov 2021	Director
Mr. Manoj Khullar upto 30 th Nov 2021	Managing Director
Mr. R. L. Shenoy	Independent Director
Mr. Ajit Shah	Independent Director
Mrs. Aruna Soman	Independent Director
Mr. Cyrus Poonevala w.e.f. 15 th Jan 2022	Independent Director

(c) Transactions with the Related Parties:

	₹ in Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Fellow Subsidiaries		
(i) Sale of goods:		
Solvay (Zhenjiang) Chemicals Co. Ltd.	21.79	426.86
Solvay Specialities India Pvt. Ltd.	2,080.71	982.12
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	505.94	363.51
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	6.33	—
Rhodia Operations S.A.S.	386.11	388.27
Solvay USA Inc.	58.07	—
Solvay Quimica S.A.	—	6.83
	<u>3,058.95</u>	<u>2,167.59</u>
(ii) Purchase of Raw Materials:		
Solvay Specialities India Pvt. Ltd.	25.31	261.02
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	230.17	679.36
Solvay Solutions Italia S.p.A	108.07	19.95
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	—	148.47
	<u>363.55</u>	<u>1,108.80</u>
(iii) Rendering of services:		
Solvay Specialities India Pvt. Ltd.	12.81	14.28
(iv) Legal and professional fees		
Indus Petrochem Limited w.e.f. 01 st Dec 2021	21.96	—
(v) Receipt of services:		
(a) Service charges		
Solvay Specialities India Pvt. Ltd. Upto 30 th Nov 2021	330.83	573.59
Solvay (China) Co. Ltd. Upto 30 th Nov 2021	—	1.64
(b) Computer maintenance		
Rhodia Operations S.A.S. (net)* Upto 30 th Nov 2021	—	(104.56)
* Provision write back		

Notes forming part of the financial statements

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
(c) Sales commission		
Rhodia Poliamida E Especialidades S. A. Upto 30th Nov 2021	2.07	5.51
Solvay Istanbul Kimya TIC Upto 30th Nov 2021	0.40	2.95
Solvay Chemicals Korea Co. Ltd. Upto 30th Nov 2021	39.84	51.46
(d) Rent		
Solvay Specialities India Pvt. Ltd. Upto 30th Nov 2021	45.42	49.72
Indus Petrochem Limited w.e.f 01st Dec 2021	2.80	
(e) Capital Exp		
Solvay Specialities India Pvt. Ltd. Upto 30th Nov 2021	—	4.00
(f) Guarantee fees		
Solvay S.A. Upto 30th Nov 2021	—	22.00
	<u>421.36</u>	<u>606.31</u>
(vi) Interest expense on inter-corporate loan taken:		
Solvay Specialities India Pvt. Ltd. Upto 30th Nov 2021	104.26	381.29
Indus Petrochem Limited w.e.f 01st Dec 2021	189.00	—
(vii) Provision for receivable		
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd. Upto 30th Nov 2021	—	6.59
(viii) Finance Guarantees Provided		
Solvay SA Upto 30th Nov 2021	—	2,500.00
(xi) Finance Guarantees Cancelled		
Solvay SA Upto 30th Nov 2021	—	3,500.00

(d) Key management personnel compensation

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Short-term employee benefits		
Mr. Manoj Khullar upto 30th Nov. 2021	0.08	0.12
Mr. Jeet Malhotra CEO w.e.f. 1st Jan 2022	4.89	—
Mr. Virendrasingh Baidwal MD w.e.f. 1st Jan 2022	5.93	—
	<u>10.90</u>	<u>0.12</u>
(ii) Directors Sitting Fees		
Mr. R. L. Shenoy	5.60	4.00
Mr. Ajit Shah	6.40	4.40
Mrs. Aruna Soman	6.00	4.40
Dr. Maya Parihar Malhotra w.e.f 30th Nov 2021	0.80	—
Dr. Anand Parihar w.e.f 30th Nov 2021	0.80	—
Mr. Cyrus Poonevala w.e.f 15th Jan 2022	0.40	—
	<u>20.00</u>	<u>12.80</u>

Sunshield Chemicals Limited

Notes forming part of the financial statements

(e) Balances outstanding as at year end:

	As at 31 March 2022	As at 31 March 2021
₹ in Lakhs		
(i) Amount Payable:		
Rhodia Operations S.A.S.	—	—
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	—	90.42
Solvay Specialities India Pvt. Ltd.	—	98.46
Rhodia Poliamida E Especialidades S. A.	—	3.23
Solvay (Zhenjiang) Chemicals Co. Ltd.	—	—
Rhodia Argentina S.A.	—	—
Solvay Istanbul Kimya TIC	—	0.15
Solvay Chemicals Korea Co. Ltd.	—	0.63
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	—	7.93
Solvay (China) Co. Ltd.	—	1.60
Solvay S.A.	—	22.00
	<u>—</u>	<u>224.42</u>
(ii) Amount Receivable:		
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	—	16.77
Solvay Specialities India Pvt. Ltd.	—	30.67
Solvay (Zhenjiang) Chemicals Co. Ltd.	—	5.67
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	—	—
Rhodia Operations S.A.S.	—	11.61
Solvay Quimica S.A.	—	—
Solvay USA Inc.	—	0.35
	<u>—</u>	<u>65.07</u>
(iii) Loan Outstanding: (Long term and Short term Loan)		
Solvay Specialities India Pvt. Ltd. Upto 30th Nov 2021 (includes interest accrued but not due of ₹ Nil (2021 ₹ 31.21 lakhs)	—	5,031.21
Indus Petrochem Limited w.e.f. 01st Dec 2021	6,854.05	—
	<u>6,854.05</u>	<u>5,031.21</u>
(iv) Finance Guarantee provided by:		
Solvay SA upto 30th Nov 2021	—	8,100.00

Note 37

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 ₹ 36.26 Lakhs (Year ended 31 March 2021 ₹ 27.52 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 lump sum 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.

Notes forming part of the financial statements

(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.

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gratuity:		
1. Change in present value obligation:		
Present value of defined benefit obligation at the beginning of the year	144.32	136.33
Current Service Cost	11.28	9.90
Interest Cost	8.80	7.54
Actuarial (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumption	—	—
Actuarial (gains)/losses arising from changes in financial assumption	(6.06)	(12.60)
Actuarial (gains)/losses arising from changes in experience adjustment	(1.62)	(3.00)
Past Service Cost	—	6.16
Benefits Paid	(5.90)	—
Liabilities assumed/(settled)	—	—
Present value of defined benefit obligation at the end of the year	150.82	144.32
2. Changes in Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	131.68	120.58
Expected Return on Plan Assets	8.63	7.21
Actuarial (gains)/losses	(0.13)	3.39
Employer's Contributions	—	0.50
Benefits Paid	(5.90)	—
Fair value of plan assets at the end of the year	134.28	131.68
3. Net Benefit (Asset)/Liability		
Present value of funded defined benefit obligation	150.82	144.33
Fair value of plan assets	134.28	131.68
Net Benefit (Asset)/Liability	16.54	12.65
4. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	11.28	9.90
Past Service Cost	—	6.16
Interest cost on benefit obligation (net)	0.17	0.34
Total Expenses recognised in the Statement of Profit and Loss	11.45	16.40
5. Remeasurement Effects Recognised in Other Comprehensive Income		
Actuarial (gains)/losses arising from changes in demographic assumption	—	—
Actuarial (gains)/losses arising from changes in financial assumption	(6.06)	(12.60)
Actuarial (gains)/losses arising from changes in experience adjustment	(1.62)	(3.00)
Return on plan asset	0.13	(3.39)
Recognised in Other Comprehensive Income	(7.55)	(18.99)

Notes forming part of the financial statements

6. Actuarial Assumptions

Discount Rate	6.95%	6.45%
Salary Escalation Rate	7%	7%
Retirement age	60	60
Attrition:		
21 - 44 years	12%	12%
45 years & above	2%	2%
Mortality tables	Indian Assured Lives Mortality (2012-14)Ult	Indian Assured Lives Mortality (2012-14)Ult
7. Estimated amounts of contribution in the immediate next year	20.00	20.00

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 2022	For the year ended 31 March 2021
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 2022		For the year ended 31 March 2021	
	Amount	%	Amount	%
(i) Discount rate (25 basis points)				
Increase	(2.89)	(1.91%)	(2.93)	(2.03%)
Decrease	2.98	1.98%	3.02	2.10%
(ii) Future salary escalation rate (25 basis points)				
Increase	2.97	1.97%	3.00	2.08%
Decrease	(2.89)	(1.92%)	(2.92)	(2.02%)

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 7.78 years (31 March 2021: 8.25 years).

13. Other long term employee benefits

Compensated absences are payable to employees. The charge towards compensated absences for the year ended 31 March 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 5.17 lakhs (31 March 2021: ₹ 6.08 lakhs).

Notes forming part of the financial statements

Note 38

Earnings Per Equity Share

		For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Weighted average number of equity shares outstanding as at the Balance Sheet date	Nos.	7,353,060	7,353,060
(b) Nominal value of share	₹	10	10
(c) Net Profit attributable to equity shareholders	₹ in Lakhs	2,747.52	1,418.38
(d) Earnings per share (basic and diluted)	₹	37.37	19.29

Note 39

Exceptional item:

	For the year ended 31 March 2022	For the year ended 31 March 2021
During the quarter ended June-21, on account of product rationalisation activities of the Company, certain products manufactured by it and its related Technology, Specifications, Brand Names and Customer Contracts ("Specified Assets") were transferred to Solvay Specialities India Private Limited for a consideration of ₹ 1,782 Lakhs. These specified assets are internally generated over a period of time and hence, as per Ind AS, there is no cost attributable to these specified assets. The entire consideration also being the gain on such transfer was shown as an exceptional item. Further the tax liability of ₹ 488 Lakhs on this gain has been considered under 'Tax expenses' under the sub heading current tax.	1,782.00	—

Note 40

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

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Measured at amortised cost :		
(a) Trade receivables	4,134.43	2,868.07
(b) Cash and cash equivalents	446.56	297.13
(c) Fixed deposits with bank	137.50	60.00
(d) Loans	6.88	10.28
(e) Security Deposits	32.81	32.81
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	7,854.05	8,811.66
(b) Trade payables	3,317.47	2,074.08
(c) Employee Benefit payable	86.17	78.74
(d) Payables on Capital Expenditure	38.63	4.21

Notes forming part of the financial statements

(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.

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 and other financial liabilities. 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 analyse 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.

For financial assets in the form of cash and cash equivalents, loans and other financial assets, the Company has assessed the change in counterparty credit risk due to COVID-19 and believe that the same are fully recoverable.

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. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has further considered internal and external sources of information, specifically having regard to the current macro economic conditions and the global health pandemic to assess the impact on credit losses. Basis the information available as at the date of approval of these financial statements, the Company expects the historical trend of minimal credit losses to continue.

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 2022	As at 31 March 2021
Neither past due nor impaired	3,389.06	2,790.48
Past due but not impaired		
Past due 1–90 days	743.75	73.39
Past due 91–180 days	1.62	—
Past due more than 180 days	—	4.20
	<u>4,134.43</u>	<u>2,868.07</u>

Notes forming part of the financial statements

Expected credit loss assessment for customers as at 31 March 2022 and 31 March 2021

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. 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 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 2020	5.74
Impairment loss recognised	7.28
Amounts written back	—
Balance as at 31 March 2021	13.02
Impairment loss recognised	—
Amounts written back	(8.83)
Balance as at 31 March 2022	4.19

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 446.56 lakhs (₹ 297.13 lakhs as at 31 March 2021)

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

(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. The company also has 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:

As at 31 March 2022	Carrying amount	Total	Contractual cash flows				₹ in Lakhs
			1 year or less	1-2 years	2-5 years	More than 5 years	
Borrowings	7,854.05	7,854.05	4,354.05		3,500.00	—	
Trade and other payables	3,317.47	3,317.47	3,317.47	—	—	—	
Other financial liabilities	124.80	124.80	124.80	—	—	—	

As at 31 March 2021	Carrying amount	Total	Contractual cash flows				₹ in Lakhs
			1 year or less	1-2 years	2-5 years	More than 5 years	
Borrowings	8,811.66	8,811.66	3,811.66	—	5,000.00	—	
Trade and other payables	2,074.08	2,074.08	2,074.08	—	—	—	
Other financial liabilities	82.95	82.95	82.95	—	—	—	

Financing facilities

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Unsecured bank overdraft facility and working capital term loan reviewed annually and payable at call:		
— amount used	—	3,779.98
— amount unused	—	4,320.02
	<u>—</u>	<u>8,100.00</u>

Notes forming part of the financial statements

(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 US Dollar (USD) and Euro (EUR), against the respective functional currencies of the Company.

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 2022		31 March 2021	
	FC	INR	FC	INR
Borrowings	—	—	—	—
Trade receivables				
EUR	581,667	489.33	141,360	121.24
USD	1,824,202	1,382.29	752,862	550.45
Trade payables				
EUR	288,522	242.72	—	—
USD	1,334,996	1,011.59	767,253	559.46
Net statement of financial position exposure				
EUR	(293,145)	(246.61)	(141,360)	(121.24)
USD	(489,206)	(370.70)	14,392	9.01
Net exposure				
EUR	(293,145)	(246.61)	(141,360)	(121.24)
USD	(489,206)	(370.70)	14,392	9.01

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 2022				
EUR	24.66	(24.66)	24.66	(24.66)
USD	37.07	(37.07)	37.07	(37.07)
31 March 2021				
EUR	12.12	(12.12)	12.12	(12.12)
USD	(0.90)	0.90	(0.90)	0.90

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

Notes forming part of the financial statements

(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 2022	31 March 2021
Borrowings		
Fixed rate borrowings	7,854.05	8,811.66
	<u>7,854.05</u>	<u>8,811.66</u>

Interest rate sensitivity - fixed rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore may not be materially subject to interest rate risk as defined in IND AS 107.

Note 41

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 statements may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

Note 42

Additional Regulatory Information

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have transactions and balances with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 which are disclosed as follows:

Name of struck off Company	Nature of Transaction with Struck off company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Lloyds equities and debentures Limited	Share holder	300 Shares held in physical mode	Shareholder of the company

- The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
- The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company do not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- There are no quarterly return filed by the Company for borrowings from banks or financial institutions.

Sunshield Chemicals Limited

Notes forming part of the financial statements

7) Corporate Social Responsibility Expenditure

Particulars	₹ In Lakh	₹ In Lakh
	31 March 2022	31 March 2021
a) Amount required to be spent by the company during the year,	12.67	2.03
b) Amount of expenditure Incurred	14.87	4.09
c) Shortfall at the end of the year	—	—
d) Total of Previous years shortfall	—	—
e) Reason for Shortfall	NA	NA
Nature of CSR Activities:-		
i) School Renovation Project executed at Village Ambole	9.00	—
ii) CSR Activities (Tree Plantation and Support to school students	0.90	—
iii) infrastructure support to Crematorium at Village Rasal	4.97	—
iv) COVID Support in Hospital at Rasal	—	1.59
vi) Provision of safe drinking water at Rasal Village, and Sudhagad Fort	—	2.50
f) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,		
g) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.		
Total	14.87	4.09

Note 43

Ratio	Numerator	Denominator	March-22	March-21	Variance	Reason
Current Ratio	Current Assets	Current Liabilities	1.14	1.08	5.03%	NA
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.46	3.36	(56.43%)	Earnings Improved
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	7.88	3.83	105.43%	Earnings Improved
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	68.85%	74.72%	(7.86%)	NA
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	8.79	7.25	21.33%	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.97	6.98	(0.15%)	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.39	5.75	11.13%	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	22.53	39.43	(42.85%)	Revenue growth along with efficiency in working capital Management
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	11.26%	7.14%	57.71%	Improvement in Profitability
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	32.06%	21.06%	52.26%	Improvement in Profitability
Return on Investment	Income Generated from Investments	Time Weighted Average Investment	NA	NA	—	

Note 44

Approval of financial statements

The financial statements were approved for issue by the board of directors on 30 May 2022.

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

Virendrasingh Baidwal
Managing Director
(DIN No 05237385)

Ravishanker Sharma
Chief Financial Officer
Place : Mumbai
Date : 30 May 2022

Jeet Malhotra
Director
(DIN No 07208234)

Amit Kumashi
Company Secretary

If undelivered, please return to :

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CIN: L99999MH1986PLC041612