



37th ANNUAL REPORT
2023-24

Performance Summary

₹ In Lakhs

Particulars	Percentage of Growth in comparison to Previous Year	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Year =>	1	2	3	4	5	6	7	8	9	10
Revenue											
Gross Sales	15.83	28338	24476	24400	19865	18108	18969	18526	17509	15853	12738
Net Sales	15.83	28338	24476	24400	19865	18108	18969	18337	16523	15023	11901
Other Income	(47.89)	148	182	71	26	124	228	165	22	304	69
Cost											
Material Consumed	15.68	19277	16621	16939	12646	12124	13187	12775	11358	10060	8627
Employee benefits expense	35.25	1639	1314	922	756	659	646	704	665	667	629
Finance costs	7.32	779	744	478	737	1000	1070	969	946	1080	349
Depreciation and amortization expense	16.01	738	645	581	580	609	586	596	598	548	327
Other expenses	(1.38)	3379	3426	3415	3510	3617	3512	3496	3661	3315	2428
Profit / Loss before Tax & exception item	35.86	2674	1908	2136	1662	223	196	151	(684)	(343)	(391)
Exception item	—	—	—	1782	—	104	174	—	—	—	—
Profit / Loss before Tax	19.55	2674	1908	3918	1662	119	22	151	(684)	(343)	(391)
Profit / Loss after Tax	18.89	1885	1366	2748	1418	55	22	31	(544)	(85)	(318)
Earning Per Share	18.87	25.63	18.58	37.37	19.29	0.88	0.30	1.64	(7.40)	(1.15)	(4.33)

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DIRECTORS

Mr. R L Shenoy	Chairman & Independent Director
Mr. Jeet Malhotra	Managing Director & CEO
Dr. Anand Parihar	Non-Executive Director
Dr. Maya Parihar Malhotra	Non-Executive Director
Mr. Ajit Shah	Independent Director
Mrs. Aruna Soman	Independent Director
Mr. Cyrus Poonevala	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Ashish Agarwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Kumashi

AUDITORS

M/s. CNK & Associates LLP

BANKERS

HDFC Bank

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited
 C-101, 1st Floor, 247 Park,
 Lal Bahadur Shastri Marg, Vikhroli (W),
 Mumbai – 400 083
 Tel : 91-22-66568484
 E-mail. : csg-unit@linkintime.co.in
 Website : www.linkintime.co.in

WORKS

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

CORPORATE INDENTITY NUMBER

L99999MH1986PLC041612

AUDIT COMMITTEE

Mr. Ajit Shah	Chairman
Mrs. Aruna Soman	Member
Mr. R L Shenoy	Member
Mr. Cyrus Poonevala	Member
Mr. Jeet Malhotra	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ajit Shah	Chairman
Mrs. Aruna Soman	Member
Mr. R L Shenoy	Member
Dr. Maya Parihar Malhotra	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ajit Shah	Chairman
Mrs. Aruna Soman	Member
Mr. Jeet Malhotra	Member

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting ("AGM") of the Members of **Sunshield Chemicals Limited** will be held on **Wednesday, 14th August 2024** at 11.00 am through video conferencing ("VC")/other Audio Visual Means ("OAVM") (The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company) 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 2024, the Reports of the Board of Directors and Auditors thereon.

2. Dividend Approval

To confirm the payment of interim dividend and to declare final dividend on the equity shares for the financial year ended 31st March 2024.

3. Appointment of Director

To appoint a Director in place of Mr. Jeet Malhotra (DIN: 07208234), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of remuneration payable to Cost Auditors

To consider and if thought fit, to pass, 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 ₹ 3,00,000/- (Rupees Three Lakhs 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 2025, 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."

5. Re-appointment of Mr. Jeet Malhotra as Managing Director & Chief Executive Officer

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with the provisions of Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and applicable provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for re-appointment of Mr. Jeet Malhotra (DIN: 07208234) as Managing Director and Chief Executive Officer of the Company for a period of five years from 1st January 2025 to 31st December 2030, on such terms & conditions including those relating to the remuneration as set out in the draft Agreement to be entered into between him and the Company, an extract of which is set out in the Explanatory Statement attached hereto with the liberty to the Board of Directors/ Nomination & Remuneration Committee of the Company to alter and vary the terms and conditions of appointment and/or remuneration, subject to the limits as approved by the Members of the Company in such manner as may be agreed to between the Board of Directors (including its committee thereof) and Mr. Jeet Malhotra.

RESOLVED FURTHER THAT any Director of the Company and / or Company Secretary be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

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

Mumbai,
16th May 2024

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 conformity with the Circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and Securities & Exchange Board of India (SEBI Circulars) and in compliance with the provisions of the Companies Act 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 37th Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue.
2. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 37th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting and for participation in the 37th AGM through VC/OAVM Facility and e-Voting during the 37th AGM.
3. In line with the MCA Circulars, the Notice of the 37th AGM will be available on the website of the Company at <https://www.sunshieldchemicals.com>, on the website of BSE Limited at <https://www.bseindia.com> and also on the website of NSDL (agency for providing the Remote-Voting Facility) i.e. at <https://www.evoting.nsdl.com>
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
5. In compliance with the MCA Circulars, the Notice of the AGM and the Annual Report for the financial year 2023-24 are being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ DPs. Members may note that Notice of the AGM and the Annual Report for the financial year 2023-24 will also be available on the Company's website at www.sunshieldchemicals.com, websites of the BSE Limited at www.bseindia.com, and on the website of NSDL at <https://www.evoting.nsdl.com/>
6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include 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.
7. The attendance of the Members participating in the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates to the Company's Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited ("LIPL"), so as to enable the Company to consolidate their holdings into one folio.
9. Explanatory Statement pursuant to Section 102 of the Act and statement giving the relevant details of the Director seeking re-appointment under item no. 3 of the accompanying Notice, as required under Regulation 36(3) of Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
10. The Register of Members / Shareholders and Share Transfer Books of the Company will remain closed from Thursday, the 1st day of August 2024 to Monday, the 5th day of August 2024 (inclusive of both days) for the purpose of determining the entitlement of members to dividend, if declared.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants ("DP") with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to

the Company by sending an email containing scanned copy of request letter and self-attested copy of PAN card to csg-unit@linkintime.co.in

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

12. Further, SEBI vide its circular SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, has mandated listed Companies to issue securities in demat form while processing services requests viz., Issue of duplicate share certificate, Claim from unclaimed suspense account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division / splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, 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 LIPL, RTA. The aforementioned form shall be furnished in hard copy form.
13. 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 LIPL in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, 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 LIPL in case the shares are held by them in physical form.
15. 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.
16. Dividend on Equity Shares if declared at the AGM will be credited/dispatched within the prescribed time-limit mentioned in section 126 of the Act –
 - 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 on 31st July 2024; 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 31st July 2024.

In accordance with the provisions of the Income Tax Act, 1961 as amended 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 DP / Company for enabling the Company to make timely credit of dividend in respective bank account.

17. Members desiring inspection of statutory registers during AGM can send their request on email to investor.sunshield@sunshieldchemicals.com prior to AGM.
18. 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 Act 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 Sunday, 11th August 2024 (9:00 am IST) and ends on Tuesday, 13th August 2024 (5:00 pm IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 7th August 2024 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 9th December 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.	- 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. - 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
	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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

Type of Shareholders	Login Method
	2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 022 – 4886 7000
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 toll free no. 1800 22 55 33

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.: 022 - 4886 7000 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 shareholder 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, Shareholders/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 9th December 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. Members 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 latest by 7th August 2024. 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 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, within 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.
2. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company's website www.sunshieldchemicals.com, on notice board at the Registered office of the Company 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

The Board of Directors of the Company on the recommendation of the Audit Committee has appointed M/s. Kishore Bhatia & Associates as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2024-25.

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

Accordingly, the consent of the Members is sought for ratifying the amount of remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable tax and reimbursement of out-of-pocket expenses at actuals payable to the Cost Auditors, for the year 2024-25 as set out at item no. 4 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 as set out at item No. 4.

The Board recommends the Ordinary Resolution set out in Item no. 4 of the Notice for approval of Members.

Item no. 5

Mr. Jeet Malhotra (DIN:07208234) was appointed as the Wholtime Director and Chief Executive Officer of the Company, under section 196, 197 and 203 of the Companies Act, 2013 (the Act) for a period of 3 years effective from 1st January 2022. Further the Shareholders accorded approval for re-designating Mr. Malhotra as "Managing Director & Chief Operating Officer" till expiry of his term. His term of appointment will expire on 31st December 2024.

The Board of Directors in its Meeting held on 16th May 2024 based on the recommendation of the Nomination & Remuneration Committee, re-appointed Mr. Jeet Malhotra as Managing Director of the Company for a period of 5 Years with effect from 1st January 2025 to 31st December 2030 subject to the approval of the Members in the ensuing Annual General Meeting.

Mr. Jeet Malhotra holds a Bachelor of Technology in Mechanical Engineering from Amity University. Mr. Jeet Malhotra is leading Business development for the Indus Group. He has worked extensively in the field of Production, Finance, Supply Chain, Sales and Marketing.

The material terms contained in the draft agreement as approved by the Board and Mr. Jeet Malhotra are as under:

1. Mr. Jeet Malhotra is re-appointed as Managing Director and Chief Executive Director of Sunshield Chemicals Limited effective 1st January 2025.
2. The Managing Director and Chief Executive Officer shall perform such duties as shall from time to time be entrusted to him by the Board, subject to superintendence, guidance and control of the Board.
3. The Managing Director and Chief Executive Officer shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
4. The Managing Director and Chief Executive Officer shall adhere to the Company's code of conduct.
5. The office of the Managing Director may be terminated by the Company or by him by giving 3 (three) months' prior written notice.
6. In consideration of his service, Mr. Jeet Malhotra shall receive from the Company the following remuneration:
 - a. Salary: Gross Salary consisting of Basic Salary, HRA, Variable Pay/bonus and such other Cash Allowances as may be determined by the Board, not exceeding ₹ Two Crores per annum. Annual increments shall be as recommended by the Nomination and Remuneration Committee and affirmed by the Board.
 - b. In addition to the aforesaid salary, the appointee shall be entitled to the following:
 - i. Leave Travel Assistance for self and family, once in a year incurred in accordance with the Rules specified by the Company.
 - ii. Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
 - iii. Mediclaim Insurance, Term Insurance and Personal accident insurance: Coverage to be extended as per the Company's Rules.
 - iv. Telephone, and other telecommunication facilities at his residence, as per Company's Rules.

- v. Statutory contribution to Provident Fund.
- vi. Gratuity of half month basic salary for every year of completed service as per the rules of the Company.
- vii. Leave and Leave Encashment as per the Company's Rules.
- viii. Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging including for Mr. Jeet Malhotra during business trips and provision of car(s) for use on Company's business and communication expenses at residence.

Since his taking over of the role of Executive Director and subsequent redesignation as Managing Director and Chief Executive Officer, Mr. Jeet Malhotra has taken many strategic initiatives to upgrade the manufacturing facilities, improvement of employee engagement and operational efficiencies. The Company's turnover and profitability significantly improved under his leadership. Board considers that it would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Jeet Malhotra as Managing Director and Chief Executive Officer for a period of 5 years from 1st January 2025.

Accordingly, approval of the Members is sought for passing the Special Resolution set out at Item No. 5 in terms of Sections 196(3), 197 and 203 read with Schedule V of the Act.

Mr. Jeet Malhotra is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Details of Mr. Jeet Malhotra, pursuant to the provisions of (i) Listing Regulations; and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to this notice.

Except Mr. Malhotra, being the appointee, and Dr. Maya Parihar Malhotra, and Dr. Anand Parihar none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item no. 5 of the accompanying notice.

A copy of the draft Agreement to be entered in to between Mr. Jeet Malhotra and the Company is open for inspection by Members at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Saturdays and Sundays and Public Holidays, up to and including the day of Annual General Meeting.

Your Board recommends the Resolution at Item no. 5 as Special Resolution for the approval of members.

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

Mumbai,
16th May 2024

**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 seeking re-appointment at the AGM

Name	Mr. Jeet Malhotra (DIN:07208234)
Date of Birth	09.01.1997
Date of first appointment on Board	30.11.2021
Qualifications	Bachelor of Technology in Mechanical Engineering from Amity University
Expertise in specific areas	Chemical Industry and Management
List of Directorships held in other Companies.	Indus Petrochem Limited
Details of Committee Memberships held in other Companies	Nil
Shares held.	Nil
Number of Board Meeting attended during the year	FY 2023-24: 4
Remuneration last drawn (including sitting fees, if any) (FY2023-24)	₹ 27.94 lakhs
Terms and conditions of appointment/re-appointment	As per the Resolutions at item nos. 3 and 5 of the AGM Notice dated 16 th May 2024
Remuneration Proposed to be paid	As per the Resolution at Item No. 5 of this Notice read with statement pursuant to Section 102 of the Act.
Relationship with other Directors inter se and other Key Managerial Personnel of the company	Mr. Jeet Malhotra is related to Dr. Maya Parihar Malhotra and Dr. Anand Parihar.
Name of Listed Companies from which the Director has resigned in the past three years	None

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 37th Annual Report of the business operations together with the Audited Financial Statements of the Company for the year ended 31st March 2024:

1. OVERVIEW OF FINANCIAL RESULTS

(₹ In Lakhs)

	2023-2024	2022-2023
Sales	28203	24440
Other Operating Income	135	36
Revenue from Operations	28338	24476
Other Income	148	182
Total Income	28486	24658
Less: Materials Consumed	19277	16621
Employees Remuneration & Benefits	1639	1314
Manufacturing, Administrative, Selling & Other Expenses	3379	3426
Total Expenses	24295	21361
Operating Profit (EBITDA)	4191	3297
Less: Finance Cost	779	744
Profit Before Tax & Depreciation	3412	2553
Less: Depreciation	738	645
Net Profit Before Tax	2674	1908
Less: Tax Expense		
Current Tax Expense	755	481
Deferred Tax	34	69
Prior Year Tax Adjustments	–	(8)
Net Profit after Tax	1885	1366
Other Comprehensive Income		
Add: Remeasurements of post-employment benefit obligation	(43)	19
Income tax related to items that will not be reclassified to profit or loss	12	(6)
Total Comprehensive Income for the period	1854	1380
Earnings per share		
Basic & Diluted	25.63	18.58

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

2. INTERIM DIVIDEND

During the year, the Board of Directors declared and paid an interim dividend @ of ₹ 1.20/- (previous year - Nil) per equity share on the face value of ₹ 10.00/- each to the Shareholders whose name appeared on the Register of Members as on 22nd February 2024, being the record date fixed for this purpose. Interim Dividend absorbed a sum of ₹ 88.24 Lakhs out of the net profits after tax for the financial year 2023-24.

3. FINAL DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for approval of Members a final dividend @ of ₹ 1.20/- (previous year – ₹ 2) per equity share of the face value of ₹ 10.00/- each for the financial year 2023-24. Dividend, if approved, aggregating to ₹ 88.24 lakhs, will be paid to those Members whose name appear on the Register of Members on 31st July 2024.

The total dividend is ₹ 2.40 [Previous Year – ₹ 2.00] for the financial year 2023-24, including the Interim dividend @ ₹ 1.20/- per Equity Share and Proposed Final Dividend @ ₹ 1.20/- per share per equity share of the face value of ₹ 10.00/- each.

TRANSFER TO RESERVE

There is no amount proposed to be transferred to General Reserves out of the profit for the Financial Year 2023-24.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS: F.Y. 2023-2024

I. Industry Structure & Development: -

The chemical industry is a key enabler for other industries. As chemicals are used 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 operates only in one Segment, namely 'specialty chemicals. Specialty chemicals are 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 based on their performance or function, rather than their composition. Products and services in the specialty chemicals industry require intensive knowledge and ongoing innovation.

The Company is engaged in the manufacture and sale of a wide range of specially formulated and customized products with application across diverse sectors like Home & Personal Care, Industrial Formulations, Paints & Coatings, Agrochemicals etc. The Company is a leading player in the surfactant and specialty functional chemicals business, has deep experience in handling critical chemical processes. Company's customers are well recognized and located not only in India but all over the world including in America, Europe, Far- East etc.

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 the Company's Product Development, knowledge & experience.

Details of Company's main products and its end use applications are as below:

Products	End use Applications
THEIC	THEIC is available as a powder as well as in noodles form. Its end-use includes applications as heat stabilizers and PVC stabilizer.
Ethoxylates & Propoxylates	Used as dispersing agents in paper & pulp industry, emulsifiers in dye manufacture, means for dissolution and floatation, constituents of agro insecticides and herbicides, and in many other industrial applications. These products have applications as low-foaming nonionic surfactants and have excellent wetting and dispersing properties.
Antioxidants	The aminic antioxidants market has been segmented on the basis of application into plastic processing, rubber processing, fuel & lubricants and adhesives.
HQEE	HQEE is a specialty elastomer and crosslinking agent used as a chain extender for polyurethanes (PU). It is well suited for finishing and improving properties of materials.
BC 700	Used as a matting and effects agent for the paint and varnish industry.

II. Operating and Financial Performance of the Company

(₹ In Lakhs)

	F.Y. 2023-2024	F.Y. 2022-2023	Change over Previous year
i) Exports	6503	8524	(23.71%)
ii) Domestic	21700	15916	36.34%
iii) Other Operating Income	135	36	275.00%
Revenue from Operation	28338	24476	15.77%
Other Income	148	182	(18.68%)
Total Income	28486	24658	15.52%

Domestic sales increased by 36.34% from ₹ 15,916 lakhs to ₹ 21,700 lakhs and export sales went down by 23.71% from ₹ 8,524 lakhs in 2022-23 to ₹ 6,503 lakhs in 2023-24.

The main reason for decrease in export was mainly on account of ongoing Russia - Ukraine conflict and escalation of the conflict in Middle east. Overall, there was increase in total income as compared to last year.

The major change was in the sales of Ethoxylates based products where sales value went up as compared to last year. In the case of Ethoxylates, Propoxylates and Theic based products volume has remained same but we could achieve higher price realization as compared to last year.

III. Outlook

The year began with cautious optimism, as economic activities showed signs of gradual recovery. Manufacturing growth in India remains predominantly influenced by domestic consumption and investment trends. Specialty chemicals finds applications across consumer, industrial and infrastructure segments are driven by the overall growth of the Indian economy.

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. The Company anticipates that demand for its products will align with the overall economic growth path. Technology & Innovation will play a major role in growth. Even though our company's product profile is part of essential chemicals, the demand for these largely depend on how Indian and Global economy cope with ongoing escalation of conflict.

Volatile demand, operational and supply chain disruptions, availability and pricing of raw material, potentially tightening credit markets and the health of workforce remains the main concern.

With the completion of CAPEX projects pertaining to (a) capacity enhancement of existing Antioxidant plant capacity and debottlenecking of EO/Theic unit & automation and (b) Debottlenecking and modernizing the Ethoxylates facility, the Company remains positive of increased sales.

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 capabilities and the skills of organizations continue to be challenged due to ongoing Russia- Ukraine conflict and escalation of the conflict in Middle east. The conflicts have resulted in a sharp increase in commodity prices, exacerbating the already surging global inflation. Other risks like Volatility in market demand, forex fluctuations, changes in regulatory requirements and disruption in supply chain will continue to have impact going forward.

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 by taking corrective actions on a continuous basis. These are discussed at the Audit Committee and Board Meetings.

Major risk arises from main raw material viz., Ethylene Oxide (EO). There may be 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.

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. On the basis of 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	2023-24	2022-23	Change
Current Ratio ¹	0.88	1.47	(40.40%)
Debt Equity Ratio ²	1.04	1.17	(11.00%)
Debt service Coverage Ratio ³	2.59	2.92	(11.51%)
Return on Equity Ratio ⁴	25.44%	22.83%	11.41%
Inventory Turnover Ratio	7.12	7.44	(4.40%)
Trade Receivable Turnover Ratio	6.44	6.01	7.71%
Trade Payable Turnover ratio	6.19	6.08	1.80%
Net Capital Turnover Ratio ⁵	(19.40)	8.20	(336.64%)
Net Profit Ratio ⁴	6.65%	5.58%	19.16%

¹ Due to increase in Current maturities of long-term borrowings.

² Networth improved.

³ Increase in profit whereas also increase in finance cost.

⁴ Improvement in profitability.

⁵ Mainly due to increase in Current maturities of long-term borrowings thereby reduction of working capital.

VII. Human Resources

Employee relationships at all levels, continued to be satisfactory during the year. The management would like to place on record its appreciation of the dedicated and strong support provided to your Company, by its employees at all levels. The number of employees on the roll as on 31st March 2024 was 189.

(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. DISCLOSURES UNDER COMPANIES ACT 2013

I. Corporate Social Responsibility

The Board has approved the CSR policy of the Company which is published on the Company's website at <https://sunshieldchemicals.com/wp-content/uploads/2021/12/CSR-Policy.pdf>

CSR activities of the Company are carried directly and through Non-Government Organizations, who have track record of minimum of 3 years in carrying out the activities, and other criteria's as prescribed under Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

The Board Report on CSR is annexed herewith as **Annexure I**.

II. Energy, Technology & Foreign Exchange

Information sought under the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure II**, forming part of this report.

III. Annual Return

The Annual Return has been placed on the website of the Company and can be accessed at <https://sunshieldchemicals.com>

IV. Changes In The Share Capital

There is no change in the share capital of the Company during the financial year under review. The paid-up equity share capital as on 31st March 2024 was ₹ 735.31 lakhs, comprising of 73,53,060 equity shares of face value of ₹ 10.00/- each.

V. Number of Board Meetings

The Board meets at regular intervals to discuss and decide on business policies and strategy apart from regular Board business. During the financial year under review, the Board of Directors met 4 times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

VI. Composition of Audit Committee

The Audit committee comprises of Mr. Ajit Shah who is the Chairman of the Committee, Mrs. Aruna Soman, Mr. R L Shenoy, Mr. Cyrus Poonevala and Mr. Jeet Malhotra. During the financial year under review, the audit committee met 4 times. More details on the committee are given in the Corporate Governance Report.

All the recommendations of the audit committee are accepted by the Board.

VII. Board Independence

The definition of Independence of Directors is derived from Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 149(6) of the Companies Act, 2013. Based on the confirmation/ disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of the Listing Regulations, and Section 149(6) of the Companies Act, 2013;

1. Mr. R L Shenoy
2. Mr. Ajit Shah
3. Mrs. Aruna Soman
4. Mr. Cyrus Poonevala

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors met on 26th March 2024 to discuss inter alia issues as prescribed under the schedule IV of the Companies Act, 2013.

VIII. Annual Evaluation By The Board

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of composition of Board and committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by the Independent Directors. The Board appreciated the contributions of all Directors in the working of the Company on the basis of evaluation carried out.

IX. Director Remuneration Policy

The Remuneration Policy of the Company is hosted on the website of the company at the following web link:

<https://sunshieldchemicals.com/wp-content/uploads/2021/12/Remuneration-Policy.pdf>

X. Comments on Auditors Report

There are no qualifications, reservations or adverse remarks or disclaimers made

by M/s. CNK & Associates LLP, Chartered Accountants, Statutory Auditors, in their report and by M/s. P. Naithani & Associates, Company Secretaries, in their Secretarial Audit report.

XI. Related Party Transactions

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

All related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their information.

A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Since there are no material related party transactions and also all the transactions with related parties are at arm's length and in the ordinary course of business, no transactions are required to be reported in Form AOC – 2. Note No. 35 in the notes to financial statements provides the details of all the related party transactions.

The Related Party Transaction Policy is uploaded on the company's website at <http://https://sunshieldchemicals.com/wp-content/uploads/2023/03/RTP-Policy.pdf>

XII. Material Changes and Commitments Affecting The Financial Position of The Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report.

XIII. Vigil Mechanism

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provision

of section 177 (10) of the Companies Act 2013 and Regulation 22 of Listing Regulations.

The Audit Committee of the Board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy. There have been no instances of denying any personnel seeking access to the Chairman of the Audit Committee

The details of the policy have been disclosed on the Company's website at <https://sunshieldchemicals.com/wp-content/uploads/2021/12/Whistle-Blower-Policy.pdf>

XIV. Corporate Governance

Detailed report on the Corporate Governance, forms part of this Report. A certificate from M/s. P. Naithani & Associates, Company Secretaries, regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of Listing Regulations is annexed to the said Report.

6. BOARD OF DIRECTORS COMPOSITION

The composition of the Board of Directors of the Company is in complete conformity with the requirements of 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.	Mr. R L Shenoy	Non-Executive Chairman and Independent Director
2.	Mr. Ajit Shah	Non-Executive Independent Director
3.	Mrs. Aruna Soman	Non-Executive Independent and Woman Director
4.	Mr. Cyrus Poonevala	Non-Executive Independent Director
5.	Mr. Jeet Malhotra	Managing Director & CEO
6.	Dr. Maya Parihar Malhotra	Non-Executive Woman Director
7.	Dr. Anand Parihar	Non-Executive Director

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective strategic guidance 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 serves as an Independent Director in more than 7 listed entities.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of your Company is duly constituted with a proper balance of Executive, Non-Executive, and Independent Directors.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mr. Jeet Malhotra (DIN: 07208234) will retire by rotation at the ensuing Annual General Meeting ("AGM") of the Company and being eligible, offer himself for reappointment. The Board recommends his reappointment.

Reappointment of Managing Director and Chief Executive Officer

Considering the expiry of the term of Mr. Jeet Malhotra (DIN: 07208234), Managing Director and Chief Executive Officer of the Company on 31st December 2024, the Board of Directors of the Company based on the recommendation of Nomination & Remuneration Committee and Audit Committee and pursuant to the relevant provisions of Listing Regulations, Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Act, the Articles of Association of the Company and considering his contribution towards the growth of the Company, approved his re-appointment as a Managing Director of the Company for a term of 5 consecutive years w.e.f. 1st January 2025, subject to the approval of the Members of the Company.

The approval of the Members for the re-appointment of Mr. Jeet Malhotra has been sought in the Notice convening the AGM of your Company.

Particulars in pursuance of Regulation 36 of Listing Regulations read with Secretarial Standard-2 on General Meetings relating to Mr. Jeet Malhotra is given in the Notice convening the AGM.

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 an annexure to the Notice, which forms part of this Annual Report.

Key Managerial Personnel

Pursuant to Sections 2 (51) and 203 of the Companies Act 2013, Mr. Jeet Malhotra, Managing Director and CEO, Mr. Ashish Agarwal CFO and Mr. Amit Kumashi Company Secretary of the Company are designated as Key Managerial Personnel of the Company.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Prior to the induction of a Director on the Board, the Managing Director and the management team brief the incoming Independent 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, functions, responsibilities and their fiduciary duties, code of conduct, performance evaluation process etc. as an Independent Director of the Company.

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

9. 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 impacted the going concern status and Company's operations in future.

10. 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 Statements for the financial year ended 31st March 2024, 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 2024 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.

11. 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 ("POSH"). The Company has zero tolerance on Sexual Harassment at workplace.

In compliance with the provisions of POSH and the Companies Accounts Rules, 2014, as amended, the internal committee has been 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 2023-24:

Number of Complaints of sexual harassment received during the period April 2023 to March 2024	Number of complaints disposed off during the period April 2023 to March 2024	Nature of action taken by the employer
NIL	Not applicable	Not applicable

12. 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 2024.

13. FRAUD REPORTING BY AUDITORS

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

14. AUDITORS

Statutory Auditors

M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W /W100036) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 36th AGM of the Company held on 25th August 2023 to hold office from the conclusion of the said Meeting till the conclusion of the 41st AGM to be held in the year 2028.

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

Cost Auditors

As per Section 148 of the Companies Act, 2013 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 financial year 2024-25 under Section 148 and all other applicable provisions of the Companies Act, 2013.

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 Companies Act, 2013 and that the appointment meets with the requirements of Section 141(3)(g) of the Companies Act, 2013. 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 seeking Members' ratification for the remuneration payable to M/s. Kishore Bhatia & Associates is included at Item No. 4 of the Notice convening the AGM.

The Cost Audit Report for the Financial Year ended 31st March 2023 was filed with the Ministry of Corporate Affairs on 16th August 2023 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014, as amended.

Secretarial Auditors

M/s. P. Naithani & Associates, Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company for the financial year 2023-24, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Listing Regulations as amended. The Report of the Secretarial Auditor which is unmodified is appended to this Report as **Annexure III**.

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.

15. 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, Members of Promoter group, Directors, Designated Person/ Employees, their immediate relatives, and substantial shareholders in the listed Company. This policy also provides for periodical disclosures from the designated persons as well as pre-clearances of transactions by such persons.

16. CEO & CFO CERTIFICATION

Certificate from Managing Director and Chief Financial Officer, pursuant to the Regulation 17 of the Listing Regulations, for the financial year 2023-24 is given in **Annexure IV**.

17. 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

18. DEPOSITS

There are no deposits outstanding as on 31st March 2024 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.

19. SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

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

20. 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 V**.

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.

21. ENVIRONMENT, HEALTH AND SAFETY

Your Company recognizes importance of Health and Safety of its employees and its neighbourhood. Regular Safety Audits are being conducted. Your Company has adopted a Health, Safety and Environment Policy, which applies to all employees and other stakeholders.

Company ensures safe, healthy and eco-friendly environment at its plant and surrounding area. Company continually works towards identification and reduction of risks and prevention of pollution at its plant and its surroundings.

22. TRANSFER OF SHARE TO IEPF DEMAT ACCOUNT

The provision pertaining to transfer of shares on which dividend was unclaimed/unpaid for seven years to Investor Education and Protection Fund Authority will be applicable to the Company in the year 2029.

23. 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 I to V form an integral part of this Director Report.

For and on behalf of the Board of Directors

Mumbai,
16th May 2024

R L Shenoy
Chairman
DIN 00074761

ANNEXURE I 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, promotion of sports, promotion of education and environmental sustainability.
2. The Composition of the CSR Committee: Since CSR spend is less than ₹ 50 lakhs 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. (a) Average net profit of the Company for last three financial years: ₹ 19,38,95,000
(b) Two percent of average net profit of the company as per section 135(5) : ₹ 38,77,900
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set off for the financial year, if any: Nil
(e) Total CSR obligation for the financial year (7a+7b-7c): ₹ 38,77,900/-
6. (a) Amount spent on CSR Projects (both ongoing and other than ongoing Project): ₹ 38,80,842
(b) Amount spent in Administrative Overheads – Nil
(c) Amount spent on Impact Assessments, if applicable – NA
(d) Total CSR spent for the financial year (a+b+c) – ₹ 38,80,842
(e) 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
38,80,842	-	NA	-	-	NA

- (f) Excess amount for set off, if any : ₹ 74,668/-

Sr. no.	Particular	Amount (₹)
i	Two percent of average net profit of your Company as per Section 135(5)	38,77,900
ii	Total amount spent for the financial year	38,80,842
iii	Excess amount spent for the financial year [(ii)-(i)]	74,668
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	74,668

7. (a) Details of Unspent CSR amount for the preceding three financial year:

Sr. no.	Preceding financial year.	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under sub Section (6) of Section 135 (in ₹)	Amount Spent in The Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-Section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2022-23	Nil			Nil			
2	2021-22							
3	2020-21							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

Sr. no.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
Not Applicable					

9. 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

Jeet Malhotra
Managing Director & CEO

R L Shenoy
Chairman

Place: Mumbai

Date: 16th May 2024

ANNEXURE II 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. Installation of Air preheater for extra heat recovery in Thermic fluid heater.
2. Install Ball float trap instead of TD trap where needed to improve condensate recovery.
3. Install IE3 motors for better efficiency.
4. Replaced old air conditioner for better utilization.
5. Conduct audit for leak detection for Nitrogen & Air and attend all leakages.
6. Conduct Tomography audit & made necessary corrections for power leakages.

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

1. Company initiated study to review and install solar power for remote location.
2. Company initiated study to review and enter into power trading with either wind power or solar power

c) The capital investment on energy conservation equipment:

NIL

TECHNOLOGY ABSORPTION:

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation:** New Products development by Company's R&D department.

2. **Benefits derived as a result of the above efforts: e.g. product improvement, cost reduction, product development, import substitution, etc.:** Import Substitution of one of the product developed by Company's R&D.
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 Lakhs)

- | | |
|--|---------|
| a) Capital | } 80.15 |
| 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)

	2023-24	2022-23
i) Total foreign exchange used	6108	6032
ii) Total foreign exchange earned	6503	8524

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN 0074761

Place: Mumbai
Date: 16th May 2024

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members,

Sunshield Chemicals Limited

I 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"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Sunshield Chemicals Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2024, according to the provisions of:

- 1) The Companies Act, 2013 ("the Act") and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- 5) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 6) 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 (Prohibition of Insider Trading) Regulations, 2015;
 - b) 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;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 7) Other specific business/industry related laws applicable to the Company:
 - a) The Factories Act, 1948
 - b) The Petroleum Rules, 2002
 - c) Maharashtra Poison Rules, 1972
 - d) Static & Mobile pressure vessels (unfired) Rules 1981
 - e) The Indian Boilers Act 1923
 - f) The Water (Prevention & Control of Pollution) Act, 1974

- g) Air (Prevention & Control of pollution) Act, 1981
- h) Authorization under Hazardous Wastes (Management & Handling) Rules, 1989

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement executed by the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE for Equity.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors and Woman Director. There were no 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 notices are given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance. Also, Board meetings held on shorter notice basis are convened with the consent of Directors and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' (if any) views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no such major actions or events undertaken by the Company which may have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines, standards etc.

**For P. Naithani & Associates
Company Secretaries**

**Prasen Naithani
FCS No. 3830
C.P. No. 3389
PR.No.1131/2021
UDIN: F003830F000378701**

Place : Mumbai
Date: 16th May 2024

Annexure A

To,
The Members,
Sunsheild Chemicals Limited

My Secretarial Audit Report for Financial Year ended on 31st March 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
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.

For P. Naithani & Associates
Company Secretaries

Prasen Naithani
FCS No. 3830
C.P. No. 3389
PR.No.1131/2021
UDIN: F003830F000378701

Place : Mumbai
Date : 16th May 2024

ANNEXURE IV

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and CFO of Sunshield Chemicals Limited to the best of our knowledge and belief certify that:

- A. We have reviewed the Financial Statements for the financial year ended 31st March 2024 and that to the best of our knowledge and belief:
 - 1. These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
 - 2. These Statements together present a true and fair view of the Company and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee
 - 1. significant changes in internal control over financial reporting during the financial year;
 - 2. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the accounts; and
 - 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SUNSHIELD CHEMICALS LIMITED

Jeet Malhotra
Managing Director & CEO

Ashish Agarwal
Chief Financial Officer

Place : Mumbai

Date : 16th May 2024

ANNEXURE V TO THE DIRECTORS' REPORT

Disclosure as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMP's for the financial year 2023-24 are as under:

Sr. No.	Name of Director/KMP and Designation	Ratio of remuneration of Director and KMP to median remuneration of employees	Increase %
1	Mr. R L Shenoy Non-Executive Independent Director	0.82	-
2	Mrs. Aruna Soman Non-Executive Independent Director	0.91	-
3	Mr. Ajit Shah Non-Executive Independent Director	0.91	-
4	Mr. Cyrus Poonevala Non-Executive Independent Director	0.36	-
5	Dr. Maya Parihar Malhotra Non-Executive Director	0.45	-
6	Dr. Anand Parihar Non-Executive Director	0.36	-
7	Mr. Jeet Malhotra Managing Director & CEO	6.33	38.59
8	Mr. Ashish Agarwal Chief Financial Officer	12.97	-
9	Mr. Amit Kumashi Company Secretary	6.18	28.60

- ii. 189 permanent employees were on the rolls of Company as on 31st March 2024.
- iii. The median remuneration of employees of the Company during the financial year was ₹ 4,41,353 per annum.
- iv. The average increase already made in the salaries of employees other than the managerial personnel was 9% whereas the increase in the managerial remuneration was 10%. The increment given are 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.
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Company.

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN No. 0074761

Place : Mumbai
Date : 16th May 2024

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to best-in-class Corporate Governance practices with the objective of increasing benefits for all stakeholders of the Company viz. Shareholders, Customers, Suppliers, Employees and Society in general.

2. BOARD OF DIRECTORS:

The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board is comprised of seven Directors, both Executive and Non-Executive. Mr. R L Shenoy is the Non-Executive Independent Chairman. The day-to-day operations of the Company are managed by Mr. Jeet Malhotra, the Managing Director and CEO.

Mr. R L Shenoy, Mr. Ajit Shah, Mrs. Aruna Soman and Mr. Cyrus Poonevala are Non-Executive, Independent Directors, who constitute 57% of the total strength of the Board.

The details of Directorships held by the Company's Directors in public limited companies and attendance at the Board meetings of the Company are given below:

Name of Director(s)	Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of Committee position held in public companies [^]	
					Chairman	Member
Mr. R L Shenoy (DIN- 00074761)	ID	4	Yes	-	-	2
Mr. Jeet Malhotra (DIN- 07208234)	MD & CEO	4	Yes	1	-	2
Mr. Ajit Shah (DIN- 02396765)	ID	4	Yes	2	4	-
Mrs. Aruna Soman (DIN- 03622209)	ID	4	Yes	-	-	2
Mr. Cyrus Poonevala (DIN- 09420865)	ID	2	Yes	1	-	2
Dr. Maya Parihar Malhotra (DIN- 00302976)	NED	4	Yes	2	-	1
Dr. Anand Parihar (DIN- 00513109)	NED	4	Yes	1	-	-

{NED – Non-Executive Director, MD – Managing Director, CEO – Chief Executive Officer, ID – Independent Director}

[^] For the purpose of reckoning the limit, Memberships of Audit committee and Stakeholders' Relationship committee in Public Companies including Sunshield Chemicals Limited has been considered.

Mr. Jeet Malhotra, Dr. Maya Parihar Malhotra and Dr. Anand Parihar are related to each other.

The details of Directorships on the Board of listed entities, other than Sunshield Chemicals Limited, of above Directors are given below:

Sr. No.	Name of person	Name of the listed Companies and category of Directorship
1	Mr. R L Shenoy	Nil
2	Mr. Jeet Malhotra	Nil
3	Mr. Ajit Shah	Haldyn Glass Limited – Independent Director
4	Mrs. Aruna Soman	Nil
5	Mr. Cyrus Poonevala	Nil
6	Dr. Maya Parihar Malhotra	Nil
7	Dr. Anand Parihar	Nil

Board procedure and Access to information

The Board of Directors (the “Board”) is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of the Company reviews all information provided periodically for discussion and consideration at its meetings as provided under the Companies Act, 2013 (including any amendment and re-enactment thereof) and Schedule II (Part A) of Listing Regulations. Further, the Board is also apprised of all the developments in the Company.

Detailed Agenda is circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meetings. Where it is not practicable to enclose any document to the agenda, the same is placed before the meeting. In special and exceptional circumstances, additional item(s) on the agenda with the consent of all Directors are discussed at the Meeting.

Board makes timely strategic decisions, to ensure operations are in line with strategy; to ensure the integrity of financial information and the robustness of financial and other controls; to oversee the management of risk and review the effectiveness of risk management processes.

Non-Executive Directors are expected to provide an effective monitoring role and to provide help and advice to the Executive Directors. This is in the long-term interest of the Company and should be based on the optimum level of information, through smooth processes, by people with the right skills mix and in a constructive manner. The

Independent Directors play an important role in deliberations at the Board and committee meetings.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The meetings of the Board are generally convened at the Company’s Corporate Office at Mumbai or through video conferencing. In case of urgency or when the Board meeting is not practicable to be held, the matters are resolved via Resolution by circulation, which is noted by the Board in its next meeting.

Audio-Video conferencing facilities are also used to facilitate Directors travelling or at other locations to participate in the meetings. The minutes of the Board meetings are circulated within 15 days of the meeting to all Directors and are noted at subsequent Meeting.

The Board also reviews the declarations made by the Managing Directors/Chief Financial Officer/Company Secretary of the Company regarding compliance of all applicable laws on a quarterly basis.

Board Meeting

During the year ended 31st March 2024, four Board meetings were held. These were held on:

- i) 16th May 2023, ii) 11th August 2023, iii) 1st November 2023 and iv) 9th February 2024.

Code of Business Conduct and Ethics for Board of Directors and Senior Management

The Company has in place the Code of Business Conduct and Ethics for Board of Directors and Senior Management (“the Code”) approved by the Board of Directors.

The Code has been communicated to Directors and the members of the Senior Management. The Code suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code has been displayed on the Company’s website www.sunshieldchemicals.com

All the Board members and Senior Management have confirmed compliance with the Code for the year ended 31st March 2024. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

Board Skills Matrix identified by Board of Directors of the Company

The Board is a skills-based Board comprising Directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified skills and which the Board possesses, such as, knowledge of Company's business, and the industry in which it operates, Finance, management, and administration skills, technical / professional knowledge in functional areas like sales, marketing, administration, risk management & mitigations, governance, operations etc.

The table below provides the specific areas of focus or expertise of individual Board members. However, absence of a tick mark does not necessarily mean the member does not possess the corresponding skills/ expertise.

Name of Director	Business	Finance and Treasury	Management	Risk assessment and Mitigation	HR	Legal and Commercial	Manufacturing and Supply chain	Information Technology	Stakeholder engagement
Mr. Jeet Malhotra	✓		✓	✓	✓	✓	✓	✓	✓
Mr. R L Shenoy		✓	✓			✓	✓		✓
Mrs. Aruna Soman		✓	✓			✓			✓
Dr. Maya Parihar Malhotra	✓		✓	✓	✓	✓			
Mr. Ajit Shah		✓	✓			✓			✓
Mr. Cyrus Poonevala	✓			✓			✓	✓	
Mr. Anand Parihar	✓		✓		✓				

Confirmation

In the opinion of the Board the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management.

Familiarisation programmes

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company.

The Director is also explained in detail the compliances required from him/her under the Companies Act 2013, Regulation 25 of Listing Regulations and other relevant regulations and his/ her affirmation taken with respect to the same.

Familiarisation Programme is conducted on "need-basis" during the year. The Company through its Director apprise/brief periodically to familiarise the Independent Directors with the strategy, operations and functions of the Company.

Familiarisation Programme conducted during the year is placed on the website of the Company www.sunshieldchemicals.com

Details of shareholding of Directors as on 31st March 2024

The number of equity shares of face value of Rs. 10/- each of the Company held by the Directors as on 31st March 2024 is as under:

Name of Directors	Executive or Non-Executive Director	No. of Shares	% to paid up capital
Mr. R L Shenoy	Non-Executive Independent Director	3	0.00
Mr. Jeet Malhotra	Managing Director & CEO	-	-
Mr. Ajit Shah	Non-Executive Independent Director	-	-
Mrs. Aruna Soman	Non-Executive Independent Director	-	-
Mr. Cyrus Poonevala	Non-Executive Independent Director	-	-
Dr. Maya Parihar Malhotra	Non-Executive Non-Independent Director	-	-
Dr. Anand Parihar	Non-Executive Non-Independent Director	-	-

3. AUDIT COMMITTEE

Composition, Meetings & Attendance

Audit committee for the year ended 31st March 2024 comprised of five Directors, out of which four are Non-Executive Independent Directors and one is Executive Director. Mr. Ajit Shah, Chairman of the Committee is an Independent Non-Executive Director. All the Members of the Audit Committee have adequate accounting and financial knowledge and the composition of the Committee is in compliance with the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

The Company Secretary acts as the Secretary to the Audit committee.

During the year under review, 4 meetings of the committee were held on i) 16th May 2023, ii) 11th August 2023, iii) 1st November 2023 and iv) 9th February 2024.

Attendance at the Audit committee meetings during the year under review are given below:

Name	Non-Executive/ Independent/ Executive	Numbers of Meetings held – 4
		Attended
Mr. Ajit Shah	Non-Executive, Independent	4
Mr. R L Shenoy	Non-Executive, Independent	4
Mrs. Aruna Soman	Non-Executive, Independent	4
Mr. Cyrus Poonevala	Non-Executive, Independent	2
Mr. Jeet Malhotra	Executive	4

Terms of Reference

The Audit committee ensures that the internal controls within the Company and financial reporting processes are robust. It regularly reviews the Financial Statements on a quarterly and yearly basis and periodically meets to review and discuss, inter-alia, related manners and terms of reference as follows:

- oversight of the Company's financial reporting process and the disclosure of its financial

information to ensure that the financial statements are correct, sufficient and credible.

- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- reviewing, with the management, the annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the Financial Statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to Financial Statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly Financial Statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

- reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with Internal Auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

In addition to above, the Audit Committee also mandatorily reviews the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief Internal Auditor shall be subject to review by the Audit committee.
- statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

4. NOMINATION AND REMUNERATION COMMITTEE:

Composition, Meetings & Attendance

The present Members of committee are – Mr. Ajit Shah, Mr. R L Shenoy, Mrs. Aruna Soman and Dr. Maya Parihar Malhotra.

The Nomination and Remuneration committee met on 9th February 2024. The Chairman of the Nomination & Remuneration committee was present at the last Annual General Meeting. The composition of the committee is as under:

Name	Non-Executive/ Independent	Numbers of Meeting held - 1
		Attended
Mr. Ajit Shah	Non-Executive Independent	1
Mr. R L Shenoy	Non-Executive Independent	1

Name	Non-Executive/ Independent	Numbers of Meeting held - 1
		Attended
Mrs. Aruna Soman	Non-Executive Independent	1
Dr. Maya Parihar Malhotra	Non-Executive	1

The Company Secretary acts as the Secretary to the committee.

Terms of Reference

The Nomination & Remuneration committee is constituted under the provisions of Companies Act, 2013 read along with the rules made thereunder and Regulation 19 read with Schedule II (Part D) of Listing Regulations.

The terms of reference of the Committee, inter alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 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 of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the board, all remuneration, in whatever form, payable to Senior Management

The Nomination and Remuneration Policy as is devised in accordance with Section 178 of the Companies Act, 2013 and Listing Regulations has been uploaded on the website i.e www.sunshieldchemicals.com of the Company. Further, the details of remuneration paid to all the Directors and other disclosures as required to be made under Listing Regulation have been provided in this Report.

Remuneration of Directors:

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them. Apart from Sitting Fees that are paid to Non-Executive Directors, no other fees/commission was paid during the year ended 31st March 2024.

The Sitting fees paid are as under:

Name of Director	Sitting Fees (₹)
Mr. R L Shenoy	3,60,000
Mr. Jeet Malhotra	-
Mr. Ajit Shah	4,00,000
Mrs. Aruna Soman	4,00,000
Mr. Cyrus Poonevala	1,60,000
Dr. Maya Parihar Malhotra	2,00,000
Dr. Anand Parihar	1,60,000

Remuneration paid to Executive Directors for the FY 2023-24 is as under:

Name	Mr. Jeet Malhotra
Salary	₹ 27.94 Lakhs
Variable Pay	-
Provident Fund	₹ 0.95 lakhs
Perquisites	-
Service Contract and Period	Agreement date: Period: 01-01-2022 to 31-12-2024

Notes:

1. The above excludes accrual for employee benefits viz. Gratuity & Leave Encashment
2. The Company does not have Stock Option Scheme
3. Notice period for termination of agreement with Managing Director is 3 months, However no severance compensation is payable.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition, Meetings & Attendance

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Stakeholders Relationship committee Members are – Mr. Ajit Shah, Mrs. Aruna Soman and Mr. Jeet Malhotra

The Stakeholders Relationship committee met once on 26th March 2024. The necessary quorum was present for the Meeting. The composition of the committee during the financial year and the details of the Meeting held and attended by the Members are as under:

Name	Non-Executive/ Independent/ Executive	Numbers of Meetings held - One
		Attended
Mr. Ajit Shah	Non-Executive Independent	1
Mrs. Aruna Soman	Non-Executive Independent	1
Mr. Jeet Malhotra	Executive	-

Terms of Reference:

The broad terms of reference of Stakeholders Relationship committee as set out in the Listing Regulations, read with Section 178 of the Companies Act, 2013 include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the company.

Name & Designation of the Compliance Officer

Mr. Amit Kumashi, has been appointed as the Compliance Officer, as required by Regulation 6 of Listing Regulations.

Members Complaints

The status of shareholder complaints received and redressed during the financial year 2023-24 is as under:

Number of Investor Complaints pending as on 1 st April 2023	0
Number of Investor Complaints received during the period 1 st April 2023 to 31 st March 2024	0
Number of Investor Complaints resolved to the sasfacon of shareholders during the period 1 st April 2023 to 31 st March 2024	0
Number of Investor Complaints pending as on 31 st March 2024	0

Senior Management

The details of senior management including changes therein since the close of the previous financial year is as under:

Name	As on 31 st March 2023	As on 31 st March 2024
Mr. Jeet Malhotra	✓	✓
Mr. Ashish Agarwal	✓	✓
Mr. Shekhar Pattekar	✓	✓
Mr. Amit Kumashi	✓	✓

6. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) and 25 (4) of Listing Regulations, the evaluation of Independent Directors is done by the entire Board of Directors which includes performance of the Directors; and fulfillment of the independence criteria as specified in these regulations and their independence from the management. The Board confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are Independent of the management.

During FY 2023-24, one meeting of the Independent Directors was held on 26th March 2024. The Independent Directors reviews the performance of Non-Independent Directors and the board of Directors as a whole; reviewed the performance of the chairperson of the listed entity, taking into

account the views of Executive Directors and Non-Executive Directors and assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

7. OTHER COMMITTEES

In addition to the above committees, the Board has constituted one more non-mandatory committee, viz. Issue of Duplicate Share certificate Committee, wherein the terms of reference/scope have been prescribed by the Board of Directors of the Company. Members of the committee are Mr. Jeet Malhotra and Dr. Maya Parihar Malhotra. The meetings of the said committees are held as and when necessary and the minutes of the same are placed at meetings of the Board of Directors for its noting.

8. GENERAL BODY MEETINGS:

During the preceding three years, the details of Company's Annual General Meeting ("AGM") held:

Year	Date	Time	Place	Special Resolution passed
2022-23	25 th August 2023	11.00 am	Through Video Conferencing / Other Audio-Visual Means (OVAM) on NSDL Platform	Nil
2021-22	29 th July 2022	11.00 am		Nil
2020-21	29 th September 2021	11.00 am		Reappointment of Mrs. Aruna Soman (DIN 03622209) as an Independent Director (Second Term)

All Resolutions moved at the AGM were passed by the requisite majority of Members attending the meetings.

Postal Ballot:

No Special Resolution was passed through postal ballot in the last year.

No Special Resolution is proposed to be passed through postal ballot as on date of this report.

9. SUBSIDIARY COMPANIES:

The Company does not have any Subsidiary Company.

10. MEANS OF COMMUNICATION:

- BSE Intimation:** The unaudited quarterly financial results are announced within 45 days from the end of each quarter and the audited annual results are announced within 60 days from the end of the last quarter. The aforesaid financial results, after being taken on record by the Audit committee and Board of Directors, are communicated to the Stock Exchanges where the shares of the Company are listed. Any news, updates, or vital/ useful information to Shareholders are being intimated to Stock Exchanges and are being displayed on the Company's website: www.sunshieldchemicals.com.
- Newspapers:** The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. 'Financial Express' and 'Mumbai Lakshadeep', and displayed on Company's website, www.sunshieldchemicals.com
- Website:** The financial results are also posted on the Company's website www.sunshieldchemicals.com. The Company's website provides information about its business and the section on Investors serves to inform and service the Shareholders allowing them to access information at their convenience.
- Annual Report:** Annual Report of the Company for the financial year 2023-24 is being emailed to the Members whose email addresses are available with the depositories as per section 136 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR) Regulations, 2015. For other Members, who have not registered their email addresses, they are requested to register their email ID at the earliest and ask for the soft copy of the Annual Report.
- E-mail id of the Registrar & Share Transfer Agents:** All the shares related queries/requests/ correspondences, if any, are to be forwarded by the Investor to the Registrar & Share Transfer Agent of the Company, Link Intime India Private Limited and/or email them to csg-unit@linkintime.co.in

- f. Designated Email ID for Complaints/Redressal: In compliance of 46 (2) (j) of SEBI LODR, the Company has designated an email id investorservices@sunshieldchemicals.com for investors to register their grievances, if any. This has been initiated by the Company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its website for the knowledge of Investors.
- g. BSE Corporate Compliance & Listing Centre: The Listing Centre is a web-based application designed by BSE Limited (BSE) for Corporates. The Shareholding Pattern, Corporate Governance Report, Financial Results, Analyst Presentations, Press Release, Board Meeting/ Corporate Action Announcement and other intimations are filed electronically on BSE's Listing Centre.
- h. Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web- based complaints redressal system viz. SEBI Complaints Redressal System (SCORES). The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

As per the SEBI circular dated 28th December 2023, the Company has also registered itself for Online Disputes Resolution (ODR). ODR refers to the resolution of disputes, conflicts, or disagreements that arise between parties through online platforms or digital means, rather than through traditional face-to-face interactions or legal proceedings. ODR utilizes technology to facilitate communication, negotiation, and resolution processes.

11. GENERAL SHAREHOLDERS INFORMATION:

- a. Thirty Seventh (37th) Annual General Meeting (AGM) of the Company will be held on **Wednesday, the 14th August 2024 at 11.00 am**, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), from the Registered Office i.e 1501A, Universal Majestic, P L Lokhande Marg, Behind RBK International Academy, Chembur (W), Mumbai 400043, which shall be deemed to be venue of AGM to transact the business mentioned in the Notice of AGM dated 16th May 2024
- b. The Company's financial Year is 1st April to 31st March
- c. Cut-off date for e-voting: Wednesday, 7th August 2024
- d. E-voting dates: Sunday, 11th August 2024 (9.00 am) to Tuesday, 13th August 2024 (5.00 pm).
- e. Dates of book closure: Thursday, 1st August 2024 to Monday, 5th August 2024 (both days inclusive) for the purpose of payment of Dividend.
- f. Dividend payment date: on or before 12th September 2024
- g. Listing of equity shares on Stock Exchanges: BSE Ltd, Mumbai (Scrip code: 530845)
- h. Depository Connectivity: NSDL and CDSL

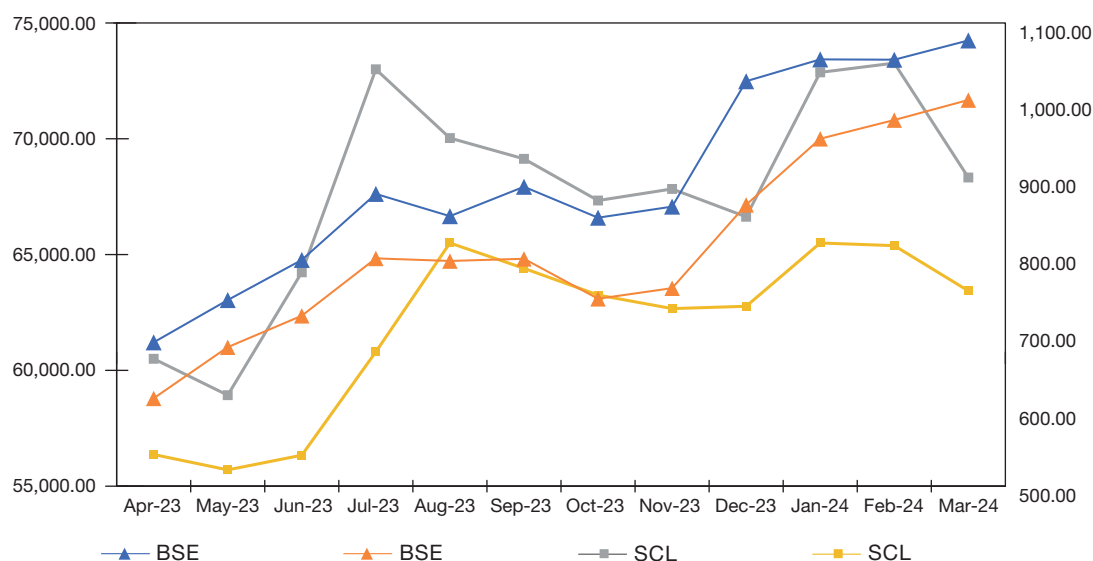
Note: The Annual Listing fees and Custodial fees for FY 2024-25 have been paid.

- i. Market Price Data: Monthly high and low prices and Closing during each month in the last financial year on BSE:

(Amount in ₹)

Month	Sunshield			BSE		
	High	Low	Closing	High	Low	Closing
April – 2023	665.00	541.00	584.00	61,209.46	58,793.08	61,112.44
May – 2023	617.85	521.10	543.45	63,036.12	61,002.17	62,622.24
June – 2023	777.00	540.10	714.90	64,768.58	62,359.14	64,718.56
July – 2023	1,040.00	674.00	866.25	67,619.17	64,836.16	66,527.67
August – 2023	950.90	815.00	916.95	66,658.12	64,723.63	64,831.41
September – 2023	924.00	782.15	810.75	67,927.23	64,818.37	65,828.41
October – 2023	870.00	747.60	778.15	66,592.16	63,092.98	63,874.93
November – 2023	885.00	730.00	809.15	67,069.89	63,550.46	66,988.44
December – 2023	848.95	733.00	829.90	72,484.34	67,149.07	72,240.26
January – 2024	1,036.00	815.00	872.00	73,427.59	70,001.60	71,752.11
February – 2024	1,048.00	811.55	880.65	73,413.93	70,809.84	72,500.30
March - 2024	899.80	753.00	815.00	74,245.17	71,674.42	73,651.35

Stock Performance



- j. In case the securities are suspended from trading, the Director's report shall explain the reason thereof; - Not applicable.

- k. Registrars and Share Transfer Agents:

The Company has appointed Link Intime India Private Limited as its Registrars and Share Transfer Agents. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrars and Share Transfer Agents at the following address:

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),
Mumbai- 400 083
Tel : +91 22 6656 8484
Fax : +91 22 6656 8494
Email : csg-unit@linkintime.co.in

I. Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

Share Transfers

In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers in needs to be carried out in the dematerialised form with effect from 1st April 2021 compulsorily. Only consolidation/subdivision/transmission/transposition of shares in physical form are allowed.

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

Nomination facility for shareholding

As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the website of the Company / Link Intime India Private Limited Members holding shares in dematerialized form should contact their Depository Participants (DPs) in this regard.

Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Member's attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated 20th April 2018, pursuant to which the Company has written to Shareholders holding shares in physical form, requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those Shareholders, who are yet to respond to the Company's request in this regard, are once again requested to take action in the matter at the earliest.

m. Distribution of Shareholding as on 31st March 2024:

No. of Shares held	No. of Shareholders	% of Total	Shares	% of Total
1 – 500	4,142	87.70	4,62,580	6.29
501 – 1,000	237	5.02	1,81,865	2.47
1,001 – 2,000	140	2.96	2,04,556	2.78
2,001 – 3,000	59	1.25	1,48,200	2.02
3,001 – 4,000	30	0.63	1,07,751	1.47
4,001 – 5,000	26	0.55	1,22,119	1.66
5,001 – 10,000	48	1.02	3,37,816	4.59
10,001 – above	41	0.87	57,88,173	78.72
Total	4,723	100.00	73,53,060	100.00

n. Categories of Shareholding as on 31st March 2024:

Sr. No.	Category	No. of Shares	% of shareholding
1	Promoters' Holding		
	Indian Promoters	45,85,396	62.36
2	Non promoters' Holding		
	Indian Public	20,42,990	27.78
	Foreign Portfolio Investors Category I	3,68,581	5.01
	Hindu Undivided Family	1,62,501	2.21
	Bodies Corporate	1,48,951	2.03
	Non Resident Indians	33,792	0.46
	Limited Liability Partnership	9,944	0.14
	Mutual Funds	700	0.01
	State Financial Corporation	200	0.00
	Independent Director	3	0.00
	Key Managerial Personnel	2	0.00
	Total	73,53,060	100

o. Dematerialisation of Shares and liquidity:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. NSDL and CDSL.

Equity shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2024, 72,45,940 equity shares comprising of 98.54% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

p. Outstanding Stock

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31st March 2024.

q. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not dealing / trading in any commodities / exchanges, hence does not have any exposure to commodity price risk.

The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize foreign currency risk.

r. Plant Location

Village Rasal, Vave, Pali-Khopoli Road, Tal. Sudhagad, Dist. Raigad, Maharashtra

s. Address for correspondence

Investor correspondence may be addressed to any of the following:

Registered Office	Registrar & Share Transfer Agents
1501A, Universal Majestic, P L Lokhande Marg, Behind RBK International Academy, Chembur (W), Mumbai 400043	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083
Tel. No: 022 25550126	Tel : +91 22 6656 8484 Fax : +91 22 6656 8494
Website: www.sunshieldchemicals.com E-mail: investorservices@sunshieldchemicals.com	Website : www.linkintime.co.in E-mail.: csg-unit@linkintime.co.in

t. Credit Rating

CRISIL has assigned the credit rating of BBB+/Stable for the long-term bank facilities availed by the Company from the banks.

u. Electronic Clearing Service (ECS):

The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages Members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

v. Bank Details for electronic shareholding:

Members are requested to notify their DP about the changes in bank details. Members

are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.

w. Furnish copies of Permanent Account Number (PAN):

The members are requested to furnish their PAN which will help the Company to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.

x. ISIN allotted to Equity Shares is **INE199E01014**

y. Corporate Identification Number (CIN No.): **L99999MH1986PLC041612**

12. OTHER DISCLOSURES:

a. Related Party Transactions:

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. The transactions with the related parties as per requirements of Indian Accounting Standards (IND-AS 24) "Related Party Disclosures" are disclosed in the Notes to the Accounts in the Annual Report.

b. Compliances:

The Company has complied with all the regulations of Stock Exchanges, SEBI or other statutory authority/ties on matters related to capital markets.

c. No penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

d. The requirement of placing the statement of utilisation of funds raised through preferential issue on quarterly/ annual basis before Audit Committee is not applicable.

e. The Company follows the Companies (Indian Accounting Standards) Rules, 2015 specified under section 133 of the Companies Act, 2013, as amended. The Company has not adopted a treatment different from that prescribed in the aforesaid Indian Accounting Standards, in the preparation of financial statements.

- f. The Managing Director and Chief Financial Officer of the Company have certified to the Board on financial and other matters to be in accordance with Schedule II (Part B) of Listing Regulations for the financial year ended 31st March 2024.
- g. Pursuant to Section 177 of the Companies Act, 2013 and the Regulation 22 of SEBI (LODR) Regulation, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. No employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at www.sunshieldchemicals.com
- h. The Board of Directors of the Company evaluates and assesses the major risks and the risk minimization procedures and its implementation, from time to time.
- i. Web link where policy for determining 'material' subsidiaries is disclosed; - Not applicable.
- j. Web link of policy on dealing with related party transactions:
The web link of policy on dealing with related party transactions is provided in Director Report.
- k. Details of preferential allotment or Qualified Institutions Placement as specified under Regulation 32 (7A)
The Company has not raised funds through preferential allotment or Qualified Institutional Placement.
- l. Certificate from Company Secretary in practice regarding Non-disqualification of Directors
The Company has obtained a certificate from Mr. Prasen Naithani, Company Secretary that none of the Directors on the board of the company has been debarred or disqualified from being appointed or continuing as Director of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

m. Recommendation of Committee

All the recommendations of the committees are accepted by the Board.

n. Total fees paid to Statutory Auditors of the Company

The details of total fees, for all services paid to the Statutory Auditors for financial year 2023-24.

Particulars	Amount in ₹ (lacs)
Auditor's remuneration and expenses:	
Statutory audit fees	20.00
Fees for other audit related services:	
Reimbursement of out of pocket expenses	0.06
Total	20.06

o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in Directors Report

p. Risk Management:

The Company is undertaking the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimisation is being built up in the operating systems.

q. 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 policy, for Promoters, Members of Promoter group, Directors, Designated Person/ Employees, their immediate relatives, and substantial shareholders.

r. Management Discussion and Analysis forms part of the Directors Report.

s. Discretionary requirements under Regulation 27 read with Part E of Schedule of Listing

Regulations: Status relating to following specific requirements:

- Maintenance of office for Non-Executive Chairman: Because of the very good communication facilities it was felt that separate Chairman's office would not be essential.
- Shareholders Right: Half-yearly and quarterly financial results are forwarded to BSE Limited and uploaded on the Company's website and published in newspaper.
- Modified Opinion(s) in Audit Report: During the year under review, there was an unmodified opinion given in the Auditors Report for the Company's Financial Statements.
- Reporting of the Internal Auditors: The Internal Auditors attend the Audit Committee Meetings and submit their report to the Audit Committee with details and actions to be taken.

- The Chairperson and Managing Director of the Company are different persons.

- t. Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account:

In compliance with Para F of Schedule V to the Listing Regulations, we confirm that no shares of the Company are lying in the Suspense Account, during the period under review.

Further the Company has complied with the necessary procedure in accordance with Schedule VI of Listing Regulations where securities holder/claimant fails to submit the demat request within the period of 120 days from the date of 'Letter of Confirmation' and have transferred the securities to the Suspense Escrow Demat Account of the Company.

The status of shares transferred to Suspense Escrow Demat Account of the Company is as under:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate no. of shareholders and outstanding shares in the Suspense Escrow Demat Account	0	0
2	Number of Shares transferred to Suspense Escrow Demat Account during the year	1	100
3	Number of claims received till 31 st March 2024	0	0
4	Number of claims processed	0	0
5	Balance shares standing in the Suspense Escrow Demat Account as on 31 st March 2024	1	100

The voting rights on the aforesaid shares shall not remain frozen.

- u. Disclosure of certain types of agreements binding listed entities (1) information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations:

There is no information which is required to be disclosed under clause 5A of paragraph A of Part A of Schedule III.

- v. Certification of Corporate Governance Report:

Certificate from Mr. Prasen Naithani, Company Secretaries on Corporate Governance, as required under Regulation 34 of Listing Regulations, is annexed to this Report.

- w. Disclosures on the compliance with Corporate Governance requirements:

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

13. UNCLAIMED DIVIDEND

Pursuant to the provisions of the Companies Act, 2013 the dividend, Matured Deposits and interest thereon which remains unclaimed/ unpaid for a period of seven years from its due date is required to be transferred to the Investor Education and Protection Fund established by the Central Government.

The last date(s) for claiming payment of the unclaimed/ unpaid dividend are provided hereunder:

Sr. no.	Account Title	Date of Dividend Declaration	Rate of Dividend	Face Value (Rs.)	Last date for claiming the unclaimed dividend
1	2021-22 Final Dividend	29 th July 2022	20%	10	3 rd September 2029
2	2022-23 Final Dividend	25 th August 2023	20%	10	1 st October 2030
3	2023-24 Interim Dividend	9 th February 2024	12%	10	17 th March 2031

Members are requested to get in touch with the Registrar & Share Transfer Agents for encashing the unclaimed amounts, if any, standing to the credit of their account.

For Sunshield Chemicals Limited

R L Shenoy
Chairman
DIN 00074761

Place: Mumbai
Date: 16th May 2024

COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Sunshield Chemicals Limited

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

I have examined the compliance of conditions of Corporate Governance of Sunshield Chemicals Limited, for the year ended on 31st March 2024 as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C and D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations. The Board of Directors of the Company are duly constituted with proper balance of Independent Directors and Woman Director as per the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. Naithani & Associates,
Company Secretary in Practice**

Prasen Naithani
Membership No.: 3830
C.P. No.: 3389
PR.No.1131/2021
UDIN: F003830F000378743

Place: Mumbai
Date: 16th May 2024

Declaration by the Managing Director pursuant to Schedule V (D) read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance with Code of Conduct.

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2024, have affirmed compliance with code of conduct.

For Sunshield Chemicals Limited

Jeet Malhotra
Managing Director & CEO
DIN: 07208234

Place: Mumbai
Date: 16th May 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

Sunshield Chemicals Limited,

1501-A, Universal Majestic,

P.L. Lokhande Marg Behind R.B.K International Academy,

Chembur, Mumbai City MH 400043

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sunshield Chemicals Limited having CIN L99999MH1986PLC041612 and having registered office at 1501-A, Universal Majestic, P.L. Lokhande Marg Behind R.B.K International Academy, Chembur, Mumbai City MH 400043. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in the company
1	Mr. Laxmana Ranjal Shenoy	00074761	20/03/2015
2	Dr. Maya Parihar Malhotra	00302976	30/11/2021
3	Dr. Anand Laxminarain Parihar	00513109	30/11/2021
4	Mr. Ajit Chinubhai Shah	02396765	20/10/2015
5	Mrs. Aruna Vilas Soman	03622209	01/06/2017
6	Mr. Jeet Sudhir Malhotra	07208234	30/11/2021
7	Mr. Cyrus Poonevala	09420865	15/01/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. Naithani & Associates,
Company Secretary in Practice**

Prasen Naithani
Membership No.: 3830
C.P. No.: 3389
PR.No.1131/2021
UDIN: F003830F000378754

Place: Mumbai

Date: 16th May 2024

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, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'Financial Statements').

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, 2024, the net profit and total comprehensive income, changes in equity and its cash flows 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 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 the case of sale of goods is when the control over the same is transferred to the customer and the Company has fulfilled all its obligations. 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. Refer Note 2.1 to the Financial Statements - Material Accounting Policies	Our audit approach comprised test of internal controls and substantive procedures including: - Assessing the appropriateness of the Company's accounting policy relating revenue recognition in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. - Evaluating the general information and control environment and testing the operating effectiveness of the IT application controls. - Testing the effectiveness of such controls over cut-off procedures adopted as at the year-end. - Substantive Testing the 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 the appropriateness of the period in which revenue is recognized. - Performing analytical procedures on revenue based on periodical past trends and where appropriate, conducting further enquiries and testing. - Evaluating the design and implementation of the Company's controls in respect of revenue recognition.

Sr. No.	Key Audit Matter	Auditor's Response
2.	There are several litigations pending before various forums against the Company. These also include matters under various statutes and involve significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation uncertainty.	To address this key audit matter, our procedure included: • Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. • Evaluation and testing of the design of internal controls followed by the company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as contingent liabilities. • Discussing with the company's personnel for sufficient understanding of on-going and potential legal matters impacting the Company.

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 information included in the Management Discussion and Analysis, Board's Report including annexures to the Board's Report, Corporate Governance and Shareholders Information 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 identified above when it becomes available 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

The Company's Management and Board of Directors are 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, changes in equity and cash flows 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 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 management 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's and Board of Director'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 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 A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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. Also refer our comments in paragraph 2(h)(vi).
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 B**". 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 read with Schedule V to the Companies Act, 2013.
 - 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. – refer Note no. 32 to the Financial Statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which were 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 Note no. 40(1) 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 Note no. 40(1) 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 such audit procedures that we have 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) contain any material misstatement.
- v. The final dividend declared and paid by the Company during the year for the previous year and the interim dividend paid for the year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note no.16(i) 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 dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, we report that for the year ended March 31, 2024, for maintaining its books of account, the Company has used accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail was enabled at the database level for accounting software SAP to log any direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.: 040740
UDIN: 24040740BKEYGC4036

Place: Mumbai
Date: 16th May 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(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.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of physical verification of Property, Plant, and Equipment, and other assets so as 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 items of Property, Plant & Equipment have been physically verified by the Management. Discrepancies which were noticed, were not material and same are dealt in books of account.
- c) As disclosed in note no. 41(9) of the Financial Statements and based on our examination of the registered sale deeds provided to us, we report that the title deeds of all the immovable properties, comprising of land and building which are freehold, are held in the name of the Company as at the balance sheet date.
- d) As disclosed in note no. 41(8) of the Financial Statements, the Company has not revalued any of its property, plant, and equipment, Intangible assets or both during the year.
- e) As disclosed in note no. 41(5) of the Financial Statements, the Company does not have any proceedings initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) Inventory:

- a) The inventory (except goods in transit and stock lying with third parties) has been physically verified by the Management during at the end of the every quarter. Stock lying with third party has been confirmed by the third party. In our opinion, the frequency of verification is reasonable. Considering the size of the Company and the nature of its operations, the coverage and procedures are adequate. The discrepancies noticed on such verification, which in our opinion were not material, have been appropriately dealt with in the books of account.
- b) The Company has been sanctioned working capital limits exceeding ₹ 5 crores from banks on the basis of security of current assets. The quarterly returns / statements filed by the Company are broadly in agreement with the books of account and no material unreconciled discrepancies have been observed. Refer Note 17 of the Financial Statements.

(iii) Loans, Investments etc:

- a) During the year, the Company has granted interest free loans to employees, the details of which are given below:

Particulars	Amount (₹ in Lakhs)
A. Aggregate amount granted / provided during the year:	
— Loans to Employees	2.03
B. Balance outstanding as at balance sheet date in respect of above:	
— Loans to Employees	1.75

Apart from the above and as disclosed in note no. 41(7) of the Financial Statements the Company has not granted any loans, made any investments, provided any guarantee or security to any other company, firm, limited liability partnership or any other entity during the year.

- (b) The terms and conditions of the grant of the above-mentioned loans, are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (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 and payment of interest are regular, as stipulated.
- (d) In respect of the loans granted by the Company, there is no amount which is overdue for more than ninety days.
- (e) There are no loans that have fallen due during the year which have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment.

(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 to the Company for the year under audit.

(v) Public Deposits:

The Company has not accepted any deposits or amounts which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and

the rules framed there under. Therefore, reporting under clause 3(v) of the Order is not applicable to the Company for the year under audit.

(vi) Cost Records:

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, 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 these accounts and records with a view to determining whether they are accurate or complete.

(vii) Statutory Dues:

In respect of statutory dues:

- a) In our opinion, the Company has been regular in depositing 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 it with the appropriate authorities. 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 to the extent applicable to the Company, in arrears as at March 31, 2024 for a period of more than six months from the date they became payable;

- b) The particulars of statutory dues that have not been deposited on account of any dispute are as under:

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	225.73	2006-2007 to 2007-2008 and 2015-16 to 2016-17	Maharashtra Sales Tax Tribunal
CGST Act, 2017	GST including Interest	35.51	2017-2018	GST Commissionerate-Navi Mumbai
Income Tax Act, 1961	TDS	16.60	2018-19 & 2019-20	Commissioner of Income-tax (Appeals)

^ Net of Rs 189.72 Lakhs paid under protest

(viii) Undisclosed Income:

As disclosed in note no. 41(4) of the Financial Statements, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) Borrowings:

- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As disclosed in note no. 41(10) of the Financial Statements, the Company is not declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans raised during the year were applied for the purpose for which the loans were obtained.
- (d) The Company has not utilized funds raised on short-term basis for long-term purposes.
- (e) The Company does not have any subsidiary, associate or joint venture. Therefore, reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company for the year under audit.

(x) Issue of Securities:

- (a) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company for the year under audit.
- (b) The Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year under review. Therefore, reporting under clause 3(xx)(b) of the Order is not applicable to the Company for the year under audit.

(xi) Fraud:

- (a) There are no instances of fraud by the Company or on the Company noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors 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.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) Nidhi Company:

The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company for the year under audit.

(xiii) Related Parties:

The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements 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 December 2023 for the period under audit. We have considered the observations of the internal auditors of the Company in their reports, in determining the nature, timing and extent of our audit procedures, for the year under audit.

(xv) Non-Cash Transactions:

The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company for the year under audit.

(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 to the Company for the year under audit.
- b) In our opinion, there is no Core Investment Company (CIC) [as defined in Core Investment Companies (Reserve Bank) Directions, 2016] within the Group and accordingly reporting under clause (xvi)(d) of the Order is not applicable to the Company for the year under audit.

(xvii) Cash Loss:

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

(xvii) Resignation of Statutory Auditor:

There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company for the year under audit.

(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, 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 spent the requisite amount on eligible CSR activities and there is no unspent amount as at the end of the year, whether related to on-going projects or otherwise.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.: 040740
UDIN: 24040740BKEYGC4036

Place: Mumbai
 Date: 16th May 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Financial Statements of **Sunshield Chemicals Limited** (“the Company”) as of March 31, 2024, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). 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 with reference to the Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to Financial Statements

A company’s internal financial control with reference to Financial Statements 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 with reference to Financial Statements

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, 2024, 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 C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.: 040740
UDIN: 24040740BKEYGC4036

Place: Mumbai
Date: 16th May 2024

Balance Sheet as at March 31, 2024

		₹ in Lakhs	
Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 Non current assets			
(a) Property, plant and equipment	5(a)	7,450.32	7,922.11
(b) Capital work-in-progress	5(b)	4,509.42	85.08
(c) Intangible assets	6	19.35	19.48
(d) Financial assets			
— Loans	7(a)	—	0.38
— Other financial assets	8(a)	0.62	0.62
(e) Income tax assets (net)	9	53.54	58.22
(f) Other non-current assets	10(a)	327.10	352.85
Total non-current assets		12,360.35	8,438.74
2 Current assets			
(a) Inventories	11	4,327.65	3,637.36
(b) Financial assets			
— Trade receivables	12	4,788.68	4,011.36
— Cash and cash equivalents	13	—	6.52
— Bank balance other than cash and cash equivalents	14	60.43	172.17
— Loans	7(b)	1.75	2.80
— Other financial assets	8(b)	2.01	0.38
(c) Other current assets	10(b)	1,373.48	1,452.62
Total current assets		10,554.00	9,283.21
TOTAL ASSETS		22,914.35	17,721.95
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	735.31	735.31
(b) Other equity	16	7,483.71	5,864.57
Total Equity		8,219.02	6,599.88
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
— Borrowings	17(a)	1,609.91	4,105.05
(b) Provisions	18(a)	182.71	101.12
(c) Deferred tax liabilities (net)	19(a)	888.27	617.75
Total non-current liabilities		2,680.89	4,823.92
3 Current liabilities			
(a) Financial liabilities			
— Borrowings	17(b)	6,937.42	3,607.08
— Trade payables	20	—	—
— Outstanding dues of micro enterprises and small enterprises		179.07	156.53
— Outstanding dues of creditors other than micro enterprises and small enterprises		3,884.08	2,215.20
— Other financial liabilities	21	805.60	215.95
(b) Provisions	18(b)	26.30	22.47
(c) Current tax liabilities (net)	19(b)	65.47	—
(d) Other current liabilities	22	116.50	80.92
Total current liabilities		12,014.44	6,298.15
Total liabilities		14,695.33	11,122.07
TOTAL EQUITY AND LIABILITIES		22,914.35	17,721.95

Material accounting policies information

2

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report attached

For C N K & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

Jeet Malhotra

Managing Director & CEO

DIN: 07208234

Ashish Agarwal

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Dr. Maya Parihar Malhotra

Director

DIN: 00302976

Amit Kumashi

Company Secretary

Diwakar Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2024

Statement of Profit and Loss for the year ended March 31, 2024

₹ in Lakhs

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
I Revenue from operations	23	28,337.54	24,476.00
II Other income	24	148.04	181.62
III Total income (I+II)		28,485.58	24,657.62
Expenses			
Cost of materials consumed	25	18,752.22	16,980.86
Purchases of stock-in-trade	25	537.21	—
Changes in inventories of work-in progress and finished goods	26	(12.37)	(360.07)
Employee benefits expense	27	1,638.59	1,313.76
Finance costs	28	779.08	744.27
Depreciation and amortisation expense	29	738.01	644.94
Other expenses	30	3,378.50	3,425.66
Total expenses (IV)		25,811.24	22,749.42
V Profit before tax (III - IV)		2,674.34	1,908.20
VI Income Tax expense	31		
Current tax		755.63	480.67
Deferred tax		34.04	69.36
Prior year tax adjustment (net of MAT credit of earlier year)		—	(7.94)
Total tax expense (VI)		789.67	542.09
VII Profit for the year (V - VI)		1,884.67	1,366.11
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(42.65)	19.20
Income tax relating to this item		12.42	(5.59)
Total other comprehensive income for the year, net of tax		(30.23)	13.61
IX Total comprehensive income for the year (VII + VIII)		1,854.44	1,379.72
X Earnings per equity share (face value of ₹ 10/- each)	37		
Basic earnings per share (in ₹)		25.63	18.58
Diluted earnings per share (in ₹)		25.63	18.58
Material accounting policies information	2		

The above statement of profit and loss should be read in conjunction with the accompanying notes

In terms of our report attached

For C N K & Associates LLP
Chartered Accountants

Firm Registration no.:101961 W/W-100036

Diwakar Sapre
Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2024

For and on behalf of the Board of Directors

Sunshield Chemicals Limited
Jeet Malhotra
Managing Director & CEO

DIN: 07208234

Ashish Agarwal
Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Dr. Maya Parihar Malhotra
Director

DIN: 00302976

Amit Kumashi
Company Secretary

Statement of cash flows for the year ended March 31, 2024

		₹ in Lakhs
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Cash flow from operating activities		
Profit before tax	2,674.34	1,908.20
Adjustments for:		
Depreciation and amortisation expense	738.01	644.94
Liabilities / provisions no longer required written back	(1.64)	—
Loss on disposal of property, plant and equipment (net)	2.62	67.05
Finance cost	779.08	744.27
Provision for doubtful trade receivables	—	0.59
Unrealised net exchange differences	(12.38)	(19.62)
Operating profit before changes in operating assets and liabilities	4,180.03	3,345.43
Changes in operating assets and liabilities		
Trade receivables	(765.42)	140.20
Inventories	(690.29)	(697.51)
Other assets	84.46	(58.93)
Trade payables	1,693.54	(943.84)
Other liabilities	98.40	(55.06)
Provisions	42.77	43.91
Cash flow from operations	4,643.49	1,774.20
Income taxes paid	(436.58)	(362.66)
Net cash from operating activities (A)	4,206.91	1,411.53
(B) Cash flow used in investing activities		
Payments for property, plant and equipment, capital work-in-progress	(4,144.87)	(821.10)
Proceeds from disposal of property, plant and equipment	—	2.99
Investment in fixed deposits with banks (under lien)	111.74	(34.67)
Net cash used in investing activities (B)	(4,033.13)	(852.78)
(C) Cash flow used in financing activities		
Borrowing taken	500.00	4,376.25
Repayment of borrowings	(535.04)	(4,574.97)
Interest paid	(781.96)	(711.63)
Dividend paid	(233.54)	(145.24)
Net cash flows used in financing activities (C)	(1,050.54)	(1,055.59)
Net Increase/ (Decrease) in cash and cash equivalents (A)+(B)+(C)	(876.76)	(496.84)
Cash and cash equivalents at the beginning of the year	(50.28)	446.56
Cash and cash equivalents at the end of the year	(927.04)	(50.28)
Reconciliation of cash and cash equivalents with the balance Sheet		
Cash and bank balances as per balance sheet (refer note 13)	—	6.52
Bank overdrafts (refer note 17(b))	(927.04)	(56.80)
Cash and cash equivalents as per statement of cash flows	(927.04)	(50.28)

Material accounting policies information - Note 2

The above statement of cash flows should be read in conjunction with the accompanying notes.

In terms of our report attached

For C N K & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

Diwakar Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2024

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

Jeet Malhotra

Managing Director & CEO

DIN: 07208234

Ashish Agarwal

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Dr. Maya Parihar Malhotra

Director

DIN: 00302976

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 March 31, 2024	15	735.31	—	735.31
As at March 31, 2023		735.31	—	735.31

(b) Other equity :

₹ in Lakhs

Particulars	Notes	Reserves & Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
As at April 01, 2022		453.56	883.10	3,295.25	4,631.91
Profit for the year		—	—	1,366.11	1,366.11
Other comprehensive Income for the year (net of income tax)		—	—	13.61	13.61
Dividends paid		—	—	(147.06)	(147.06)
Total comprehensive income for the year		—	—	1,232.66	1,232.66
As at March 31, 2023	16	453.56	883.10	4,527.91	5,864.57
Profit for the year		—	—	1,884.67	1,884.67
Other comprehensive income for the year (net of income tax)		—	—	(30.23)	(30.23)
Dividends paid		—	—	(147.06)	(147.06)
Total comprehensive income for the year		—	—	1,707.38	1,707.38
As at March 31, 2024		453.56	883.10	6,235.29	7,571.95

Material accounting policies information

2

The above statement of change in equity should be read in conjunction with the accompanying notes

In terms of our report attached

For C N K & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

Diwakar Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2024

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

Jeet Malhotra

Managing Director & CEO

DIN: 07208234

Ashish Agarwal

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Dr. Maya Parihar Malhotra

Director

DIN: 00302976

Amit Kumashi

Company Secretary

Notes forming part of the financial statements for the year ended 31 March 2024

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.

The Financials Statements are approved by the Company's Board of Directors on May 16, 2024.

1a. Basis of preparation:

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards 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.

(b) 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 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 not based on observable data i.e. based on unobservable inputs.

2. MATERIAL ACCOUNTING POLICY INFORMATION:

2.1. 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 be received 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.

Notes forming part of the financial statements for the year ended March 31, 2024

(c) **Export Incentives**

Income from export Incentives such as duty drawback, advance licenses, RoDTEP are recognized on an accrual basis.

2.2. **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.3. **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. Non-monetary items are measured at fair value based on exchange rate prevailing when the fair value is determined.

c) **Treatment of exchange differences**

Exchange differences in relation to monetary items arising at the time of settlement or translation are recognised in profit or loss in the period in which they arise.

2.4. **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. 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 in future. 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.

Notes forming part of the financial statements for the year ended March 31, 2024

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 related current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.5. Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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, expenditure during construction period directly related to the projects and attributable interest, if applicable as Capital work-in-progress.

2.6. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

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 assets' 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

Notes forming part of the financial statements for the year ended March 31, 2024

current market assessment 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 (arrived at on 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.

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 (other than trade receivables) 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

All financial assets are initially measured at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of financial assets. Trade receivables that do not contain a significant financing component are measured at transaction price.

Notes forming part of the financial statements for the year ended March 31, 2024

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.

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

Whenever 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. The Company's accounting policies and disclosures, in a few cases, require the

Notes forming part of the financial statements for the year ended March 31, 2024

measurement of fair values, for both financial and non-financial assets and liabilities. Wherever 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);
- 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.

Notes forming part of the financial statements for the year ended March 31, 2024

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)

During the year the Ministry of Corporate Affairs (MCA) has not notified any amendments to Companies (Indian Accounting Standards) Amendment Rules, 2023.

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.

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 March 31, 2024 and 2023, 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.

Notes forming part of the financial statements for the year ended March 31, 2024

Note 5(a)

Property, plant and equipment

₹ in Lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 01, 2023	Additions	Deductions	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Freehold Land	195.01	—	—	195.01	—	—	—	—	195.01
Buildings	1,762.29	21.48	—	1,783.77	515.34	78.98	—	594.32	1,189.45
Plant and Equipment	9,724.72	228.22	(24.20)	9,928.74	3,323.03	635.40	(21.58)	3,936.85	5,991.89
Furniture and Fixtures	1.14	—	—	1.14	0.31	0.13	—	0.44	0.70
Vehicle	14.00	—	—	14.00	7.24	1.73	—	8.97	5.03
Computers	212.50	3.20	—	215.70	170.10	10.80	—	180.90	34.80
Office Equipments	29.92	12.30	—	42.22	1.43	7.35	—	8.78	33.44
TOTAL	11,939.58	265.20	(24.20)	12,180.58	4,017.45	734.39	(21.58)	4,730.26	7,450.32

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Freehold Land	195.01	—	—	195.01	—	—	—	—	195.01
Buildings	1,708.03	54.26	—	1,762.29	441.75	73.59	—	515.34	1,246.95
Plant and Equipment	8,442.60	1,401.43	(119.31)	9,724.72	2,810.82	561.93	(49.71)	3,323.03	6,401.68
Furniture and Fixtures	1.18	—	(0.04)	1.14	0.22	0.13	(0.04)	0.31	0.83
Vehicle	14.00	—	—	14.00	5.51	1.73	—	7.24	6.76
Computers	183.49	42.82	(13.81)	212.50	177.93	5.55	(13.37)	170.11	42.39
Office Equipments	7.02	29.92	(7.02)	29.92	7.02	1.43	(7.02)	1.43	28.49
TOTAL	10,551.33	1,528.43	(140.18)	11,939.58	3,443.25	644.36	(70.14)	4,017.45	7,922.11

Note 5(b)

Capital work-in-progress

₹ in Lakhs

Description	Amount
Opening balance as at April 01, 2023	85.08
Additions	
Construction cost	4,501.09
Expenditure incurred during the construction period (project salary cost)	188.45
Transfer to property, plant and equipment	(265.20)
Closing balance (pending allocation of salary cost of Rs. 188.45 lakhs) as at March 31, 2024	4,509.42
Opening balance as at April 01, 2022	736.65
Additions	876.86
Transfer to property, plant and equipment	(1,528.43)
Closing balance as at March 31, 2023	85.08

Capital work-in-progress ageing schedule as at March 31, 2024 and March 31, 2023 is as follows:

₹ in Lakhs

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress - Plant automation	4,474.17 (85.08)	35.25 —	— —	— —	4,509.42 (85.08)
Total Capital work-in-progress	4,474.17 (85.08)	35.25 —	— —	— —	4,509.42 (85.08)

Notes forming part of the financial statements

Project wise breakup of Capital-work-in progress

₹ in Lakhs

Particulars	Less than 1 year	To be completed in			Total
		1-2 Years	2-3 Years	More than 3 years	
Project in Progress					
Plant automation	4,509.42 (85.08)	— —	— —	— —	4509.42 (85.08)
Total Capital work-in-progress	4,509.42 (85.08)	— —	— —	— —	4,509.42 (85.08)

Figures in brackets are for the previous year ended March 31, 2023

There are no project whose completion is overdue or exceeded its cost compare to its original plan

Note 6

Intangible assets

₹ in Lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 01, 2023	Additions	Deductions	As at March 31, 2024	As at April 01, 2023	For the year	Deductions	As at March 31, 2024	As at March 31, 2024
Software	20.06	3.49	—	23.55	0.58	3.62	—	4.20	19.35
TOTAL	20.06	3.49	—	23.55	0.58	3.62	—	4.20	19.35

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023
Software	—	20.06	—	20.06	—	0.58	—	0.58	19.48
TOTAL	—	20.06	—	20.06	—	0.58	—	0.58	19.48

Note 7

Loans

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
7(a) Long-term		
Unsecured, considered good		
Loans to employees	—	0.38
Total long-term loans	—	0.38
7(b) Short-term		
Unsecured, considered good		
Loans to employees	1.75	2.80
Total short-term loans	1.75	2.80
TOTAL LOANS	1.75	3.18

Notes forming part of the financial statements

Note 8

Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
8(a) Non-current		
Unsecured, considered good		
Security deposits	—	—
Deposits with bank*	0.62	0.62
Total non-current financial assets	0.62	0.62
8(b) Current		
Unsecured, considered good		
Interest receivable on deposits	2.01	0.38
Total current financial assets	2.01	0.38
TOTAL FINANCIAL ASSETS	2.63	1.00

* Lien marked with irrigation division Kolad, Raigad

Note 9

Income tax assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income-tax (net of provision Rs 1,599.44 Lakh)	53.54	58.22
Total income tax assets	53.54	58.22

Note 10

Other assets

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
10(a) Non-current		
Balances with Government authorities (other than Income tax)		
— VAT refund receivable	103.77	117.00
— VAT paid under protest (refer note 32)	185.57	182.01
Income tax paid under protest	4.15	—
Capital advances	33.61	53.84
Total other non-current assets	327.10	352.85
10(b) Current		
Prepaid expenses	101.18	82.38
Balances with Government authorities (other than Income tax)		
— Goods and service tax	727.63	1,102.88
— GST export rebate	289.28	171.73
Export incentive receivable	50.00	49.21
Advances to suppliers of goods and services	205.39	46.42
Total other current assets	1,373.48	1,452.62
TOTAL OTHER ASSETS	1,700.58	1,805.47

Notes forming part of the financial statements

Note 11

Inventories (at lower of cost and net realisable value)

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (Includes Goods-in-transit Rs 579.59 Lakh (2023 Rs 323.49 Lakh))	2,039.66	1,435.69
Packing materials	108.22	78.26
Work-in-progress	488.84	426.41
Finished goods (Includes Goods-in-transit Rs 74.60 Lakh (2023 Rs 164.07 Lakh))	1,407.24	1,457.30
Stores and spares	283.69	239.70
TOTAL INVENTORIES	4,327.65	3,637.36

Note 12

Trade Receivables

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Trade receivable - considered good	4,791.82	4,016.14
Trade receivables - credit impaired	—	—
	4,791.82	4,016.14
Less: Allowance for expected credit loss	3.14	4.78
TOTAL TRADE RECEIVABLES	4,788.68	4,011.36

Ageing for trade receivables as at March 31, 2024 is as follows:

₹ in Lakhs							
Particulars	Not Due	Outstanding for following periods 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	4,423.66	365.08	1.81	1.27	—	—	4,791.82
(ii) Less: Allowance for expected credit loss	—	—	—	—	—	—	3.14
Total	4,423.66	365.08	1.81	1.27	—	—	4,788.68

Ageing for trade receivables as at March 31, 2023 is as follows:

₹ in Lakhs							
Particulars	Not Due	Outstanding for following periods 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	3,676.81	318.03	21.30	—	—	—	4,016.14
(ii) Allowance for expected credit loss	—	—	—	—	—	—	4.78
Total	3,676.81	318.03	21.30	—	—	—	4,011.36

Note:

The average credit period on sale of goods is 60 days. No interest is charged on trade receivables. 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 for forward looking information. For movement in allowance for doubtful debts refer note 39

Notes forming part of the financial statements

Note 13

Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks - in current accounts	—	6.52
TOTAL CASH AND CASH EQUIVALENTS	—	6.52

Note 14

Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits with bank (refer note (a) below)	56.85	170.35
Unclaimed dividend (refer note (b) below)	3.58	1.82
TOTAL BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	60.43	172.17

(a) above deposits are held as margin money against bank guarantee or letter of credit.

(b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

Note 15

Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
1,50,00,000 equity shares of Rs.10/- each	1,500.00	1,500.00
50,00,000 7% Non Cumulative Redeemable Preference shares of Rs.10/- each	500.00	500.00
	2,000.00	2,000.00
Issued, Subscribed and fully paid up		
73,53,060 (2023: 73,53,060) equity shares of Rs.10/- each fully paid up	735.31	735.31
TOTAL EQUITY SHARE CAPITAL	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 March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	7,353,060	735.31	7,353,060	735.31
Increase/ (decrease) during the year	—	—	—	—
Closing balance	7,353,060	735.31	7,353,060	735.31

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

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of held	No. of Shares	% of held
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	4,585,396	62.36%	4,585,396	62.36%

Notes forming part of the financial statements

Details of shares allotted for the period of five years immediately preceding the date as at which the Balance Sheet

- (a) No shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash.
- (b) No shares allotted as fully paid-up by way of bonus shares.
- (c) No shares bought back.

Details of Equity Shares held by the Holding Company:

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	4,585,396	62.36%	4,585,396	62.36%

Details of shareholding of promoters as at March 31, 2024

Promoters Name	No of shares	% of total shares	% change during the year
Indus Petrochem Limited	4,585,396	62.36%	0%

Details of shareholding of promoters as at March 31, 2023

Promoters Name	No of shares	% of total shares	% change during the year
Indus Petrochem Limited	4,585,396	62.36%	0%

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

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 Rs 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 16

Other equity

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
A. Capital reserve	453.56	453.56
B. Securities premium	883.10	883.10
C. Retained earnings		
Balance at the beginning of the year	4,527.91	3,295.25
Add : Profit for the year	1,884.67	1,366.11
Add : Other comprehensive income	(30.23)	13.61
Less : Final dividend on equity shares	(147.06)	(147.06)
Less : Interim dividend on equity shares	(88.24)	—
Balance at the end of the year	6,147.05	4,527.91
TOTAL OTHER EQUITY	7,483.71	5,864.57

Notes forming part of the financial statements

Notes:

- (i) The Board of Directors of the Company have recommended Final Dividend of Rs. 1.20 (previous year Rs. 2) per share for the financial year ended March 31, 2024 to be paid on fully paid Equity Shares amounting to Rs 88.24 lakhs. The Final dividend is subject to the approval of shareholders at Annual general Meeting and has not been included as liability in these financial statements.

(ii) Nature of reserves

(a) Capital reserve

Capital Reserves includes :

- i) Rs. 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) Rs. 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.

Note 17

Borrowings

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
17(a) Long-Term borrowings		
Secured		
Measured at amortised cost		
Term loan from a banks (refer note (i) below)	1,026.58	1,188.38
Unsecured		
Measured at amortised cost		
Loans from a related party (refer note 35 e (i))		
— Term loan (refer note (ii) below)	583.33	2,916.67
TOTAL LONG-TERM BORROWINGS	1,609.91	4,105.05

Notes forming part of the financial statements
Note:

Particulars	Present Rate of interest	Terms of Repayment	Amount
(i) Term loan from HDFC Bank is secured by Hypothecation of entire Stocks, Book debts, Plant & Machinery and Mortgage of Factory premises as a collateral security and corporate guarantee from Indus Petrochem Limited, the Holding Company (also refer note 17 (b) below)	9.10% p.a.	The loan is repayable in 37 equal monthly Instalments	512.32
	10.03% p.a.	The loan is repayable in 62 equal monthly Instalments	1,107.97
(ii) Indus Petrochem Limited- the Holding Company (also refer note 17 (b) below)	8.75% p.a.	The loan is repayable from May 24, 2024, in quarterly Instalments as under: 1st Instalments of Rs.1,166.66 and 4 Instalments of Rs. 583.33 each.	3,500.00

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
17(b) Short-term borrowings		
Secured		
Measured at amortised cost		
Loans repayable on demand from banks		
— Overdraft facilities*	927.04	56.80
— Working capital Demand Loan*	2,500.00	2,500.00
Current maturities of long-term borrowings	593.71	466.95
Unsecured		
Measured at amortised cost		
Current maturities of long-term borrowings from related party (refer note 35 e (i))	2,916.67	583.33
TOTAL SHORT-TERM BORROWINGS	6,937.42	3,607.08

*Loan from HDFC bank - interest rate @ 9.64 (Linked to 3M T-Bill)

The Company has obtained financing from banks for managing its short term and long term funding requirements. The below table provides the reconciliation between quarterly returns filed by the Company with banks and books of account.

Notes forming part of the financial statements

Particulars	Amount as per Books of Account (A)	Amount as per statement of assets filed with the banks (B)	Diff (A-B)	Remarks
For the quarter ended June 30, 2023				
Trade Receivable	4,251.11	4,251.14	(0.03)	
Trade Payable	2,163.84	2,171.42	(7.58)	
Inventories	3,228.76	3,223.03	5.73	
For the quarter ended September 30, 2023				
Trade Receivable	4,008.06	4,008.06	—	The differences are on account of Purchase in transit, Sales in Transit, Advances regroupings, Debtors and Payable reconciliation etc. The Company submit its data to banks as per agreed timelines. However, accounts get finalised after due reconciliation and reviewed by auditors on quarterly basis. In any case it does not affect drawing power adversely.
Trade Payable	2,190.89	1,877.98	312.91	
Inventories	3,233.31	3,233.31	—	
For the quarter ended December 31, 2023				
Trade Receivable	3,983.75	4,202.64	(218.89)	
Trade Payable	2,525.81	2,000.47	525.34	
Inventories	3,150.51	3,150.51	—	
For the quarter ended March 31, 2024				
Trade Receivable	4,788.68	4,787.05	1.63	
Trade Payable	4,054.12	3,814.06	240.06	
Inventories	4,327.65	4,309.28	18.37	

Note 18 Provisions

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
18(a) Non-current		
Employee benefit obligations (refer note 36)		
Leave obligations	113.83	91.84
Gratuity	68.88	9.28
Total non-current provisions	182.71	101.12
18(b) Current		
Employee benefit obligations (refer note 36)		
Leave obligations	26.30	22.47
Total current provisions	26.30	22.47
TOTAL PROVISIONS	209.01	123.59

Notes forming part of the financial statements

Note 19

(a) Deferred tax liabilities (net) (refer note 31 c)

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items consisting Deferred tax liability		
On property, plant and equipment allowances on	961.29	921.50
Tax effect of items consisting Deferred tax assets		
Disallowance under section 43(B) / 40(a) of Income tax Act, 1961	(64.58)	(36.76)
MAT credit	—	(248.90)
Others	(8.44)	(18.09)
TOTAL DEFERRED TAX LIABILITIES (NET)	888.27	617.75

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

(b) Current tax liabilities (net)

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Provision for tax (net of Advance tax of Rs 690.16)	65.47	—
TOTAL CURRENT TAX LIABILITIES	65.47	—

Note 20

Trade Payables

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade payables dues of micro and small enterprises	179.07	156.53
Trade payables dues of other than micro enterprises and small enterprises	3,884.08	2,215.20
TOTAL TRADE PAYABLES	4,063.15	2,371.73

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

Notes forming part of the financial statements

Ageing for trade payable as at March 31, 2024 is as follows:

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less Than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Payables						
(i) MSME	156.22	22.85	—	—	—	179.07
(ii) Others	3,322.46	560.10	0.35	1.00	0.17	3,884.08
TOTAL TRADE PAYABLE	3,478.68	582.95	0.35	1.00	0.17	4,063.15

Ageing for trade payable as at March 31, 2023 is as follows:

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less Than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade Payables						
(i) MSME	148.51	8.02	—	—	—	156.53
(ii) Others	2,021.15	113.48	52.91	22.06	5.60	2,215.20
TOTAL TRADE PAYABLE	2,169.66	121.50	52.91	22.06	5.60	2,371.73

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding at the year end are given below:

₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) The amount remaining payable to any supplier at the end of the accounting year:		
Principal amount	179.07	156.53
Interest due thereon	—	1.68
(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	—	—
(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	2.69	1.68
(d) The amount of interest accrued and remaining unpaid at the end of the year	8.07	5.38
(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.	—	—

Notes forming part of the financial statements

Note 21

Other current financial liabilities

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost		
Interest accrued but not due on borrowings	29.76	32.64
Capital creditors	696.24	168.29
Employee benefits payable	76.02	13.20
Unclaimed dividend (refer note 14)	3.58	1.82
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	805.60	215.95

Note 22

Other current liabilities

₹ in Lakhs		
Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues including provident fund and tax deducted at source	43.37	38.04
Trade advances	9.34	4.83
Other Payables	63.79	38.05
TOTAL OTHER CURRENT LIABILITIES	116.50	80.92

Note 23

Revenue from operations

₹ in Lakhs		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products		
— Finished goods (speciality chemicals)	27,613.39	24,403.06
— Traded goods	555.34	—
Sale of services		
— Processing charges	33.82	37.21
Other operating revenue		
— Scrap sales	119.23	27.03
— Duty drawback	15.76	8.70
TOTAL REVENUE FROM OPERATIONS	28,337.54	24,476.00

Notes forming part of the financial statements

Note 24

Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
— On bank deposits	25.10	6.72
— From others	1.31	—
Liabilities / provisions no longer required written back	1.64	—
Net exchange differences	119.99	174.90
TOTAL OTHER INCOME	148.04	181.62

Note 25

Cost of material consumed

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Raw materials consumed		
Opening stock of raw materials	1,435.69	1,131.15
Add: Purchases	18,790.71	16,693.77
Less: Closing stock of raw materials	(2,039.66)	(1,435.69)
Cost of raw materials consumed	18,186.74	16,389.23
(b) Packing materials consumed		
Opening stock of packing materials	78.26	60.21
Add: Purchases	595.44	609.68
Less: Closing stock of packing materials	(108.22)	(78.26)
Cost of packing material consumed	565.48	591.63
TOTAL COST OF MATERIALS CONSUMED	18,752.22	16,980.86

Purchases of stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of stock-in-trade	537.21	—
TOTAL PURCHASES OF STOCK-IN-TRADE	537.21	—

Notes forming part of the financial statements

₹ in Lakhs

Note 26
Changes in inventories of finished goods and work-in-progress

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Work-in-progress		
Opening stock	426.41	421.14
Less: Closing stock	(488.84)	(426.41)
	<u>(62.43)</u>	<u>(5.27)</u>
(b) Finished goods		
Opening stock	1,457.30	1,102.50
Less: Closing stock	(1,407.24)	(1,457.30)
	<u>50.06</u>	<u>(354.80)</u>
Total [net decrease / (increase)]	<u><u>(12.37)</u></u>	<u><u>(360.07)</u></u>

Note 27
Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	1,419.67	1,147.64
Contribution to provident and other funds (refer note 36)	91.16	74.01
Staff welfare expenses	127.76	92.11
TOTAL EMPLOYEE BENEFIT EXPENSE	<u><u>1,638.59</u></u>	<u><u>1,313.76</u></u>

Note 28
Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on bank overdraft and loans (other than those from related parties)	418.66	307.87
Interest on loans from related parties	307.02	375.70
Other borrowing costs	53.40	60.70
TOTAL FINANCE COST	<u><u>779.08</u></u>	<u><u>744.27</u></u>

Note 29
Depreciation and amortisation expense

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	734.39	644.36
Amortisation of intangible assets	3.62	0.58
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	<u><u>738.01</u></u>	<u><u>644.94</u></u>

Notes forming part of the financial statements

Note 30

Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	108.09	179.05
Power and fuel	1,235.53	1,189.23
Effluent treatment charges	65.13	57.23
Sub-contract charges	439.87	489.24
Freight and forwarding expenses	560.58	652.58
Repairs and maintenance		
— Plant and machinery & Others	317.99	210.68
Rent	33.84	39.33
Insurance	112.57	110.40
Rates and taxes	17.34	50.42
Loss on assets sold, discarded or written off	2.62	67.05
Legal and professional fees	170.87	142.20
Service charges & Computer maintenance	11.23	1.84
Travelling and conveyance	23.61	39.83
Communication expenses	26.15	23.81
Printing and stationery	36.99	18.42
Director's sitting fees	16.80	22.40
Payments to Auditors (refer note (i) below)	20.06	20.01
Provision for doubtful trade receivables	—	0.59
Corporate social responsibility expense (refer note 41)	39.53	38.38
Miscellaneous Expenses	139.70	72.97
TOTAL OTHER EXPENSES	3,378.50	3,425.66

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Notes (i)		
Payment to auditors include: (net of input credit, where applicable)		
To statutory auditors		
— Statutory audit fees (including quarterly reviews)	20.00	20.00
— Reimbursement of expenses	0.06	0.01
Total	20.06	20.01

Note 31

Tax expense

₹ in Lakhs

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Amounts recognised in profit and loss		
Current income tax	755.63	480.67
Deferred tax expense	34.04	69.36
Tax expense for the year	789.67	550.03

Notes forming part of the financial statements

(b) Reconciliation of effective tax rate

₹ in Lakhs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	2,674.34	1,908.20
Tax using the Company's domestic tax rate	778.77	555.67
Effect of expenses that are not deductible in determining taxable profits	13.05	11.67
Others	(2.15)	(17.31)
	789.67	550.03

(c) Movement in deferred tax balances : March 31, 2024

₹ in Lakhs

	Balance as on April 01, 2023	Recognised in profit or loss	Recognised in OCI	Utilised during the Year	Balance as on March 31, 2024
Deferred tax liability on					
Property, plant and equipment	921.50	39.79	—	—	961.29
Deferred tax assets on					
Employee Benefits	(36.76)	(15.40)	12.42	—	(64.58)
MAT credit	(248.90)	—	—	248.90	—
Others	(18.09)	9.65	—	—	(8.44)
Tax (Assets)/Liabilities	617.75	34.04	12.42	248.90	888.27

Movement in deferred tax balances: March 31, 2023

	Balance as on April 01, 2022	Recognised in profit or loss	Recognised in OCI	Utilised during the Year*	Balance as on March 31, 2023
Deferred tax liability on					
Property, plant and equipment	873.74	47.76	—	—	921.50
Deferred tax assets on					
Employee Benefits	(51.83)	9.48	(5.59)	—	(36.76)
MAT credit	(303.44)	—	—	54.54	(248.90)
Others	(30.21)	12.12	—	—	(18.09)
Tax (Assets)/Liabilities	488.25	69.36	(5.59)	54.54	617.75

* Net of MAT credit for earlier year for ₹ 90.46 Lakhs

Note:

- (i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

Note 32

Contingent Liabilities and commitments:

₹ in Lakhs

	As at March 31, 2024	As at March 31, 2023
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	446.81	508.76
(b) Income Tax Matters		
Demand notices issued by Income Tax Department for which the Company has preferred appeal	20.75	—

Notes:

- 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 of 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.

Notes forming part of the financial statements

Note 33

Capital Commitments

	As at March 31, 2024	As at March 31, 2023
The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances).	762.64	496.65

Note 34

Segment information

(a) General information

The Company is engaged in manufacture and sale of specialty chemicals.

The Chief Operating Decision Maker ("CODM") i. e. the Managing Director & CEO 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

Geographical Segment	Revenues for the year ended March 31, 2024	Segment assets as at March 31, 2024
India	21,982.98 (16,133.41)	21,378.26 (16,237.51)
Others	6,502.60 (8,524.21)	1,536.09 (1,484.44)

Figures in brackets are for the previous year ended March 31, 2023

Note 35

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:

Holding Company:

Indus Petrochem Limited

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

(i) Holding Company:

Indus Petrochem Limited

(ii) Key Management Personnel:

Mr. Jeet Malhotra	Managing Director & CEO
Dr. Maya Parihar Malhotra	Director
Dr Anand Parihar	Director
Mr. R. L. Shenoy	Independent Director
Mr. Ajit Shah	Independent Director
Mrs. Aruna Soman	Independent Director
Mr. Cyrus Poonevala	Independent Director
Mr. Ashish Agarwal	Chief Financial Officer
Mr. Amit Kumashi	Company Secretary

Notes forming part of the financial statements

(c) Transactions with the Related Parties:

		₹ in Lakhs	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Holding Company			
(i)	Sale of goods		
	Indus Petrochem Limited	358.74	66.25
		<u>358.74</u>	<u>66.25</u>
(ii)	Receipt of services		
	(a) Rent paid		
	Indus Petrochem Limited	9.31	8.62
		<u>9.31</u>	<u>8.62</u>
	(b) Corporate guarantee fees paid		
	Indus Petrochem Limited	32.57	10.77
		<u>32.57</u>	<u>10.77</u>
(iii)	Reimbursement of expenses paid		
	Indus Petrochem Limited	—	27.02
		<u>—</u>	<u>27.02</u>
(iv)	Inter corporate loan repaid		
	Indus Petrochem Limited	—	3,354.05
		<u>—</u>	<u>3,354.05</u>
(v)	Dividend paid		
	Indus Petrochem Limited	146.73	91.71
		<u>146.73</u>	<u>91.71</u>
(vi)	Interest expense on inter-corporate loan taken:		
	Indus Petrochem Limited	307.02	375.70
		<u>307.02</u>	<u>375.70</u>

(d) Key management personnel compensation

		₹ in Lakhs	
		For the year ended March 31, 2024	For the year ended March 31, 2023
(i)	Short-term employee benefits*		
	Mr. Jeet Malhotra	27.94	20.16
	Mr. Virendrasingh Baidwal upto Dec 23, 2022	—	17.81
	Mr. Ashish Agarwal	57.18	30.01
	Mr. Amit Kumashi	27.25	21.19
		<u>112.37</u>	<u>89.17</u>

* With respect to post-employment benefits, as these liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included

Notes forming part of the financial statements

(ii) Directors Sitting Fees

Mr. R. L. Shenoy	3.60	4.80
Mr. Ajit Shah	4.00	5.20
Mrs. Aruna Soman	4.00	5.20
Dr. Maya Parihar Malhotra	2.00	2.00
Dr. Anand Parihar	1.60	1.60
Mr. Cyrus Poonevala	1.60	3.60
	16.80	22.40

(e) Balances outstanding as at year end:

₹ in Lakhs

	As at March 31, 2024	As at March 31, 2023
(i) Loan Outstanding:		
Indus Petrochem Limited	3,500.00	3,500.00
	3,500.00	3,500.00
(ii) Trade Payable:		
Indus Petrochem Limited	109.80	—
	109.80	—
(iii) Corporate guarantee provided by:		
Indus Petrochem Limited (loan outstanding against this guarantees aggregate to ₹5,047.33 (March 31, 2023 ₹ 4,212.13))	6,500.00	6,500.00
	6,500.00	6,500.00

(f) No amounts have been written off / provided for or written back in respect of amounts receivable from or payable to the related parties.

Note 36

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 ₹ 74.11 Lakhs (year ended March 31, 2023 ₹ 59.32 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 March 31, 2024	For the year ended March 31, 2023
Gratuity:		
1 Change in present value obligation:		
Present value of defined benefit obligation at the beginning of the year	153.01	150.82
Current Service Cost	17.00	14.56
Interest Cost	10.44	9.83
Actuarial (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumption	—	—
Actuarial (gains)/losses arising from changes in financial assumption	3.95	(6.00)
Actuarial (gains)/losses arising from changes in experience adjustment	38.27	(13.14)
Past Service Cost	—	—
Benefits Paid	(11.12)	(3.07)
Liabilities assumed/(settled)	—	—
Present value of defined benefit obligation at the end of the year	211.55	153.01
2 Changes in Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	143.72	134.28
Expected Return on Plan Assets	10.49	9.38
Actuarial (gains)/losses	(0.42)	0.06
Employer's Contributions	—	3.07
Benefits Paid	(11.12)	(3.07)
Fair value of plan assets at the end of the year	142.67	143.72
3 Net Benefit (Asset)/Liability		
Present value of funded defined benefit obligation	211.55	153.01
Fair value of plan assets	142.67	143.72
Net Benefit (Asset)/Liability	68.88	9.29
4 Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	17.00	14.56
Past Service Cost	—	—
Interest cost on benefit obligation (net)	(0.05)	0.45
Total Expenses recognised in the Statement of Profit and Loss	16.95	15.01

Notes forming part of the financial statements

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
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	3.95	(6.00)
Actuarial (gains)/losses arising from changes in experience adjustment	38.27	(13.14)
Return on plan asset	0.42	(0.06)
Recognised in Other Comprehensive Income	42.64	(19.20)
6 Actuarial Assumptions		
Discount Rate	7.20%	7.45%
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 table	Indian Assured Lives Mortality (2012-14) Ult table
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 March 31, 2024	For the year ended March 31, 2023
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 March 31, 2024		For the year ended March 31, 2023	
	Amount	%	Amount	%
(i) Discount rate (25 basis points)				
Increase	(3.95)	(1.87%)	(2.86)	(1.87%)
Decrease	4.08	1.93%	2.95	1.93%
(ii) Future salary escalation rate (25 basis points)				
Increase	3.71	1.75%	2.96	1.93%
Decrease	(3.67)	(1.74%)	(2.88)	(1.88%)

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.

Notes forming part of the financial statements
12 Defined benefit obligation - Average duration

The weighted average duration of the defined benefit obligation is 7.60 years (March 31, 2023: 7.59 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2024					
Defined benefit obligations- Gratuity	34.51	9.21	51.14	314.98	409.84
March 31, 2023					
Defined benefit obligations- Gratuity	25.72	13.44	35.95	230.23	305.34

13 Other long term employee benefits

Compensated absences are payable to employees. The charge towards compensated absences for the year ended March 31, 2023 is ₹ 34.91 lakhs (March 31, 2023: ₹ 34.79 lakhs).

Note 37
Earnings Per Equity Share

			For the year ended March 31, 2024	For the year ended March 31, 2023
(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	1,884.67	1,366.11
(d)	Earnings per share (basic and diluted)	₹	25.63	18.58

Note 38

Ratio	Numerator	Denominator	March 2024	March 2023	Variance %	Reason
Current Ratio	Current Assets	Current Liabilities	0.88	1.47	(40.40%)	Mainly due to increase in Current maturities of long-term borrowings
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.04	1.17	(11.00%)	NA
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	2.59	2.92	(11.51%)	NA
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	25.44%	22.83%	11.41%	NA
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	7.12	7.44	(4.40%)	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.44	6.01	7.17%	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.19	6.08	1.80%	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	(19.40)	8.20	(336.64%)	Mainly due to increase in Current maturities of long-term borrowings thereby reduction of working capital
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	6.65%	5.58%	19.16%	NA
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	19.56%	17.77%	10.10%	NA
Return on Investment	Income Generated from Investments	Time weighted average investment	NA	NA		

Notes forming part of the financial statements

Note 39

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 March 31, 2024	As at March 31, 2023
Financial assets		
Measured at amortised cost :		
(a) Trade receivables	4,788.68	4,011.36
(b) Cash and cash equivalents	—	6.52
(c) Bank balance other than cash and cash equivalents	60.43	172.17
(d) Loans to employees	1.75	3.18
(e) Security and other deposits	0.62	0.62
(f) Others	2.01	0.38
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	8,577.09	7,744.77
(b) Trade payables	4,063.15	2,371.73
(c) Employee Benefit payable	76.02	13.20
(d) Payables towards Capital Expenditure	696.24	168.29
(e) Others	3.58	1.82

(C) Fair value measurements

This note provides information about how the Company 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.

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2024

	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Trade receivables	4,788.68	—	—	—	4,788.68
(b) Cash and cash equivalents	—	—	—	—	—
(c) Bank balance other than cash and cash equivalents	60.43	—	—	—	60.43
(d) Loans to employees	1.75	—	—	—	1.75
(e) Security and other deposits	0.62	—	—	—	0.62
(f) Others	2.01	—	—	—	2.01
Total financial assets	4,853.49	—	—	—	4,853.49

Notes forming part of the financial statements

	Amortised cost	Level 1	Level 2	Level 3	Total
Financial liabilities					
(a) Borrowings	8,577.09	—	—	—	8,577.09
(b) Trade payables	4,063.15	—	—	—	4,063.15
(c) Employee Benefit payable	76.02	—	—	—	76.02
(d) Payables towards Capital Expenditure	696.24	—	—	—	696.24
(e) Others	3.58	—	—	—	3.58
Total financial liabilities	13,416.08	—	—	—	13,416.08

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2023

	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Trade receivables	4,011.36	—	—	—	4,011.36
(b) Cash and cash equivalents	6.52	—	—	—	6.52
(c) Bank balance other than cash and cash equivalents	172.17	—	—	—	172.17
(d) Loans to employees	3.18	—	—	—	3.18
(e) Security and other deposits	0.62	—	—	—	0.62
(f) Others	0.38	—	—	—	0.38
Total financial assets	4,194.23				4,194.23
Financial liabilities					
(a) Borrowings	7,744.77	—	—	—	7,744.77
(b) Trade payables	2,371.73	—	—	—	2,371.73
(c) Employee Benefit payable	13.20	—	—	—	13.20
(d) Payables towards Capital Expenditure	168.29	—	—	—	168.29
(e) Others	1.82	—	—	—	1.82
Total financial liabilities	10,299.81				10,299.81

(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.

Notes forming part of the financial statements

ii. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

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 March 31, 2024	As at March 31, 2023
Neither past due nor impaired	4,423.66	3,676.81
Past due but not impaired		
Past due 1–90 days	364.55	313.37
Past due 91–180 days	0.53	4.66
Past due more than 180 days	3.08	21.30
	4,791.82	4,016.14

Expected credit loss assessment for customers as at March 31, 2024 and March 31, 2023

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 receivables during the year was as follows:

	₹ in Lakhs
Balance as at April 01, 2022	4.19
Impairment loss recognised	0.59
Amounts written back	—
Balance as at March 31, 2023	4.78
Impairment loss recognised	—
Amounts written back	(1.64)
Balance as at March 31, 2024	3.14

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ nil (March 31, 2023 ₹ 6.52 lakhs)

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

Notes forming part of the financial statements

(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 March 31, 2024	Carrying amount	Total	Contractual cash flows			₹ in Lakhs
			1 year or less	1-2 years	2-5 years	More than 5 years
Borrowings (includes interest accrued)	8,577.09	8,577.09	6,967.18	1,028.62	581.29	—
Trade and other payables	4,063.15	4,063.15	4,063.15	—	—	—
Other financial liabilities	775.84	775.84	775.84	—	—	—

As at March 31, 2023	Carrying amount	Total	Contractual cash flows			₹ in Lakhs
			1 year or less	1-2 years	2-5 years	More than 5 years
Borrowings (includes interest accrued)	7,744.77	7,744.77	3,639.72	3,766.89	338.16	—
Trade and other payables	2,371.73	2,371.73	2,371.73	—	—	—
Other financial liabilities	183.31	183.31	183.31	—	—	—

Financing facilities

Particulars	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Secured bank overdraft facility and working capital term loan reviewed annually and payable at call:		
— amount used	5,047.33	4,212.13
— amount unused	1,452.67	2,287.87
	<u>6,500.00</u>	<u>6,500.00</u>

(F) Market risk

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

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 functional currencies of the Company.

Notes forming part of the financial statements

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	March 31, 2024		March 31, 2023	
	FC	INR	FC	INR
Trade receivables				
EUR	252,165	224.12	268,155	240.29
USD	1,582,970	1,311.97	1,513,195	1,244.15
Trade payables				
EUR	—	—	18,291	16.39
USD	1,438,853	1,208.20	963,388	792.10
Net statement of financial position exposure				
EUR	(252,165)	(224.12)	(249,864)	(223.90)
USD	(144,118)	(103.76)	(549,807)	(452.05)
Net exposure				
EUR	(252,165)	(224.12)	(249,864)	(223.90)
USD	(144,118)	(103.76)	(549,807)	(452.05)

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
March 31, 2024				
EUR	22.41	(22.41)	22.41	(22.41)
USD	10.38	(10.38)	10.38	(10.38)
March 31, 2023				
EUR	22.39	(22.39)	22.39	(22.39)
USD	45.21	(45.21)	45.21	(45.21)

(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	
	March 31, 2024	March 31, 2023
Borrowings		
Fixed rate borrowings	8,577.09	7,744.77
	<u>8,577.09</u>	<u>7,744.77</u>

Interest rate sensitivity - fixed rate instruments

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

Note 40

As required under Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company is required to use such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has to be operated throughout the year for all transactions recorded in the software and the audit trail feature has not to be tampered.

However, the Company has used accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software at the application level, except that no audit trail was enabled at the database level for accounting software SAP to log any direct data changes as the same is maintained at HANA Database which cannot be changed.

Note 41

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 has 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 stuck off Company	Nature of Transaction with Stuck 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.
- Monthly & Quarterly return (refer note 17) filed by the Company for borrowings from banks or financial institutions.
- The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- The Company has not revalued any of its Property, Plant and Equipment during the year.

Notes forming part of the financial statements

- 9) Title deeds of Immovable Property (free hold land) are held in name of the Company.
 10) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.
 11) Corporate Social Responsibility Expenditure

Particulars	₹ In Lakh	₹ In Lakh
	March 31, 2024	March 31, 2023
a) Amount required to be spent by the company during the year	38.78	40.56
b) Surplus spent for previous financial year to be set off for the current financial year	—	(2.20)
c) Amount required to be spent in current year	38.78	38.36
d) Amount of expenditure Incurred	39.53	38.38
e) Shortfall at the end of the year	—	—
f) Total of Previous years shortfall	—	—
g) Reason for Shortfall	NA	NA
h) 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.		
i) 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.		
Nature of CSR Activities:-		
i) Promoting education -Organizing education fair	2.50	2.50
ii) Promoting education -Promotion of Road Safety	—	0.43
iii) Promotion of rural sports, nationally recognised sports, paralympic sports and olympic sports	4.39	1.50
iv) Environment sustainability - Planation of native plants with safety system & maintenance and construction of wall fencing	23.47	0.66
v) Rural development and Environment Sustainability - Development & beautification of Pond at village Rasal	—	33.29
vi) Promotion of Education – Welfare activities of children with intellectual disabilities	0.25	—
viii) Infrastructure support in village school	8.92	—
Total	39.53	38.38

For and on behalf of the Board of Directors

Sunshield Chemicals Limited

Jeet Malhotra
Managing Director & CEO
 DIN: 07208234

Ashish Agarwal
Chief Financial Officer
 Place : Mumbai
 Date : May 16, 2024

Dr. Maya Parihar Malhotra
Director
 DIN: 00302976

Amit Kumashi
Company Secretary

If undelivered, please return to :

Sunshield Chemicals Limited

1501-A, Universal Majestic,
P L Lokhande Marg,
Behind RBK International Academy,
Chembur (w), Mumbai - 400043

CIN: L99999MH1986PLC041612