

**Independent Auditor's Report on Audited Financial Results of Sunshield Chemicals Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**TO THE BOARD OF DIRECTORS OF**

**Sunshield Chemicals Limited**

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying Statement of Financial Results of **Sunshield Chemicals Limited** (the Company) for the quarter and year ended 31<sup>st</sup> March 2024 (the **"Statement"**), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**).

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended 31<sup>st</sup> March 2024.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (**"the Act"**). Our responsibilities under those SAs are further described in the **"Auditor's Responsibilities for the Audit of the Financial Results"** 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 together with the ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

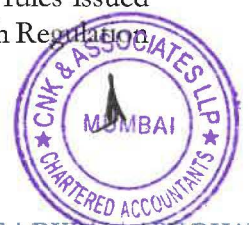
**Management's Responsibilities for the Financial Results**

The Statement has been prepared on the basis of the Annual Financial Statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation

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33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Results**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 through a separate report on the complete set of Financial Statements on whether the Company has adequate internal financial controls with reference to Financial Statements 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 in the Financial Results made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Managements and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Results 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 Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Other matter**

The Statement includes the results for the quarter ended 31<sup>st</sup> March 2024, being the balancing figures between the audited figures in respect of year ended 31<sup>st</sup> March 2024 and the published unaudited year to date figures up to the third quarter of the current year, which were subjected to a limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matter.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036



**Diwakar Sapre**

Partner

Membership No.040740

Place: Mumbai

Date: May 16, 2024

UDIN: 24040740BKEYGB3855



**SUNSHIELD CHEMICALS LIMITED**

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Corporate Identity Number : L99999MH1986PLC041612  
Phone No.25550126

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**FINANCIAL RESULTS FOR THE QUARTER AND THE YEAR ENDED MARCH 31, 2024**

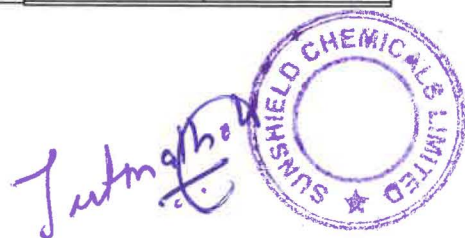
Rs. In Lakhs (except earnings per share)

Sr. No.	Particulars	Quarter ended			Year ended	
		Mar 31, 2024 (refer note 2)	Dec 31, 2023 (Reviewed)	Mar 31, 2023 (refer note 2)	Mar 31, 2024 Audited	Mar 31, 2023 Audited
1	Revenue from operations	8,553	6,519	6,646	28,338	24,476
2	Other income	35	38	75	148	182
3	<b>Total Income (1+2)</b>	<b>8,588</b>	<b>6,557</b>	<b>6,721</b>	<b>28,486</b>	<b>24,658</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	5,809	4,251	4,305	18,752	16,981
	(b) Purchase of stock-in-trade	537	-	-	537	-
	(c) Changes in inventories of finished goods and work-in-progress	(465)	(14)	305	(12)	(360)
	(d) Employee benefits expense	469	377	423	1,639	1,314
	(e) Finance costs	210	190	193	779	744
	(f) Depreciation	184	186	164	738	645
	(g) Other expenses	987	838	881	3,379	3,426
	<b>Total expenses</b>	<b>7,731</b>	<b>5,828</b>	<b>6,271</b>	<b>25,812</b>	<b>22,750</b>
5	<b>Profit before tax (3-4)</b>	<b>857</b>	<b>729</b>	<b>450</b>	<b>2,674</b>	<b>1,908</b>
6	<b>Tax expense:</b>					
	Current tax	265	189	52	756	481
	Prior year tax adjustment	-	-	(8)	-	(8)
	Deferred tax	(7)	27	71	34	69
7	<b>Profit for the period/ year (5-6)</b>	<b>599</b>	<b>513</b>	<b>335</b>	<b>1,884</b>	<b>1,366</b>
8	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment benefit obligation	(57)	4	13	(43)	19
	Income tax related to items that will not be reclassified to profit or loss	16	(1)	(4)	12	(6)
9	<b>Total Comprehensive Income for the period/year (7+8)</b>	<b>558</b>	<b>516</b>	<b>344</b>	<b>1,853</b>	<b>1,379</b>
10	Paid up equity share capital (face value of Rs.10/- each)	735	735	735	735	735
11	Other Equity				7,484	5,865
12	Earnings per equity share (of Rs. 10/- each) (not annualised in quarters)					
	Basic and diluted	8.15	6.97	4.56	25.62	18.58



## STATEMENT OF AUDITED BALANCE SHEET AS AT MARCH 31, 2024

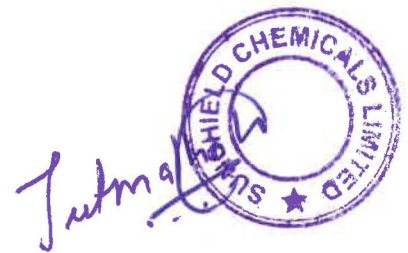
Particulars	Rs. in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
	Audited	Audited
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	7,450	7,922
(b) Capital work-in-progress	4,509	85
(c) Intangible assets	19	20
(d) Financial assets		
i. Loans	-	-
ii. Other financial assets	1	1
(e) Income tax assets (net)	54	58
(f) Other non-current assets	327	353
<b>Total non-current assets</b>	<b>12,360</b>	<b>8,439</b>
<b>2 Current assets</b>		
(a) Inventories	4,328	3,637
(b) Financial assets		
i. Trade receivables	4,789	4,011
ii. Cash and cash equivalents	-	7
iii. Bank balance other than (ii) above	60	171
iv. Loans	2	3
v. Other financial assets	2	-
(c) Other current assets	1,373	1,453
<b>Total current assets</b>	<b>10,554</b>	<b>9,283</b>
<b>TOTAL ASSETS</b>	<b>22,914</b>	<b>17,722</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	735	735
(b) Other equity	7,484	5,865
<b>Total equity</b>	<b>8,219</b>	<b>6,600</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
Borrowings	1,610	4,105
(b) Provisions	183	101
(c) Deferred tax liabilities (net)	888	618
<b>Total non-current liabilities</b>	<b>2,681</b>	<b>4,824</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
i. Borrowings	6,937	3,607
ii. Trade payables		
Outstanding dues of micro enterprises and small enterprises	179	157
Outstanding dues of creditors other than above	3,884	2,215
iii. Other financial liabilities	806	216
(b) Provisions	26	22
(c) Current tax liabilities (net)	65	-
(d) Other current liabilities	117	81
<b>Total current liabilities</b>	<b>12,014</b>	<b>6,298</b>
<b>TOTAL LIABILITIES</b>	<b>14,695</b>	<b>11,122</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,914</b>	<b>17,722</b>



STATEMENT OF AUDITED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

Rs. in Lakhs

Particulars	Year ended (Audited)	
	March 31, 2024	March 31, 2023
<b>(A) Cash flow from operating activities</b>		
Profit before tax	2,674	1,908
<b>Adjustments for:</b>		
Depreciation and amortisation expense	738	645
Loss on disposal of property, plant and equipment (net)	3	67
Finance cost	779	744
Unrealised net exchange differences	(12)	(20)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>4,180</b>	<b>3,344</b>
<b>Changes in operating assets and liabilities</b>		
Trade receivables	(765)	140
Inventories	(690)	(698)
Other assets	84	(59)
Trade payables	1,694	(944)
Other liabilities	98	(55)
Provisions	43	44
<b>Cash flow from operations</b>	<b>4,644</b>	<b>1,772</b>
Income taxes paid	(437)	(363)
<b>Net cash flows from operating activities (A)</b>	<b>4,207</b>	<b>1,409</b>
<b>(B) Cash flow used in investing activities</b>		
Payments for property, plant and equipment, capital work-in-progress	(4,145)	(821)
Proceeds from disposal of property, plant and equipment	-	3
Investment in fixed deposits with bank	112	(35)
<b>Net cash used in investing activities (B)</b>	<b>(4,033)</b>	<b>(853)</b>
<b>(C) Cash flow from/ (used in) financing activities</b>		
Borrowing taken	500	4,376
Repayment of borrowings	(535)	(4,572)
Interest paid	(782)	(712)
Dividend paid	(234)	(145)
<b>Net cash flows used in financing activities (C)</b>	<b>(1,051)</b>	<b>(1,053)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(877)</b>	<b>(497)</b>
Cash and cash equivalents at the beginning of the year	(50)	447
<b>Cash and cash equivalents at the end of the year</b>	<b>(927)</b>	<b>(50)</b>
<b>Reconciliation of cash and cash equivalents with the balance Sheet</b>		
Cash and bank balances as per balance sheet	-	7
Bank overdrafts	(927)	(57)
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>(927)</b>	<b>(50)</b>



**Notes :**

- 1 The aforesaid financial results of Sunshield Chemical Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on May 16, 2024. The same have been audited by the Statutory Auditors who have issued an unmodified opinion on the aforesaid results.
- 2 The figures of the last quarter are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years. These have been subjected to limited review by the auditors.
- 3 The aforesaid financial results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- 4 The Company's management, pursuant to Ind AS 108 - Operating Segments, has concluded that the Company has only one reportable segment which is Speciality Chemicals. Accordingly, no separate disclosures of segment information have been made.
- 5 The Board of Directors of the Company have recommended Final Dividend of Rs 1.20 per share for the financial year ended 31st March 2024 to be paid on fully paid Equity Shares amounting to Rs 88.24 lakhs. 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.

Place: Mumbai  
Date: May 16, 2024



For and on behalf of the Board of Directors  
**SUNSHIELD CHEMICALS LIMITED**

A handwritten signature in blue ink that reads "Jeet Malhotra".

Jeet Malhotra  
**Managing Director & CEO**  
DIN: 07208234

