

31st July 2023

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

Sir,

Sub: Submission of Annual Report 2022-23

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Pursuant to the above-mentioned regulation we are hereby enclosing Annual Report for the financial year 2022-23 together with the Notice of 36th Annual General Meeting of the Company to be held on Friday, 25th August 2023 at 11:00 A.M. (IST) through Video Conferencing or Other Audio-Visual Means.

The Company is in the process of dispatching of 36th Annual Report of the Company to shareholders whose email address are registered with the Company/Depository Participants.

This is for your information and records.

Yours faithfully,
For Sunshield Chemicals Limited

Amit Kumashi
Company Secretary





36th ANNUAL REPORT
2022-23

Performance Summary

₹ In Lakhs

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
	1	2	3	4	5	6	7	8	9	10
Volume Sales (M.T)	11864	13706	12598	12088	12528	13359	13323	10446	8765	9703
Revenue										
Gross Sales	24476	24400	19865	18108	18969	18526	17509	15853	12738	14057
Net Sales	24476	24400	19865	18108	18969	18337	16523	15023	11901	13365
Other Income	182	71	26	124	228	165	22	304	69	37
Cost										
Material Consumed	16621	16939	12646	12124	13187	12775	11358	10060	8627	9594
Employee benefits expense	1314	922	756	659	646	704	665	667	629	499
Finance costs	744	478	737	1000	1070	969	946	1080	349	357
Depreciation and amortization expense	645	581	580	609	586	596	598	548	327	230
Other expenses	3426	3415	3510	3617	3512	3496	3661	3315	2428	2184
Profit / Loss before Tax & exception item	1908	2136	1662	223	196	151	(684)	(343)	(391)	539
Exception item	—	1782	0	104	174	—	—	—	—	—
Profit / Loss before Tax	1908	3918	1662	119	22	151	(684)	(343)	(391)	539
Profit / Loss after Tax	1366	2748	1418	55	22	31	(544)	(85)	(318)	(40)
Earning Per Share	18.58	37.37	19.29	0.88	0.30	1.64	(7.40)	(1.15)	(4.33)	(0.55)



ANNUAL REPORT 2022-23

DIRECTORS

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

CHIEF FINANCIAL OFFICER

Ashish Agarwal

COMPANY SECRETARY

Amit Kumashi

AUDITORS

M/s. CNK & Associates LLP

BANKERS

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

REGISTERED OFFICE

1501A, Universal Majestic
P L Lokhande Marg,
Behind RBK International School,
Chembur (W) Mumbai
Tel : 91-22-25550126
E-mail : investorservices@sunshieldchemicals.com
Website : www.sunshieldchemicals.com

REGISTRARS & SHARE TRANSFER AGENTS

TSR Consultants 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@tcplindia.co.in
Website : www.tcplindia.co.in

WORKS

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

CORPORATE INDENTITY NUMBER

L99999MH1986PLC041612

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Ajit Shah	Chairman
Aruna Soman	Member
R L Shenoy	Member
Maya Parihar Malhotra	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ajit Shah	Chairman
Aruna Soman	Member
Jeet Malhotra	Member

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting ("AGM") of the Members of **Sunshield Chemicals Limited** will be held on **Friday, 25th August 2023** 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, which shall be the deemed venue of the AGM) 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 2023, the Reports of the Board of Directors and Auditors thereon.

2. Dividend Approval

To declare a final dividend on equity shares for the financial year ended 31st March 2023.

3. Appointment of Director

To appoint a Director in place of Dr. Anand Parihar (DIN: 00513109), who retires by rotation and, being eligible, offers himself for re-appointment.

4. Appointment of Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** for approving the appointment of M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W /W100036) as Statutory Auditors for a period of five years.

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee, M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W /W100036) be and are hereby appointed as the Statutory Auditors of the Company for a term of five years, from the conclusion of this 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting to be held in the year 2028, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS:

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

To consider and if thought fit, to pass with or without modification(s), as an **Ordinary Resolution**, the following:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, remuneration payable of ₹ 2,80,000/- (Rupees Two Lakhs Eighty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses, as approved by the Board to conduct the audit of cost records of the Company for the financial year ending 31st March 2024, to M/s Kishore Bhatia & Associates, Cost Accountants (Firm Registration No.00294), the Cost Auditors be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

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

Mumbai,
16th May 2023

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 36th 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 36th 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 36th AGM through VC/OAVM Facility and e-Voting during the 36th AGM.
3. In line with the MCA Circulars, the Notice of the 36th 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 2022-23 are being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ DPs and through courier for those Members whose e-mail addresses are not registered with the Company / RTA. Members may note that Notice of the AGM and the Annual Report for the Financial Year 2022-23 will also be available on the Company's website at www.sunshieldchemicals.com, websites of the Stock Exchanges, i.e. 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 i.e. TSR Consultants Private Limited ("TCPL"), 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 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is annexed herewith.
10. The Register of Members / Shareholders and Share Transfer Books of the Company will remain closed from Friday, the 11th day of August 2023 to Wednesday, the 16th of August 2023 (inclusive of both days)
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 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@tcplindia.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 TCPL, Registrar and share Transfer Agent (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 TCPL 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, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to TCPL 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 of 10th August 2023; 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 10th August 2023.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of Shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at the applicable rates. The Company has sent a detailed communication to the Members in this regard. The Shareholders are requested to refer to the same and comply to ensure appropriate deduction of tax and in any case update Residential status, PAN, Category of holding, etc. with their DP or in case shares are held in physical form, with the Company's RTA. Further, Shareholders who have not registered their email address are requested to register the same with the RTA. Shareholders are further requested to update their Bank details with the Depository / Company for enabling the Company to make timely credit of dividend in respective bank account.

17. Members desiring inspection of statutory registers during AGM can send their request on email to investorservices@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 Monday, 21st August 2023 (9:00 am IST) and ends on Thursday, 24th August 2023 (5:00 pm IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 18th August 2023 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
	- 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. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Type of Shareholders	Login Method
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.
	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.

Type of Shareholders	Login Method
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 and 022 - 2499 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 and 022 - 2499 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, shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 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 18th August 2023. 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

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

M/s. CNK & Associates LLP (CNK or The Firm) were appointed as the Auditors of the Company of the Company at the 35th AGM to fill in the casual vacancy caused by the resignation of the earlier Auditors.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc. the Board of Directors of the Company has, based on the recommendation of the Audit Committee, proposed appointment of M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W / W100036) as Statutory Auditors of your Company for a period of 5 years from the financial year 2023-24 to hold office till the conclusion of the 41st AGM scheduled to held in the year 2028, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

Established in the year 1936, CNK & Associates LLP is a third-generation firm, which caters to diverse businesses of all sizes, but with a specific emphasis on the MSME Sector.

The Firm is a multi-disciplinary firm specializing in providing a wide spectrum of professional services under one roof to leading domestic and multinational corporations, spread across virtually all sectors.

The Firm has presence in major cities in India. The Firm has been associated as Statutory Auditor of many listed and other large companies, Banks, including PSUs (including a Fortune 500 company) for more than 5 decades and is closely working with regulatory bodies in various capacities. The Firm has been subjected to Peer Review process by The Institute of Chartered Accountants of India. CNK has significant experience in audit of large manufacturing entities.

CNK have consented to act as statutory auditors of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

CNK was paid a fee of ₹ 20.01 lakhs for the audit of the financial statements of the Company for the financial year ended 31st March 2023 plus applicable taxes and out of pocket expenses.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution at item No. 4.

Item No. 5

The Board of Directors of the Company on the recommendation of Audit Committee has appointed M/s. Kishore Bhatia & Associates, as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2023-24.

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

Accordingly, consent of the Members is sought for ratifying the amount of remuneration of ₹ 2,80,000/- (Rupees Two Lakhs Eighty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses at actuals payable to the Cost Auditors, for the year 2023-24 as set out at item no. 5 of the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, concerned or interested, financially or otherwise, in the resolution at item No. 5.

The Board recommends the Ordinary Resolution set out at Item no. 5 of the Notice for approval of Members.

By Order of the Board of Directors
For SUNSHIELD CHEMICALS LIMITED

Mumbai,
16th May 2023

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	Dr. Anand Parihar
Director Identification Number (DIN)	00513109
Date of Birth	18.06.1963
Nationality	Indian
Qualifications	MD Radiology and Imaging, DMRT and Post-Doctoral Fellow Imaging from MD Anderson Cancer Center at The University of Texas.
Experience/Expertise	Dr. Anand Parihar has a wide range of management experience, managing hospitals and diagnostic centres for the last 30 years. For the last 10 years he has been actively involved in the management of Indus Group, where he has been the guiding force behind the strategic decisions of the group. He also serves as Managing Trustee for Madat Charitable Trust where he heads two foundations - Cope with Cancer and FETE.
Date of appointment on Board	30.11.2021
Terms and conditions of appointment/re-appointment	Appointed as Non-Executive Director liable to retire by rotation
List of Directorships held in other Indian Companies	1. Indus Petrochem Limited
Details of committee Memberships held in other Indian Companies	Not Applicable
Shares held	Nil
Relationship between Directors inter se and other key managerial personnel of the company	Dr. Anand Parihar is related to Dr. Maya Parihar Malhotra
Number of Board Meeting attended during the year	4

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 36th Annual Report of the business operations together with the Audited Financial Statements of the Company for the year ended 31st March 2023:

1. OVERVIEW OF FINANCIAL RESULTS

(₹ In Lakhs)

	2022-2023	2021-2022
Sales	24440	24345
Other Operating Income	36	55
Revenue from Operations	24476	24400
Other Income	182	71
Total Income	24658	24471
Less: Materials Consumed	16621	16939
Employees Remuneration & Benefits	1314	922
Manufacturing, Administrative, Selling & Other Expenses	3426	3415
Total Expenses	21361	21277
Operating Profit (EBITDA)	3297	3195
Less: Finance Cost	744	478
Profit Before Tax & Depreciation	2553	2717
Less: Depreciation	645	581
Net Profit Before Tax	1908	2136
Less: Exceptional Item	-	1782
Net Profit Before Tax	1908	3918
Less: Tax Expense		
Current Tax Expense	481	683
Deferred Tax	69	487
Prior Year Tax Adjustments	(8)	-
Net Profit after Tax	1366	2748
Other Comprehensive Income		
Add: Remeasurements of post-employment benefit obligation	19	7
Income tax related to items that will not be reclassified to profit or loss	(6)	(2)
Total Comprehensive Income for the period	1379	2753
Earnings per share		
Basic & Diluted before exceptional item	18.58	13.13
Basic & Diluted after exceptional item	18.58	37.37

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

2. DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for approval of Members a final dividend @ of ₹ 2/- (previous year – ₹ 2) per equity share of the face value of ₹ 10.00/- each for the financial year 2022-23. Dividend, if approved, aggregating to ₹147.06 lacs, will be paid to those Members whose name appear on the Register of Members on 10th August 2023.

TRANSFER TO RESERVE

There is no amount proposed to be transferred to General Reserves out of profit of the financial year 2022-23.

3. MANAGEMENT'S DISCUSSION AND ANALYSIS: F.Y. 2022-2023

I. Industry Structure & Development:-

The Chemical Industry is a key enabler for other industries. As chemicals are consumed in varying proportions by every industry (rightly from electronics to paints, from pharmaceuticals to cosmetics), without chemicals, sustainable development of other sectors is not possible.

The Chemical Industry is a crucial constituent of the growing Indian economy, providing the key material for several industries. The Company 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. Company's customers are well recognized and located not only in India but all over the world especially in America, Europe, and Far-East.

Our customers represent a wide range of Industries such as Metal Treatment, Wire Insulation Enamel, PVC stabilizers, Inks, Colours, Coatings, Textiles, Agro Chemicals, Polymers, Plastics, Rubber, Latex, Tyre and Tubes, Conveyor belts, Lubricants, Additives, Home care, Cosmetic, Soaps detergents, Fertilizers and many more.

Our customers are always seeking innovative products formulations for their current process needs, which are fulfilled by 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 (Tris 2-Hydroxyethyl Isocyanurate)	THEIC is available as a powder as well as in noodles form. Its end-use includes applications as heat stabilizers, as a cross linking agent and PVC stabilizer.
HQEE (Hydroquinone Bis (2-Hydroxyethyl) Ether)	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.
Antioxidants	The aminic antioxidants market has been segmented on the basis of application into plastic processing, rubber processing, fuel & lubricants and adhesives.
Urea Formaldehyde	Used as a matting and effects agent for the paint and varnish industry. Its main advantages are: High matting efficiency, low impact on rheology, improved scratch and abrasion resistance, improvement of adhesion and elasticity, excellent weather resistance and retention.

Products	End use Applications
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.

II. Operating and Financial Performance of the Company

(₹ In Lakhs)

	F.Y. 2022-2023	F.Y. 2021-2022	Change over Previous year
i) Exports	8524	6695	27.32%
ii) Domestic	15916	17650	(9.82%)
iii) Other Operating Income	36	55	(34.54%)
Revenue from Operation	24476	24400	0.31%
Other Income	182	71	156.34%
Total Income	24658	24471	0.76%

	F.Y. 2022-2023	F.Y. 2021-2022	Change over Previous year
Volume Sales (MT)	11864	13706	(13.44%)
Sales Value (₹)	24440	24345	0.39%
Average Product Price (₹ per kg)	206	178	15.73%

Export Sales increased by 27.32% from ₹ 6,695 Lakhs to ₹ 8,524 Lakhs and domestic Sales went down by 9.82% from ₹ 17,650 Lakhs in 2021-22 to ₹ 15,916 Lakhs in 2022-23. Overall there was marginal increase in Total Income as compared to last year.

Major change was in the sales of Antioxidants based products where sales value went up as compared to last year. In case of Ethoxylates, Propoxylates and Theic based products volume has gone down but on higher price realization.

III. Outlook

The year began with cautious optimism, as pandemic related restrictions were lifted globally, and economic activities showed signs of gradual recovery. However, the escalation of the Russia-Ukraine conflict resulted in a sharp increase in commodity prices, exacerbating the already surging global inflation. China's Zero-COVID Policy led to frequent lockdowns, low demand, and supply chain disruptions in Asia.

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

Manufacturing growth in India is generally driven by domestic consumption and Investments. Specialty chemicals finding applications across consumer, industrial and infrastructure segments are driven by the overall growth of the Indian economy. The Company expects the demand for its products to grow in line with the economy. Technology & Innovation will play a major role in growth. Even though our company's product profile is part of essential chemicals, the demand for essentials largely depend on how Indian and Global economy opens up in the future pandemic scenario.

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

The Company'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 the Russia-Ukraine conflict. 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 Financial Controls and their adequacy

Internal Checks and Controls covering operations of the Company are in place and are constantly being improved upon. The Company has laid down internal financial controls to be followed and such policies and procedures adopted are for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

During the year, the internal and statutory auditors of the Company have reviewed the effectiveness and efficiency of these controls and procedures. As per the said assessments, the Board is of the view that the Internal Financial Controls operate effectively and no material weaknesses exist.

VI. Key Financial Ratios

Key Ratios	2022-23	2021-22	Change
Current Ratio ¹	1.47	1.14	29.40%
Debt Equity Ratio ²	1.17	1.46	(20.15%)
Debt service Coverage Ratio ³	2.92	7.88	(62.87%)
Return on Equity Ratio ⁴	22.83%	68.85%	(66.84%)
Inventory Turnover Ratio	7.44	8.79	(15.37%)
Trade Receivable Turnover Ratio	6.01	6.97	(13.77%)
Trade Payable Turnover ratio	6.08	6.39	(4.73%)
Net Capital Turnover Ratio ⁵	8.20	22.19	(63.05%)
Net Profit Ratio ⁴	5.58%	11.26%	(50.43%)
Return on capital employed Ratio ⁴	17.77%	32.06%	(44.59%)

¹ Due to repayment of short-term borrowings and reduction in trade payables.

² Networth improved.

³ Increase in long term loan

⁴ Exceptional Income in previous year

⁵ Revenue growth along with efficiency in working capital management.

VII. Human Resources

The Company implemented Employee relationships at all levels, continued to be satisfactory. The management would like to 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 2023 was 170.

(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.)

4. DISCLOSURES UNDER COMPANIES ACT 2013

I. Corporate Social Responsibility

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

The Board 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 (NGOs), 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, 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 2023 was ₹ 735.31 lacs, 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 5 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. 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 (LODR) Regulations, 2015 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 SEBI (LODR) Regulations, 2015 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 28th March 2023 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 SEBI (LODR), Regulations, 2015, 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 Directors expressed their satisfaction with the evaluation process.

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 SEBI (LODR) Regulations, 2015. 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 new 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. 34 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 SEBI (LODR) 2015.

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

The Company has always strived to adopt appropriate standards for good 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 SEBI (LODR) Regulations, 2015 is annexed to the said Report.

5. BOARD OF DIRECTORS COMPOSITION

The composition of the Board of Directors of the Company is in complete conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and Companies Act 2013. The details of the Board of Directors, as on date of this report are as under:

Sr. no.	Name of Director	Category of Directorship
1.	R L Shenoy	Non-executive Chairman and Independent Director
2.	Ajit Shah	Non-Executive Independent Director
3.	Aruna Soman	Non-Executive Independent and Woman Director
4.	Cyrus Poonevala	Non-Executive Independent Director
5.	Jeet Malhotra	Managing Director & CEO
6.	Maya Parihar Malhotra	Non-Executive Woman Director
7.	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 leadership to the business.

None of the Directors on the Board is a Director in more than 10 public companies or is a member in more than 10 Committees or Chairperson of more than 5 Committees. And none of the Independent Directors serves as an Independent Director in more than 7 listed entities.

6. DIRECTORS & KEY MANAGERIAL PERSONNEL

Redesignation:

On recommendation of Nomination and Remuneration Committee, Mr. Jeet Malhotra was redesignated as Managing Director & CEO of the Company by Board of Directors at its meeting held on 3rd February 2023. Except for the change in designation, all other terms and conditions as approved by the shareholders remain unaltered.

The Company has on 15th March 2023, by way of Postal Ballot has taken approval of Shareholders for redesignating Mr. Jeet Malhotra as Managing Director & CEO.

Appointment: Key Managerial Personnel

On recommendation of Nomination and Remuneration Committee, Mr. Ashish Agarwal was appointed as Chief Financial Officer (CFO) effective 11th November 2022.

Resignation: Managing Director

Mr. Virendrasingh Baidwal ceased to be Managing Director with effect from 23rd December 2022. Your Directors place on record their sincere appreciation of the valuable contribution made during their tenure as Managing Director of the Company.

Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Dr. Anand Parihar (DIN: 00513109) 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.

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.

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

7. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

Prior to the induction of the 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.

8. RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

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 2023, 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 2023 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 2022-23:

Number of Complaints of sexual harassment received during the period April 2022 to March 2023	Number of complaints disposed off during the period April 2022 to March 2023	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 2023.

13. FRAUD REPORTING BY AUDITORS

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

14. AUDITORS

Statutory Auditors

As per the provisions of Section 139 of the Companies Act, 2013, CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W /W100036), were appointed as Statutory Auditors to fill the casual vacancy caused by the resignation of earlier Statutory Auditor. Their appointment was valid till conclusion of the 36th AGM. Your Board recommends the appointment of M/s. CNK & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101961W /W100036) as Statutory Auditors of the Company for a period five years from the conclusion of the 36th AGM till the conclusion of the 41st AGM of the Company in 2028 on such remuneration as shall be fixed by the Board of Directors of the Company, in consultation with the Audit Committee.

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

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

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 FY 2023-24 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 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. 5 of the Notice convening the AGM.

The Cost Audit Report for the Financial Year ended 31st March 2022 was filed with the Ministry of Corporate Affairs on 16th August 2022 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014, as amended.

Secretarial Auditors

M/s. P. Naithani & Associates, Company Secretaries, has been appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended. The Report of the Secretarial Auditor 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, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of associate Company and substantial shareholders in the listed Company. This policy also provides for periodical disclosures from the designated person 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 SEBI (LODR) Regulations, 2015, for the financial year 2022-23 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 2023 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 neighborhood. Regular Safety Audits are being conducted. Your Company has adopted a Health, Safety and Environment (HSE) 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 Company had declared dividend last year only, the provision pertaining to transfer of shares on which dividend was unclaimed/unpaid for seven years to Investor Education and Protection Fund (IEPF) 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 2023

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.

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

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

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

Not Applicable

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

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

6. Average net profit of the Company for last three financial years: ₹ 20,27,84,666

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 40,55,693

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: ₹ 2,20,069

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 38,35,624/-

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

	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Total Amount Spent for the Financial Year. (in ₹)	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
38,37,925	Nil	-	-	Nil	-

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in ₹).	Mode of implementation on - Direct (Yes/No).	Mode of implementation- Through implementing agency.	
				State	District			Name	CSR Registration Number
1	Organizing Education Fair	ii	Yes	Maharashtra	Mumbai	2,50,000	Yes	Pallavi Foundation	CSR00046666
2	Sponsoring Marathon in Sudhagad	vii	Yes	Maharashtra	Raigad	1,50,000	Yes	Direct	-
3	Promotion of Road Safety	ii	Yes	Maharashtra	Raigad	42,925	Yes	Direct	-
4	Environment Sustainability	iv	Yes	Maharashtra	Raigad	66,102	Yes	Direct	-
5	Development of Pond	x, iv	Yes	Maharashtra	Raigad	33,28,898	Yes	Direct	-

(d) Amount spent in Administrative Overheads : Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 38,37,925/-

(g) Excess amount for set off, if any : ₹ 2,301/-

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
- (a) Date of creation or acquisition of the capital asset(s): None
 - (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Jeet Malhotra
Managing Director & CEO

R L Shenoy
Chairman

Place: Mumbai

Date: 16th May 2023

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. Replacement of boiler chimney for proper draft at furnace side. This resulted into proper burning of fuel & improve efficiency, also reduce frequency of boiler cleaning and avoid production shutdown.
2. Installed 2 nos Solar Traffic lights on main gate.
3. Servicing, repairing & replacement of faulty steam traps to prevent wastage of steam.
4. Installed high efficiency cooling tower pump to improve cooling effect of process.
5. Installed Active Harmonics filter to reduce pollution in electrical system.

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

1. Company initiated study to review and install solar power for roof top & open land.
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	33.42
b) Recurring	—
c) Total	33.42
d) Total R & D Expenditure as percentage of turnover	0.14%

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)

	2022-23	2021-22
i) Total foreign exchange used	6032	6657
ii) Total foreign exchange earned	8524	6695

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN 0074761

Place: Mumbai
 Date: 16th May 2023

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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, 2023, 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, 2023, 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;
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate 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 have been enlisted 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.: -

The Company has received approval from BSE Ltd on 5th August, 2022 for reclassification of the outgoing Promoter from Promoter category to public category in accordance with the Regulation 31 A (10) of SEBI (Listing and Disclosure requirements), Regulation 2015.

Name of outgoing promoter: Rhodia Amines Chemicals Pte. Ltd.

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

**Prasen Naithani
FCS No. 3830
C.P. No. 3389
PR.No.1131/2021
UDIN: F003830E000312171**

Place : Mumbai
Date: 16th May 2023

Annexure A

To,

The Members,

Sunshield Chemicals Limited

My Secretarial Audit Report for Financial Year ended on 31st March 2023 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: F003830E000312171**

Place : Mumbai

Date : 16th May 2023

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 2023 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

Aashish Agarwal
Chief Financial Officer

Place : Mumbai

Date : 16th May 2023

ANNEXURE V TO THE DIRECTORS' REPORT

Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name of Director/KMP and Designation	Ratio of remuneration of Director to median remuneration of employees	% increase in Remuneration in the Financial Year 2022-23
1	Mr. R L Shenoy Non-Executive Independent Director	0.81	(14)
2	Mrs. Aruna Soman Non-Executive Independent Director	0.88	(13)
3	Mr. Ajit Shah Non-Executive Independent Director	0.88	(19)
4	Mr. Cyrus Poonevala [§] Non-Executive Independent Director	0.61	NA
5	Mr. Jeet Malhotra [#] Managing Director & CEO	3.41	NA
6	Dr. Maya Parihar Malhotra [#] Non-Executive Director	0.34	NA
7	Dr. Anand Parihar [#] Non-Executive Director	0.27	NA
8	Mr. Virendrasingh Baidwal* Managing Director	3.01	Nil

* Resigned effective 23rd December 2022

Appointed effective from 30th November 2021

§ Appointed effective from 15th January 2022

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

- ii. The median remuneration of employees of the Company during the financial year was ₹ 5,91,687 per annum.
- iii. In the financial year, there was an average increase of 10% in the median remuneration of employees.
- iv. 170 persons were on the rolls of Company as on 31st March 2023.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is on an average of 10% on a cost to Company basis. The average increase in remuneration is not based on Company's performance alone. The increment given to each individual employee is based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.

- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

R L Shenoy
Chairman
DIN No. 0074761

Place : Mumbai

Date : 16th May 2023

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) (LODR) Regulations, 2015. 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	5	Yes	1	2	2
Mr. Jeet Malhotra ² (DIN-07208234)	MD & CEO	5	Yes	1	-	2
Mr. Ajit Shah (DIN-02396765)	ID	5	Yes	2	4	-
Mrs. Aruna Soman (DIN-03622209)	ID	5	Yes	-	-	2
Mr. Cyrus Poonevala (DIN-09420865)	ID	5	Yes	-	-	1
Dr. Maya Parihar Malhotra (DIN-00302976)	NED	5	Yes	2	-	1
Dr. Anand Parihar (DIN-00513109)	NED	4	Yes	1	-	-
Mr. Virendrasingh Baidwal ¹ (DIN-05237385)	MD	4	Yes	-	-	-

{NED – Non-Executive Director, MD – Managing Director, 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.

¹ Stepped down as Managing Director effective 23rd December 2022.

² Redesignated as Managing Director & CEO effective 3rd February 2023.

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

The details of Directorship 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	Elantas Beck India Limited – Independent Director
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 SEBI LODR. 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 are permitted to be 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 Circular Resolution, which is then 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 confirmed 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 2023, five Board Meetings were held. These were held on:

i) 30th May 2022, ii) 27th June 2022, iii) 13th August 2022, iv) 11th November 2022 and v) 3rd February 2023.

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 of Conduct 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 2023. 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 expresses 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 that the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 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 SEBI LODR 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 during the year is placed on the website of the Company www.sunshieldchemicals.com

Details of shareholding of Directors as on 31st March 2023

The number of equity shares of face value of ₹10/- each of the Company held by the Directors as on 31st March 2023 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 2023 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 SEBI LODR.

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

During the year under review, 5 meetings of the Committee were held on i) 30th May 2022, ii) 27th June 2022, iii) 13th August 2022, iv) 11th November 2022 and v) 3rd February 2023.

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

Name	Non-Executive/ Independent/ Executive	Numbers of Meetings held – 5
		Attended
Mr. Ajit Shah	Non-Executive, Independent	5
Mr. R L Shenoy	Non-Executive, Independent	5
Mrs. Aruna Soman	Non-Executive, Independent	5
Mr. Cyrus Poonevala	Non-Executive, Independent	4
Mr. Jeet Malhotra	Executive	4
Mr. Virendrasingh Baidwal@	Executive	4

@ upto 23rd December 2022

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 matters 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.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- 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 (appointed effective from 4th February 2023).

The Nomination and Remuneration committee met on 11th November 2022 and 3rd February 2023. 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 - 2
		Attended
Mr. Ajit Shah	Non-Executive Independent	2
Mr. R L Shenoy	Non-Executive Independent	2
Mrs. Aruna Soman	Non-Executive Independent	2
Dr. Maya Parihar Malhotra	Non-Executive	–

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 SEBI LODR.

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 SEBI (LODR) Regulations, 2015 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 SEBI (LODR) Regulation 2015 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 2023.

The Sitting fees paid are as under:

Name of Director	Sitting Fees (₹)
Mr. R L Shenoy	4,80,000
Mr. Jeet Malhotra	-
Mr. Ajit Shah	5,20,000
Mrs. Aruna Soman	5,20,000
Mr. Cyrus Poonevala	3,60,000
Dr. Maya Parihar Malhotra	2,00,000
Dr. Anand Parihar	1,60,000

Remuneration paid to Executive Directors for the FY 2022-23 is as under:

Name	Mr. Jeet Malhotra	Mr. Virendrasingh Baidwal*
Salary	₹ 20.16 Lakhs	₹ 17.81 lakhs
Variable Pay	-	-
Provident Fund	₹ 0.87 lakhs	₹ 0.67 lakhs
Perquisites	-	-
Service Contract and Period	Agreement date: Period: 01-01-2022 to 31-12-2024	-

* upto 23rd December 2022

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 SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee Members are – Mr. Ajit Shah, Mrs. Aruna Soman and Mr. Jeet Malhotra

The Stakeholders Relationship Committee met once on 28th March 2023. 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 SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 will 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 SEBI (LODR) Regulations 2015.

Stakeholders Correspondences

The status of shareholder complaints received and redressed during the financial year 2022-23 is as under:

Number of Investor Complaints pending as on 31 st March 2022	0
Number of Investor Complaints received during the period 1 st April 2022 to 31 st March 2023	0
Number of Investor Complaints resolved to the satisfaction of shareholders during the period 1 st April 2022 to 31 st March 2023	0
Number of Investor Complaints pending as on 31 st March 2023	0

6. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) and 25 (4) of SEBI LODR, 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 2022-23, one meeting of the Independent Directors was held on 28th March 2023. 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 1 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 meeting 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 held:

Year	Date	Time	Place	Special Resolution passed
2021-22	29 th July 2022	11.00 am	Through Video Conferencing/ Other Audio-Visual Means (OVAM) on NSDL Platform	Nil
2020-21	29 th September 2021	11.00 am		Reappointment of Mrs. Aruna Soman (DIN 03622209) as an Independent Director (Second Term)
2019-20	29 th September 2020	11.00 am		Reappointment of Mr. Ajit Shah (DIN 02396765) as an Independent Director (Second Term)

All Resolutions moved at the Annual General Meetings were passed by the requisite majority of Members attending the meetings.

Postal Ballot:

During the year under review, pursuant to Regulation 44 of SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with Rules made thereunder, Members of the Company approved following resolution as special resolution by way of postal ballot.

Sr. No.	Particulars	Date of Postal Ballot
1	Change in designation of Mr. Jeet Malhotra (DIN: 07208234), Wholetime Director & Chief Executive Officer as Managing Director & Chief Executive Officer, effective, 3 rd February 2023	15 th March 2023

Procedure followed for postal ballot

1. In compliance with Regulation 44 of the SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, the Company has sent the Postal Ballot Notice along with Explanatory Statement on 9th February, 2023, only through electronic means to those members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories and whose email addresses are registered with the Company/Depositories as on Friday, 3rd February 2023. The Company also published notice in the newspapers declaring details of completion of dispatch on Friday, 10th February 2023 as mandated under the Act and applicable rules.
2. Members were requested to cast their vote only through remote e-voting facility provided by National Securities Depository Limited ("NSDL") between Tuesday, 14th February 2023 (9:00 A.M. IST) and Wednesday, 15th March 2023 (5.00 P.M. IST) (both days inclusive) on the draft resolution mentioned in the postal ballot notice.
3. The Scrutinizer, Mr. Prasen Naithani (Membership No. FCS 3830 CP No: 3389), of M/s. P. Naithani & Associates, Practicing Company Secretaries, Mumbai submitted his report 16th March 2023, after completion of the scrutiny.
4. The results of the postal ballot were announced by Mr. Amit Kumashi, Company Secretary on 16th March 2023. The last date of remote e-voting i.e. Wednesday, 15th March 2023, was taken as the date of passing the resolution.
5. The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.sunshieldchemicals.com and on the website of NSDL at <https://www.evoting.nsdl.com> and was also communicated to the Stock Exchange.

6. The consolidated summary of the result is as under:

Item	Net Valid Votes Cast (No. of Equity Shares)	Votes in favour of the Resolution (No. of Equity Shares and % of Net Valid Votes)	Votes against the Resolution (No. of Equity Shares and % of Net Valid Votes)
Special Resolution for change in Designation of Mr. Jeet Malhotra	47,05,679	46,98,635 (99.85%)	7,044 (0.15%)

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 2022-23 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, 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, TSR Consultants Private Limited and/or email them to csg-unit@tcplindia.co.in.
- 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.
- 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.

11. GENERAL SHAREHOLDERS INFORMATION:

- Thirty Sixth (36th) Annual General Meeting (AGM)** of the Company will be held on Friday, the 25th August 2023 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 School, 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 2023.

Sunshield Chemicals Limited

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Director seeking appointment at this AGM are given in the Annexure to the Notice of this AGM.

- The Company's financial Year is 1st April to 31st March.
- Cut-off date for e-voting: Friday, 18th August 2023.
- E-voting dates: Monday, 21st August 2023 (9.00 am) to Thursday, 24th August 2023 (5.00 pm).

e. Dates of book closure: Friday, the 11th day of August 2023 to Wednesday, the 16th of August 2023 (both days inclusive) for the Purpose of AGM and payment of Dividend.

f. Dividend payment date: on or before 24th September 2023.

g. Listing of equity shares on Stock Exchanges: BSE Ltd, Mumbai (Scrip code: 530845).

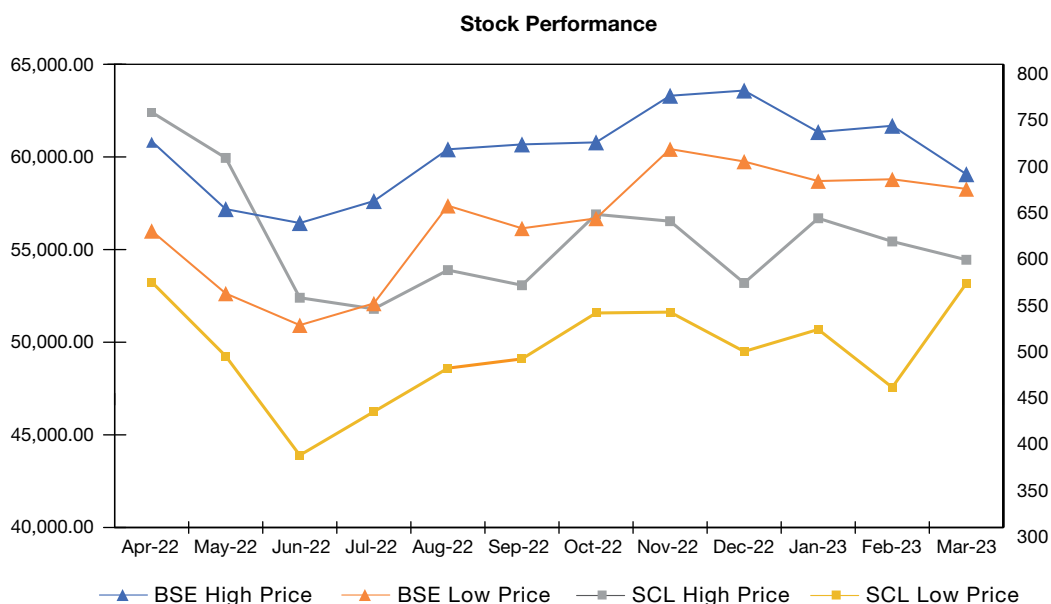
h. Depository Connectivity: NSDL and CDSL.

Note: The Annual Listing fees and Custodial fees for FY 2023-24 have been paid.

- 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 – 2022	748.30	565.00	679.85	60,845.10	56,009.07	57,060.87
May – 2022	698.95	485.00	512.15	57,184.21	52,632.48	55,566.41
June – 2022	548.00	378.00	460.15	56,432.65	50,921.22	53,018.94
July – 2022	536.00	425.00	497.00	57,619.27	52,094.25	57,570.25
August – 2022	577.85	472.00	494.70	60,411.20	57,367.47	59,537.07
September – 2022	561.50	482.00	533.20	60,676.12	56,147.23	57,426.92
October – 2022	638.00	531.55	618.65	60,786.70	56,683.40	60,746.59
November – 2022	630.65	532.50	534.85	63,303.01	60,425.47	63,099.65
December – 2022	563.95	490.00	544.30	63,583.07	59,754.10	60,840.74
January – 2023	633.80	513.80	589.70	61,343.96	58,699.20	59,549.90
February – 2023	608.75	451.25	548.15	61,682.25	58,795.97	58,962.12
March - 2023	589.00	563.50	569.65	59,068.47	58,273.86	58,991.52



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 TSR Consultants 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:

TSR Consultants 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@tcplindia.co.in

l. 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 Share Department of the Company/ TSR Consultants Pvt Ltd. Members holding shares in dematerialized form should contact their Depository Participants (DP) 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 2023:

No. of Shares held	No. of Shareholders	% of Total	Shares	% of Total
1 – 500	4,183	85.84	51,98,24	7.07
501 – 1,000	309	6.34	2,38,192	3.24
1,001 – 2,000	160	3.28	2,32,343	3.16
2,001 – 3,000	65	1.33	1,63,466	2.22
3,001 – 4,000	31	0.63	1,09,840	1.49
4,001 – 5,000	29	0.60	1,32,668	1.80
5,001 – 10,000	56	1.15	4,03,667	5.49
10,001 – above	40	0.82	55,53,060	75.52
Total	4,873	100.00	73,53,060	100.00

n. Categories of Shareholding as on 31st March 2023:

Sr. No.	Category	No. of Shares	% of shareholding
1	Promoters' Holding		
	Indian Promoters	45,85,396	62.36
2	Non promoters' Holding		
	Indian Public	22,60,114	30.74
	Bodies Corporate	1,67,295	2.28
	Hindu Undivided Family	1,58,300	2.16
	Foreign Portfolio Investors Category I	1,23,020	1.67
	Non Resident Indians	41,540	0.57
	Limited Liability Partnership	16,104	0.21
	Mutual Funds	700	0.01
	Clearing Member	386	0.00
	State Financial Corporation	200	0.00
	Independent Director	3	0.00
	Key Managerial Personnel	2	0.00
	Total	73530600	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 2023, 72,39,285 equity shares comprising of 98.45% 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 2023.

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 Locations

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 School, Chembur (W), Mumbai 400043	TSR Consultants 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.tcplindia.co.in E-mail: csg-unit@tcplindia.co.in

t. Credit Rating

CRISIL has reaffirmed the credit rating of BBB/ Stable for the long term bank facilities availed by the Company from the banks. This reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet financial obligations.

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 depository participant (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 us 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 believes that it 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 Indian Accounting Standards (IND-AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, 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 in accordance with Schedule II (Part B) of SEBI LODR for the financial year ended 31st March 2023.
- 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. We affirm that 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. P Naithani, Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors 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 Auditor of the Company

The details of total fees, for all services paid to the statutory auditor for financial year 2022-23.

Particulars	Amount in ₹ (lacs)
Auditor's remuneration and expenses:	
Statutory audit fees	20.00
Fees for other audit related services:	
Fees for certification and other services	-
Reimbursement of out of pocket expenses	0.01
Total	20.01

- 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 Director 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. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

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, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies.

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.

t. Certification of Corporate Governance Report:

Certificate from Mr. P Naithani, Company Secretaries on Corporate Governance, as required under Regulation 34 of SEBI (LODR), Regulations, 2015, is incorporated in this Annual Report.

u. 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 SEBI (LODR) Regulations, 2015.

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 (IEPF) 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	Last date for claiming the unclaimed dividend
1	2021-22 Final Dividend	29 th July 2022	20%	INR 10	3 rd September 2029

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 2023

COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Sunshield Chemicals Limited

1501A, Universal Majestic,
P L Lokhande Marg,
Behind RBK International School,
Chembur (W), Mumbai 400043

I have examined the compliance of conditions of Corporate Governance of **Sunshield Chemicals Limited**, for the year ended on 31st March 2023 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**

**Membership No.: 3830
CP No.: 3389
PR.No.1131/2021
UDIN: F003830E000312481**

Place: Mumbai

Date: 16th May 2023

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 2023, have affirmed compliance with code of conduct.

For Sunshield Chemicals Limited

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

Place: Mumbai

Date: 16th May 2023

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

Sunshield Chemicals Limited

1501A, Universal Majestic,

P L Lokhande Marg, Behind RBK International School,

Chembur (W), Mumbai 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, 2023 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	Mrs. Maya Parihar Malhotra	00302976	30/11/2021
3	Mr. 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
8	Mr. Virendrasingh Baidwal*	05237385	30/11/2021

* Mr. Virendrasingh Baidwal, Managing Director of Sunshield Chemicals has completed his tenure on the Board of the Company on 23rd December 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**

Membership No.: 3830

CP No.: 3389

PR.No.1131/2021

UDIN: F003830E000312435

Place: Mumbai

Date: 16th May 2023

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, 2023, 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 significant 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, 2023, 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 2.2 to the Financial Statements - Significant Accounting Policies	Our audit approach comprised test of internal controls and substantive procedures including: - Assessing the appropriateness of the Company's accounting policy relating to 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. - 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 involves 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;
3.	IT systems and controls over financial reporting. We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In view of the significance of the matter, we applied the following audit procedures among others, to obtain sufficient and appropriate audit evidence: • Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit; • Evaluated the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations; • Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year; • Evaluated the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; • Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems

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. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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.
 - 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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. 30 to the Accounts.

- 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 paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of Dividend.
As stated in Note no.15(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. As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f April 1, 2023, reporting under this clause is not applicable for the year under audit.

Other Matter Paragraph

The Financial Statements of the Company for the year ended March 31, 2022 were audited by another firm of Chartered Accountants, who expressed an unmodified opinion on those statements vide their report dated May 30, 2022, which we have relied upon.

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

Diwakar Sapre
Partner
Membership No.: 040740
UDIN: 23040740BGSEUE7696

Place: Mumbai
Date: 16th May 2023

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, including capital work-in-progress.
- (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, (including capital work-in-progress) 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) Based on our examination of the registered sale 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) 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. 40(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) has been physically verified by the Management during/at the end of the year. In our opinion, the frequency of verification is reasonable. Considering the size of the Company and nature of its operations, the coverage and procedures are adequate. The discrepancies noticed on physical verification of inventory did not exceed 10% or more for each class of inventory and has 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 16 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	2.21
B. Balance outstanding as at balance sheet date in respect of above:	
— Loans to Employees	3.18

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

- b) The terms and conditions of the grant of all the above-mentioned 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 has been stipulated and the repayments of principal amounts 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.

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 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, 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 determine whether they are accurate or complete.

(vii) Statutory Dues:

In respect of statutory dues:

- a) In our opinion, the Company has been generally 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, 2023 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	326.75	2006-2007 to 2007-2008, 2009-2010; and 2013-14 to 2016-17	Maharashtra Sales Tax Tribunal

^ Net of ₹ 182.01 Lakhs paid under protest

(viii) Undisclosed Income:

As disclosed in note no. 40(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:

- (i) (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. 40(7) of the Financial Statements, the Company is not declared 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 utilised funds raised on short-term basis for long-term purposes.
- (e) The Company does not have any subsidiary, associate or joint venture. Therefore, clauses 3(ix)(e) and 3(ix)(f) of the Order are 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, 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, 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 material 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 the 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 March 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, 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 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 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 Auditors:

During the year, the Statutory Auditors, who undertook the audit for the year ended 31st March 2022 resigned vide their letter dated 17th June 2022. There is no communication to us from the outgoing Statutory Auditors about any pending issues, objections or concerns.

(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: 23040740BGSEUE7696

Place: Mumbai
Date: 16th May 2023

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, 2023 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 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, 2023, 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: 23040740BGSEUE7696

Place: Mumbai
Date: 16th May 2023

Sunshield Chemicals Limited

Balance Sheet as at March 31, 2023

		₹ in Lakhs	
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Non current assets			
(a) Property, plant and equipment	5(a)	7,922.11	7,108.07
(b) Capital work-in-progress	5(b)	85.08	736.65
(c) Intangible assets	6	19.48	—
(d) Financial assets			
— Loans	7(a)	0.38	3.10
— Other financial assets	8(a)	0.62	33.43
(e) Other non current assets	9(a)	411.07	461.58
Total non-current assets		8,438.74	8,342.83
2 Current assets			
(a) Inventories	10	3,637.36	2,939.85
(b) Financial assets			
— Trade receivables	11	4,011.36	4,134.43
— Cash and cash equivalents	12	6.52	446.56
— Bank balance other than cash and cash equivalents	13	172.17	137.50
— Loans	7(b)	2.80	3.78
— Other financial assets	8(b)	0.38	2.46
(c) Other current assets	9(b)	1,452.62	1,341.08
Total current assets		9,283.21	9,005.66
TOTAL ASSETS		17,721.95	17,348.49
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	735.31	735.31
(b) Other equity	15	5,864.57	4,631.91
Total Equity		6,599.88	5,367.22
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
— Borrowings	16(a)	4,105.05	3,500.00
(b) Provisions	17(a)	101.12	86.85
(c) Deferred tax liabilities (net)	18	617.75	488.25
Total non-current liabilities		4,823.92	4,075.10
3 Current liabilities			
(a) Financial liabilities			
— Borrowings	16(b)	3,607.08	4,354.05
— Trade payables	19		
— Outstanding dues of micro enterprises and small enterprises		156.53	166.95
— Outstanding dues of creditors other than micro enterprises and small enterprises		2,215.20	3,150.52
— Other financial liabilities	20	215.95	124.80
(b) Provisions	17(b)	22.47	46.84
(c) Other current liabilities	21	80.92	63.01
Total current liabilities		6,298.15	7,906.17
Total liabilities		11,122.07	11,981.27
TOTAL EQUITY AND LIABILITIES		17,721.95	17,348.49
Significant accounting policies	2		

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

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

D. P. Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2023

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, 2023

Dr. Maya Parihar Malhotra

Director

DIN: 00302976

Amit Kumashi

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2023

₹ in Lakhs

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
I Revenue from operations	22	24,476.00	24,400.42
II Other income	23	181.62	70.52
III Total income (I+II)		24,657.62	24,470.94
Expenses			
Cost of materials consumed	24	16,980.86	17,266.53
Changes in inventories of work-in progress and finished goods	25	(360.07)	(327.88)
Employee benefits expense	26	1,313.76	922.77
Finance costs	27	744.27	478.30
Depreciation and amortisation expense	28	644.94	580.57
Other expenses	29	3,425.66	3,415.05
Total expenses (IV)		22,749.42	22,335.34
V Profit before exceptional item and tax (III - IV)		1,908.20	2,135.60
VI Exceptional item (refer note 37)	37	—	1,782.00
VII Profit before tax (V - VI)		1,908.20	3,917.60
VIII Tax expense	32		
Current tax		480.67	682.94
Deferred tax		69.36	487.14
Prior year tax adjustment (net of MAT credit of earlier year)		(7.94)	—
Total tax expense (VIII)		542.09	1,170.08
IX Profit for the year (VII - VIII)		1,366.11	2,747.52
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		19.20	7.55
Income tax relating to this item		(5.59)	(2.10)
Total other comprehensive income for the year, net of tax		13.61	5.45
XI Total comprehensive income for the year (IX + X)		1,379.72	2,752.97
XII Earnings per equity share (face value of ₹ 10/- each)	36		
i) Earnings Per Share (before exceptional items)			
Basic earnings per share (in ₹)		18.58	13.13
Diluted earnings per share (in ₹)		18.58	13.13
ii) Earnings Per Share (after exceptional items)			
Basic earnings per share (in ₹)		18.58	37.37
Diluted earnings per share (in ₹)		18.58	37.37
Significant accounting policies	2		

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

In terms of our report attached

For CNK & Associates LLP
Chartered Accountants

Firm Registration no.:101961 W/W-100036

D. P. Sapre
Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2023

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, 2023

Dr. Maya Parihar Malhotra
Director

DIN: 00302976

Amit Kumashi
Company Secretary

Statement of cash flows for the year ended March 31, 2023

		₹ in Lakhs
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Cash flow from operating activities		
Profit before tax and after exceptional item	1,908.20	3,917.60
Adjustments for:		
Depreciation and amortisation expense	644.94	580.57
Liabilities / provisions no longer required written back	—	(38.94)
Loss on disposal of property, plant and equipment (net)	67.05	—
Finance cost	744.27	478.30
Provision for doubtful trade receivables	0.59	—
Unrealised net exchange differences	(19.62)	(30.93)
Operating profit before changes in operating assets and liabilities	3,345.43	4,906.60
Changes in operating assets and liabilities		
Trade receivables	140.20	(1,192.83)
Inventories	(697.51)	(330.52)
Other assets	(58.93)	(564.49)
Trade payables	(943.84)	1,239.73
Other liabilities	(55.06)	7.61
Provisions	43.91	15.22
Cash flow from operations	1,774.20	4,081.32
Income taxes paid	(362.66)	(784.29)
Net cash from operating activities (A)	1,411.53	3,297.03
(B) Cash flow used in investing activities		
Payments for property, plant and equipment, capital work-in-progress	(821.10)	(1,634.19)
Proceeds from disposal of property, plant and equipment	2.99	—
Investment in fixed deposits with banks (under lien)	(34.67)	(77.50)
Net cash used in investing activities (B)	(852.78)	(1,711.69)
(C) Cash flow used in financing activities		
Borrowing taken	4,376.25	11,754.05
Repayment of borrowings	(4,574.97)	(12,100.00)
Interest paid	(711.63)	(509.98)
Dividend paid	(145.24)	—
Net cash flows used in financing activities (C)	(1,055.59)	(855.93)
Net Increase in cash and cash equivalents (A)+(B)+(C)	(496.84)	729.41
Cash and cash equivalents at the beginning of the year	446.56	(282.85)
Cash and cash equivalents at the end of the year	(50.28)	446.56
Reconciliation of cash and cash equivalents with the balance Sheet		
Cash and bank balances as per balance sheet (refer note 12)	6.52	446.56
Bank overdrafts (refer note 16(b))	(56.80)	—
Cash and cash equivalents as per statement of cash flows	(50.28)	446.56

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

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

D. P. Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2023

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, 2023

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, 2023	14	735.31	—	735.31
As at March 31, 2022		735.31	—	735.31

(b) Other equity :

₹ in Lakhs

Particulars	Notes	Reserves & Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
As at April 01, 2021		453.56	883.10	542.28	1,878.94
Profit for the year		—	—	2,747.52	2,747.52
Other comprehensive Income for the year (net of income tax)		—	—	5.45	5.45
Total comprehensive income for the year		—	—	2,752.97	2,752.98
As at March 31, 2022	15	453.56	883.10	3,295.25	4,631.92
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		453.56	883.10	4,527.91	5,864.57

Significant accounting policies

2

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

In terms of our report attached

For CNK & Associates LLP

Chartered Accountants

Firm Registration no.:101961 W/W-100036

D. P. Sapre

Partner

Membership No.: 040740

Place : Mumbai

Date : May 16, 2023

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, 2023

Dr. Maya Parihar Malhotra

Director

DIN: 00302976

Amit Kumashi

Company Secretary

Notes forming part of the financial statements for the year ended March 31, 2023

1. COMPANY BACKGROUND

Sunshield Chemicals Limited ('the Company') is a Public Limited Company and was incorporated in India on November 19, 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, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES:

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.

2.1. Basis of preparation of Financial Statements

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration 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.

2.2. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

(a) Sale of products

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of the consideration received or receivable and is net of discounts, allowances, returns, goods and services tax.

(b) Sale of Services

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

(c) Export Incentives

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

Notes forming part of the financial statements for the year ended March 31, 2023

2.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4. Foreign currency transactions and translations

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

a) Initial recognition

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

b) Measurement at the balance sheet date

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

d) Advance Consideration:

The Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transactions, in cases when Company receives or pays advance consideration is earlier of: -

- (a) the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- (b) the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages, then a transaction date will be established for each stage.

2.5. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Notes forming part of the financial statements for the year ended March 31, 2023

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.

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.

2.6. Property, Plant and Equipment

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Freehold land is not depreciated. Depreciation on property, plant and equipment has been provided on the straight-line method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of certain items of Plant & Machinery over their useful lives ranging from 7 years to 18 years as estimated by the company.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

For transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost.

Capital work-in-progress:

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and attributable interest, if applicable as Capital work-in-progress.

Notes forming part of the financial statements for the year ended March 31, 2023

2.7. Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are tested at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or the cash generating unit's (CGU) carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market 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.

Notes forming part of the financial statements for the year ended March 31, 2023

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.

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.

Notes forming part of the financial statements for the year ended March 31, 2023

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 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, 2023

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)

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- a) **Ind AS 101 – First time adoption of Ind AS** – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- b) **Ind AS 102 – Share-based Payment** – modification relating to adjustment after vesting date to the fair value of equity instruments granted.
- c) **Ind AS 103 – Business Combination** – modification relating to disclosures to be made in the first financial statements following a business combination.
- d) **Ind AS 107 – Financial Instruments Disclosures** – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- e) **Ind AS 109 – Financial Instruments** – modification relating to reassessment of embedded derivatives.
- f) **Ind AS 1 – Presentation of Financial Statements** – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- g) **Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors** – modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- h) **Ind AS 12 – Income Taxes** – modification relating to recognition of deferred tax liabilities and deferred tax assets.
- i) **Ind AS 34 – Interim Financial Reporting** – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after April 01, 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.

Notes forming part of the financial statements for the year ended March 31, 2023

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, 2023 and 2022, there were no changes in useful lives of property, plant and equipment. The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether the plant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

b) Impairment of trade receivables

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

c) Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. There are certain obligations which management has concluded, which based on all available facts and circumstances, are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the financial statements.

Note 5(a)

Property, plant and equipment

₹ in Lakhs

Description	GROSS BLOCK			As at March 31, 2023	DEPRECIATION			As at March 31, 2023	NET BLOCK As at March 31, 2023
	As at April 01, 2022	Additions	Deductions		As at April 01, 2022	For the year	Deductions		
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)	3,323.04	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)	4,017.46	7,922.11

Description	GROSS BLOCK			As at March 31, 2022	DEPRECIATION			As at March 31, 2022	NET BLOCK As at March 31, 2022
	As at April 01, 2021	Additions	Deductions		As at April 01, 2021	For the year	Deductions		
Freehold Land	195.01	—	—	195.01	—	—	—	—	195.01
Buildings	1,670.79	37.24	—	1,708.03	367.50	74.25	—	441.75	1,266.28
Plant and Equipment	7,421.40	1,021.20	—	8,442.60	2,316.14	494.68	—	2,810.82	5,631.78
Furniture and Fixtures	1.18	—	—	1.18	0.10	0.12	—	0.22	0.96
Vehicle	14.00	—	—	14.00	3.76	1.75	—	5.51	8.49
Computers	180.27	3.22	—	183.49	168.16	9.77	—	177.93	5.56
Office Equipments	7.02	—	—	7.02	7.02	—	—	7.02	—
TOTAL	9,489.68	1,061.66	—	10,551.33	2,862.68	580.57	—	3,443.25	7,108.07

Note 5(b)

Capital work-in-progress

₹ in Lakhs

Description	Amount
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
Opening Balance as at April 01, 2021	128.46
Additions	1,669.85
Transfer to Property, plant and equipment	(1,061.66)
Closing Balance as at March 31, 2022	736.65

Notes forming part of the financial statements

Capital work-in-progress ageing schedule as at March 31, 2023 and March 31, 2022 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	85.08	—	—	—	85.08
Projects in Progress-Plant Automation	(720.80)	(15.85)	—	—	(736.65)
Total Capital work-in-progress	85.08 (720.80)	— (15.85)	— —	— —	85.08 (736.65)

Project wise breakup of Capital-work-in Progress

₹ in Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Project in Progress					
Plant Automation	85.08	—	—	—	85.08
Plant Automation	(736.65)	—	—	—	(736.65)
Total Capital work-in-progress	85.08 (736.65)	— —	— —	— —	85.08 (736.65)

Note 6
Intangible assets

₹ in Lakhs

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	—	0.57	19.48

Note 7
Loans

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
7(a) Long-term		
Unsecured, considered good		
Loans to employees	0.38	3.10
Total long-term loans	0.38	3.10
7(b) Short-term		
Unsecured, Considered Good		
Loans to employees	2.80	3.78
Total short-term loans	2.80	3.78
TOTAL LOANS	3.18	6.88

Notes forming part of the financial statements

Note 8

Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
8(a) Non-current		
Unsecured, considered good		
Security deposits	—	32.81
Deposits with bank*	0.62	0.62
Total non-current financial assets	0.62	33.43
8(b) Current		
Unsecured, considered good		
Interest receivable on deposits	0.38	2.46
Total current financial assets	0.38	2.46
TOTAL FINANCIAL ASSETS	1.00	35.89

* Lien marked with irrigation division Kolad, Raigad

Note 9

Other assets

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
9(a) Non-current		
Balances with Government authorities (other than Income tax)		
— VAT refund receivable	117.00	117.00
— Revenue deposit receivable	—	14.01
— VAT paid under protest (refer note 30)	182.01	182.01
Capital advances	53.84	—
Advance income-tax (net of provision ₹ 1,599.44 Lakh (2022 ₹ 837.60 Lakh))	58.22	148.56
Total other non-current assets	411.07	461.58
9(b) Current		
Prepaid expenses	82.38	88.73
Balances with Government authorities (other than Income tax)		
— Goods and service tax	1,102.88	969.69
— GST export rebate	171.73	69.56
Export incentive receivable	49.21	2.68
Advances to employees against expenses	—	3.83
Advances to suppliers of goods and services	46.42	206.59
Total other current assets	1,452.62	1,341.08
TOTAL OTHER ASSETS	1,863.69	1,802.66

Notes forming part of the financial statements
Note 10
Inventories (at lower of cost and net realisable value)

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials (Includes Goods-in-transit ₹ 323.49 Lakh (2022 ₹ nil))	1,435.69	1,131.15
Packing materials	78.26	60.21
Work-in-progress	426.41	421.14
Finished goods (Includes Goods-in-transit ₹ 164.07 Lakh (2022 ₹ 310.14 Lakh))	1,457.30	1,102.50
Stores and spares	239.70	224.85
TOTAL INVENTORIES	3,637.36	2,939.85

Note 11
Trade Receivables

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Trade Receivable-Considered Good	4,016.14	4,138.62
Trade Receivables-Credit Impaired	—	—
	4,016.14	4,138.62
Less: Allowance for Expected Credit Loss	4.78	4.19
TOTAL TRADE RECEIVABLES	4,011.36	4,134.43

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

₹ in Lakhs							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	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
Less: Allowance for Expected Credit Loss	—	—	—	—	—	—	4.78
Total	3,676.81	318.03	21.30	—	—	—	4,011.36

Ageing for trade receivables as at March 31, 2022 is as follows:

₹ in Lakhs							
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	3,389.06	749.56	—	—	—	—	4,138.62
(ii) Less: Allowance for Expected Credit Loss	—	—	—	—	—	—	4.19
Total	3,389.06	749.56	—	—	—	—	4,142.82

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 12

Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks - in current accounts	6.52	446.56
TOTAL CASH AND CASH EQUIVALENTS	6.52	446.56

Note 13

Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with bank (refer note (a) below)	170.35	137.50
Unclaimed dividend (refer note (b) below)	1.82	—
TOTAL BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	172.17	137.50

(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 14

Equity share capital

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
1,50,00,000 equity shares of ₹ 10/- each	1,500.00	1,500.00
50,00,000 7% Non Cumulative Redeemable Preference shares of ₹ 10/- each	500.00	500.00
	2,000.00	2,000.00
Issued, Subscribed and fully paid up		
73,53,060 (2021: 73,53,060) equity shares of ₹ 10/- each fully paid up	735.31	735.31
TOTAL EQUITY SHARE CAPITAL	735.31	735.31

Notes forming part of the financial statements

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

₹ in Lakhs

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	73,53,060	735.31	73,53,060	735.31
Increase/ (decrease) during the year	—	—	—	—
Closing balance	73,53,060	735.31	73,53,060	735.31

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

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of held	No. of Shares	% of held
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	45,85,396	62.36%	45,85,396	62.36%

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, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Indus Petrochem Ltd (Holding Company) w.e.f Nov 30, 2021	45,85,396	62.36%	45,85,396	62.36%

Share held by Promoters as at March 31, 2023

Promoters Name	No of shares	% of total shares	% change during the year
Indus Petrochem Limited	45,85,396	62.36%	0%

Share held by Promoters as at March 31, 2022

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

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 ₹ 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.

Notes forming part of the financial statements

Note 15

Other equity

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
A. Capital reserve	453.56	453.56
B. Securities premium	883.10	883.10
C. Retained earnings		
Balance at the beginning of the year	3,295.25	542.28
Add : Profit for the year	1,366.11	2,747.52
Add : Other comprehensive income	13.61	5.45
Less : Dividend on equity shares (final dividend FY 2021-22)	(147.06)	—
Balance at the end of the year	4,527.91	3,295.25
TOTAL OTHER EQUITY	5,864.57	4,631.91

Notes:

- (i) The Board of Directors of the Company have recommended Final Dividend of ₹ 2 (previous year ₹ 2) per share for the financial year ended March 31, 2023 to be paid on fully paid Equity Shares amounting to ₹ 147.06 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 :

- ₹ 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.
- ₹ 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.

Sunshield Chemicals Limited

Notes forming part of the financial statements

Note 16

Borrowings

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
16(a) Long-Term borrowings		
Secured		
Measured at amortised cost		
Term loan from a banks (refer note (i) below)	1,188.38	—
Unsecured		
Measured at amortised cost		
Loans from a related party (refer note 34 e (ii))		
— Term loan (refer note (ii) below)	2,916.67	3,500.00
TOTAL LONG-TERM BORROWINGS	4,105.05	3,500.00

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 16 (b) below)	8.50% p.a.	The loan shall be repayable from Sept 07, 2022, in 37 equal monthly Instalments	825.72
	9.30% p.a.	The loan shall be repayable from Dec 07, 2022, in 60 equal monthly Instalments	829.60
(ii) Indus Petrochem Limited- the Holding Company (also refer note 16 (b) below)	8.75% p.a.	The loan shall be repayable in 3.5 years repayable from February 24, 2024, in 6 equal quarterly Instalments	3,500.00

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
16(b) Short-term borrowings		
Secured		
Measured at amortised cost		
Loans repayable on demand from banks		
— Overdraft facilities	56.80	—
— Working capital Demand Loan*	2,500.00	—
Current maturities of long-term borrowings	466.95	—
Unsecured		
Measured at amortised cost		

Notes forming part of the financial statements

₹ in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Loans from related party (refer note 34 e (i))	—	3,354.05
Short term loan	—	1,000.00
Current maturities of long-term borrowings from related party (refer note 34 e (ii))	583.33	—
TOTAL SHORT-TERM BORROWINGS	3,607.08	4,354.05

*Loan from HDFC bank - interest rate @ 7.55 (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.

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, 2022				
Trade Receivable	4,826.51	5,113.48	(286.97)	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 review by auditors on quarterly basis. In any case it does not affect drawing power adversely.
Trade Payable	2,988.30	3,014.34	(26.04)	
Inventories	3,391.58	3,037.78	353.79	
For the quarter ended September 30, 2022				
Trade Receivable	4,787.43	5,007.64	(220.21)	
Trade Payable	3,387.37	3,116.00	271.37	
Inventories	3,676.18	3,550.60	125.58	
For the quarter ended December 31, 2022				
Trade Receivable	3,105.93	3,084.17	21.76	
Trade Payable	2,086.98	2,051.45	35.53	
Inventories	3,983.75	3,934.00	49.74	
For the quarter ended March 31, 2023				
Trade Receivable	4,011.36	4,187.44	(176.08)	
Trade Payable	2,371.73	1,923.48	448.25	
Inventories	3,637.36	3,149.81	487.55	

Notes forming part of the financial statements

Note 17

Provisions

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
17(a) Non-current		
Employee benefit obligations (refer note 35)		
Leave obligations	91.84	70.32
Gratuity	9.28	16.53
Total non-current provisions	101.12	86.85
17(b) Current		
Employee benefit obligations (refer note 35)		
Leave obligations	22.47	12.03
Provision for tax (net of Advance tax of ₹ nil (2022 ₹ 302.20 Lakh))	—	34.81
Total current provisions	22.47	46.84
TOTAL PROVISIONS	123.59	133.69

Note 18

Deferred tax liabilities (net) (refer note 32 c)

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items consisting Deferred tax liability		
On property, plant and equipment allowances on	921.50	873.74
Tax effect of items consisting Deferred tax assets		
Disallowance under section 43(B) / 40(a) of Income tax Act, 1961	(36.76)	(51.83)
MAT credit	(248.90)	(303.44)
Others	(18.09)	(30.22)
TOTAL DEFERRED TAX LIABILITIES (NET)	617.75	488.25

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

Notes forming part of the financial statements

Note 19

Trade Payables

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Current		
Trade payables dues of micro and small enterprises	156.53	166.95
Trade payables dues of other than micro enterprises and small enterprises	2,215.20	3,150.52
TOTAL TRADE PAYABLES	2,371.73	3,317.47

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.

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

Ageing for trade payable as at March 31, 2022 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	155.95	11.00	—	—	—	166.95
(ii) Others	1,867.30	1,209.54	49.23	8.72	15.73	3,150.52
TOTAL TRADE PAYABLE	2,023.25	1,220.54	49.23	8.72	15.73	3,317.47

Sunshield Chemicals Limited

Notes forming part of the financial statements

Dues to Micro, Small and Medium Enterprises

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
(a) The amount remaining payable to any supplier at the end of the accounting year:		
Principal amount	156.53	166.95
Interest due thereon	1.68	3.70
(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	1.68	3.70
(d) The amount of interest accrued and remaining unpaid at the end of the year	27.32	25.64
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	0.98

Note 20

Other current financial liabilities

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Interest accrued but not due on borrowings	32.64	—
Capital creditors	168.29	38.63
Employee benefits payable	13.20	86.17
Unclaimed dividend (refer note 13)	1.82	—
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	215.95	124.80

Note 21

Other current liabilities

₹ in Lakhs		
Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues including provident fund and tax deducted at source	38.04	51.60
Trade advances	4.83	9.71
Other Payables	38.05	1.70
TOTAL OTHER CURRENT LIABILITIES	80.92	63.01

Notes forming part of the financial statements

Note 22

Revenue from operations

₹ in Lakhs		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
— Finished goods (speciality chemicals)	24,403.06	24,288.32
Sale of services		
— Processing charges	37.21	57.23
Other operating revenue		
— Scrap sales	27.03	46.55
— Duty Drawback	8.70	8.32
TOTAL REVENUE FROM OPERATIONS	24,476.00	24,400.42

Note 23

Other income

₹ in Lakhs		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
— On bank deposits	6.72	3.88
— From others	—	6.69
Liabilities / provisions no longer required written back	—	38.94
Net exchange differences	174.90	21.01
TOTAL OTHER INCOME	181.62	70.52

Note 24

Cost of material consumed

₹ in Lakhs		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Raw materials consumed		
Opening stock of raw materials	1,131.15	1,146.60
Add: Purchases	16,693.77	16,670.19
Less: Closing stock of raw materials	(1,435.69)	(1,131.15)
Cost of raw materials consumed	16,389.23	16,685.64
(b) Packing materials consumed		
Opening stock of packing materials	60.21	98.70
Add: Purchases	609.68	542.40
Less: Closing stock of packing materials	(78.26)	(60.21)
Cost of packing material consumed	591.63	580.89
TOTAL COST OF MATERIALS CONSUMED	16,980.86	17,266.53

Notes forming part of the financial statements

₹ in Lakhs

Note 25

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

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Work-in-progress		
Opening stock	421.14	249.59
Less: Closing stock	(426.41)	(421.14)
	(5.27)	(171.55)
(b) Finished goods		
Opening stock	1,102.50	946.17
Less: Closing stock	(1,457.30)	(1,102.50)
	(354.80)	(156.33)
TOTAL [Net Decrease / (Increase)]	(360.07)	(327.88)

Note 26

Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	1,147.64	848.11
Contribution to provident and other funds (refer note 35)	74.01	50.04
Staff welfare expenses	92.11	24.62
TOTAL EMPLOYEE BENEFIT EXPENSE	1,313.76	922.77

Note 27

Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on bank overdraft and loans (other than those from related parties)	317.43	173.99
Interest on loans from related parties	375.70	293.26
Other borrowing costs	51.14	11.05
TOTAL FINANCE COST	744.27	478.30

Notes forming part of the financial statements

Note 28

Depreciation and amortisation expense

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	644.36	580.57
Amortisation of intangible assets	0.58	—
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	644.94	580.57

Note 29

Other expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	179.05	192.85
Power and fuel	1,189.23	997.51
Freight and forwarding expenses	652.58	464.36
Rent	39.33	102.35
Repairs and maintenance		
— Plant and machinery & Others	210.68	196.49
Insurance	110.40	97.40
Rates and taxes	50.42	11.46
Loss on assets sold, discarded or written off	67.05	—
Sub-contract charges	489.24	485.98
Legal and professional fees	142.20	56.33
Service charges & Computer maintenance	1.84	516.09
Corporate social responsibility expense (refer note 40)	38.38	14.87
Travelling and conveyance	39.83	19.42
Communication expenses	23.81	36.74
Director's sitting fees	22.40	20.00
Payments to Auditors (refer note (i) below)	20.01	25.29
Provision for doubtful trade receivables	0.59	—
Effluent treatment charges	47.05	40.32
Miscellaneous Expenses	101.57	137.59
TOTAL OTHER EXPENSES	3,425.66	3,415.05

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes (i)		
Payment to auditors include:		
(net of input credit, where applicable)		
To statutory auditors		
— Statutory audit fees (including quarterly reviews)	20.00	25.00
— Reimbursement of expenses	0.01	0.29
TOTAL	20.01	25.29

Notes forming part of the financial statements

Note 30

Contingent Liabilities and commitments:

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities		
Claims against the Company not acknowledged as debt:		
(a) Sales Tax Matters		
Demand notices issued by Sales Tax Department for which the Company has preferred appeal	508.76	508.76
(b) Claims of Solvay SA not acknowledged by the Company	76.81	72.45

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.

Note 31

Capital Commitments

	₹ in Lakhs	
The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances).	496.65	77.27

Note 32

Tax expense

	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Amounts recognised in profit and loss		
Current income tax	480.67	682.94
Deferred tax expense	69.36	487.14
Tax expense for the year	550.03	1,170.08
(b) Reconciliation of effective tax rate		
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	1,908.20	3,917.60
Tax using the Company's domestic tax rate	555.67	1,140.81
Effect of expenses that are not deductible in determining taxable profits	11.67	2.16
Others	(17.30)	27.12
	550.03	1,170.09

Notes forming part of the financial statements

(c) Movement in deferred tax balances : March 31, 2023

₹ in Lakhs

	Balance as on April 1, 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

Movement in deferred tax balances : March 31, 2022

₹ in Lakhs

	Balance as on April 1, 2021	Recognised in profit or loss	Recognised in OCI	Utilised during the Year	Balance as on March 31, 2022
Deferred tax liability on					
Property, plant and equipment	796.92	76.82	—	—	873.74
Deferred tax assets on					
Employee Benefits	(47.17)	(6.76)	(2.10)	—	(51.83)
Unabsorbed depreciation and tax losses carried forward - restricted to the extent of deferred tax liability	(191.59)	191.59	—	—	—
MAT credit	(511.09)	—	—	207.65	(303.44)
Others	(48.04)	17.82	—	—	(30.21)
Tax (Assets)/Liabilities	(0.98)	279.49	(2.10)	207.65	488.25

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 33

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

₹ in Lakhs

Geographical Segment	Revenues for the year ended March 31, 2023	Segment assets as at March 31, 2023
India	16,133.41 (17,775.41)	16,237.51 (15,907.98)
Others	8,524.21 (6,695.53)	1,484.44 (1,440.51)

Figures in brackets are for the previous year ended March 31, 2022

Notes forming part of the financial statements

Note 34

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 Director CEO upto Feb 02, 2023 and MD & CEO w.e.f Feb 03, 2023	Managing Director & CEO
Mr. Virendrasingh Baidwal upto Dec 23, 2022	Managing Director
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

(c) **Transactions with the Related Parties:**

		₹ in Lakhs	
		For the year ended March 31, 2023	For the year ended March 31, 2022
Holding Company			
(i) Sale of goods			
Indus Petrochem Limited		66.25	—
		<u>66.25</u>	<u>—</u>
(ii) Receipt of services			
(a) Rent paid			
Indus Petrochem Limited		8.62	2.80
		<u>8.62</u>	<u>2.80</u>
(b) Corporate guarantee fees paid			
Indus Petrochem Limited		10.77	—
		<u>10.77</u>	<u>—</u>
(iii) Reimbursement of expenses paid			
Indus Petrochem Limited		27.02	—
		<u>27.02</u>	<u>—</u>
(iv) Inter corporate loan repaid			
Indus Petrochem Limited		3,354.05	—

Notes forming part of the financial statements

	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
	3,354.05	—
(v) Dividend paid		
Indus Petrochem Limited	91.71	—
	91.71	—
(vi) Interest expense on inter-corporate loan taken:		
Indus Petrochem Limited	375.70	189.00
	375.70	189.00

(d) **Key management personnel compensation**

	₹ in Lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Short-term employee benefits*		
Mr. Jeet Malhotra	20.16	4.89
Mr. Virendrasingh Baidwal upto Dec 23, 2022	17.81	5.93
	37.97	10.82

* 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

(ii) Directors Sitting Fees		
Mr. R. L. Shenoy	4.80	5.60
Mr. Ajit Shah	5.20	6.40
Mrs. Aruna Soman	5.20	6.00
Dr. Maya Parihar Malhotra	2.00	0.80
Dr. Anand Parihar	1.60	0.80
Mr. Cyrus Poonevala	3.60	0.40
	22.40	20.00

(e) **Balances outstanding as at year end:**

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
(i) Loan Outstanding:		
Indus Petrochem Limited	3,500.00	6,854.05
	3,500.00	6,854.05
(ii) Corporate guarantee provided by:		
Indus Petrochem Limited (loan outstanding against this guarantees as at March 31, 2023 aggregate to ₹ 4,212.13)	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.

Notes forming part of the financial statements

Note 35

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 ₹ 59.32 Lakhs (year ended March 31, 2022 ₹ 36.26 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.

(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, 2023	For the year ended March 31, 2022
Gratuity:		
1 Change in present value obligation:		
Present value of defined benefit obligation at the beginning of the year	150.82	144.32
Current Service Cost	14.56	11.28
Interest Cost	9.83	8.80
Actuarial (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumption	—	—
Actuarial (gains)/losses arising from changes in financial assumption	(6.00)	(6.06)
Actuarial (gains)/losses arising from changes in experience adjustment	(13.14)	(1.62)
Past Service Cost	—	—
Benefits Paid	(3.07)	(5.90)
Liabilities assumed/(settled)	—	—
Present value of defined benefit obligation at the end of the year	153.01	150.82
2 Changes in Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	134.28	131.68
Expected Return on Plan Assets	9.38	8.63
Actuarial (gains)/losses	0.06	(0.13)
Employer's Contributions	3.07	—
Benefits Paid	(3.07)	(5.90)
Fair value of plan assets at the end of the year	143.72	134.28

Notes forming part of the financial statements

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
3 Net Benefit (Asset)/Liability		
Present value of funded defined benefit obligation	153.01	150.82
Fair value of plan assets	143.72	134.28
Net Benefit (Asset)/Liability	9.28	16.53
4 Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	14.56	11.28
Past Service Cost	—	—
Interest cost on benefit obligation (net)	0.45	0.17
Total Expenses recognised in the Statement of Profit and Loss	15.02	11.45
5 Remeasurement Effects Recognised in Other Comprehensive Income		
Actuarial (gains)/losses arising from changes in demographic assumption	—	—
Actuarial (gains)/losses arising from changes in financial assumption	(6.00)	(6.06)
Actuarial (gains)/losses arising from changes in experience adjustment	(13.14)	(1.62)
Return on plan asset	(0.06)	0.13
Recognised in Other Comprehensive Income	(19.20)	(7.55)
6 Actuarial Assumptions		
Discount Rate	7.45%	6.95%
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) Ulttable	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, 2023	For the year ended March 31, 2022
10 The major categories of plan assets as a percentage of the total plan assets		
Insurer managed funds	100%	100%

Notes forming part of the financial statements
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, 2023		For the year ended March 31, 2022	
	Amount	%	Amount	%
(i) Discount rate (25 basis points)				
Increase	(2.86)	(1.87%)	(2.89)	(1.91%)
Decrease	2.95	1.93%	2.98	1.98%
(ii) Future salary escalation rate (25 basis points)				
Increase	2.96	1.93%	2.97	1.97%
Decrease	(2.88)	(1.88%)	(2.89)	(1.92%)

The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

12 Defined benefit obligation - Average duration

The weighted average duration of the defined benefit obligation is 7.59 years (March 31, 2022: 7.78 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, 2023					
Defined benefit obligations- Gratuity	25.72	13.44	35.95	230.23	305.34
March 31, 2022					
Defined benefit obligations- Gratuity	18.69	15.21	36.16	219.07	289.13

13 Other long term employee benefits

Compensated absences are payable to employees. The charge towards compensated absences for the year ended March 31, 2023 based on actuarial valuation using the projected credit unit benefit method is ₹ 34.79 lakhs (March 31, 2022: ₹ 5.17 lakhs).

Note 36
Earnings Per Equity Share

		For the year ended March 31, 2023	For the year ended March 31, 2022
(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 (before exceptional items)	₹ in Lakhs	1,366.11	965.52
(d) Net Profit attributable to equity shareholders (after exceptional items)	₹ in Lakhs	1,366.11	2,747.52
(e) Earnings per share (basic and diluted) (before exceptional items)	₹	18.58	13.13
(f) Earnings per share (basic and diluted) (after exceptional items)	₹	18.58	37.37

Notes forming part of the financial statements

Note 37

Exceptional item:

₹ in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
During the quarter ended June 2021, on account of product rationalisation activities of the Company, certain products manufactured by it and its related Technology, Specifications, Brand Names and Customer Contracts ("Specified Assets") were transferred to Solvay Specialities India Private Limited for a consideration of ₹ 1,782 Lakhs. These specified assets were internally generated over a period of time and hence, as per Ind AS, there was no cost attributable to these specified assets. The entire consideration also being the gain on such transfer was shown as an exceptional item. Further the tax liability of ₹ 488 Lakhs on this gain was considered under 'Tax expenses' under the sub heading current tax.	—	1,782.00

Note 38

Ratio	Numerator	Denominator	March 2023	March 2022	Variance %	Reason
Current Ratio	Current Assets	Current Liabilities	1.47	1.14	29.40%	Mainly due to repayment of short term borrowings and reduction in trade payables. It improves liquidity of business.
Debt Equity Ratio	Total Borrowings	Shareholder Equity	1.17	1.46	(20.15%)	Net worth Improved
Debt service Coverage Ratio	Earning Available for debt service	Finance Costs	2.92	7.88	(62.87%)	Increase in long term loan
Return on Equity Ratio	Net Profit after Tax	Average Shareholder Equity	22.83%	68.85%	(66.84%)	Exceptional income in previous year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	7.44	8.79	(15.37%)	NA
Trade Receivable Turnover Ratio	Revenue from Operations	Average Receivable	6.01	6.97	(13.77%)	NA
Trade Payable Turnover ratio	Purchases	Average Trade Payable	6.08	6.39	(4.73%)	NA
Net Capital Turnover Ratio	Revenue from Operations	Working capital	8.20	22.19	(63.05%)	Revenue growth along with efficiency in working capital Management
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	5.58%	11.26%	(50.43%)	Exceptional income in previous year
Return on capital employed Ratio	Earning Before Interest and Tax	Capital employed	17.77%	32.06%	(44.59%)	Exceptional income in previous year
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, 2023	As at March 31, 2022
Financial assets		
Measured at amortised cost :		
(a) Trade receivables	4,011.36	4,134.43
(b) Cash and cash equivalents	6.52	446.56
(c) Bank balance other than cash and cash equivalents	172.17	137.50
(d) Loans to employees	3.18	6.88
(e) Security and other deposits	0.62	33.43
(f) Others	0.38	2.46
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	7,744.77	7,854.05
(b) Trade payables	2,371.73	3,317.47
(c) Employee Benefit payable	13.20	86.17
(d) Payables towards Capital Expenditure	168.29	38.63
(e) Others	1.82	—

(C) Fair value measurements

This note provides information about how the group determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company is of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

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

Notes forming part of the financial statements

	Amortised cost	Level 1	Level 2	Level 3	Total
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

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2022

	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets					
(a) Trade receivables	4,134.43	—	—	—	4,134.43
(b) Cash and cash equivalents	446.56	—	—	—	446.56
(c) Bank balance other than cash and cash equivalents	137.50	—	—	—	137.50
(d) Loans to employees	6.88	—	—	—	6.88
(e) Security and other deposits	33.43	—	—	—	33.43
(f) Others	2.46	—	—	—	2.46
Total financial assets	4,761.26	—	—	—	4,761.26
Financial liabilities					
(a) Borrowings	7,854.05	—	—	—	7,854.05
(b) Trade payables	3,317.47	—	—	—	3,317.47
(c) Employee Benefit payable	86.17	—	—	—	86.17
(d) Payables towards Capital Expenditure	38.63	—	—	—	38.63
(e) Others	—	—	—	—	—
Total financial liabilities	11,296.32	—	—	—	11,296.32

(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, 2023	As at March 31, 2022
Neither past due nor impaired	3,676.81	3,389.06
Past due but not impaired		
Past due 1-90 days	313.37	747.94
Past due 91-180 days	4.66	1.62
Past due more than 180 days	21.30	—
	4,016.14	4,138.62

Expected credit loss assessment for customers as at March 31, 2023 and March 31, 2022

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, 2021	13.02
Impairment loss recognised	—
Amounts written back	(8.83)
Balance as at March 31, 2022	4.19
Impairment loss recognised	0.59
Amounts written back	—
Balance as at March 31, 2023	4.78

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of ₹ 6.52 lakhs (₹446.56 lakhs as at March 31, 2022)

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, 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	—	—	—	

As at March 31, 2022	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)	7,854.05	7,854.05	4,354.05	—	3,500.00	—	
Trade and other payables	3,317.47	3,317.47	3,317.47	—	—	—	
Other financial liabilities	124.80	124.80	124.80	—	—	—	

Financing facilities

Particulars	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
Secured bank overdraft facility and working capital term loan reviewed annually and payable at call:		
— amount used	4,212.13	—
— amount unused	2,287.87	—
	<u>6,500.00</u>	<u>—</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, 2023		March 31, 2022	
	FC	INR	FC	INR
Trade receivables				
EUR	2,68,155	240.29	5,81,667	489.33
USD	15,13,195	1,244.15	18,24,202	1,382.29
Trade payables				
EUR	18,291	16.39	288,522	242.72
USD	9,63,388	792.10	13,34,996	1,011.59
Net statement of financial position exposure				
EUR	(2,49,864)	(223.90)	(2,93,145)	(246.61)
USD	(5,49,807)	(452.05)	(4,89,206)	(370.70)
Net exposure				
EUR	(2,49,864)	(223.90)	(2,93,145)	(246.61)
USD	(5,49,807)	(452.05)	(4,89,206)	(370.70)

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, 2023				
EUR	22.39	(22.39)	22.39	(22.39)
USD	45.21	(45.21)	45.21	(45.21)
March 31, 2022				
EUR	24.66	(24.66)	24.66	(24.66)
USD	37.07	(37.07)	37.07	(37.07)

(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, 2023	March 31, 2022
Borrowings		
Fixed rate borrowings	7,744.77	7,854.05
	<u>7,744.77</u>	<u>7,854.05</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

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.
- Quarterly return (refer note 16) filed by the Company for borrowings from banks or financial institutions.
- The Company is not declared as willful defaulter by any bank or financial Institution or other lender.

Sunshield Chemicals Limited

Notes forming part of the financial statements

8) Corporate Social Responsibility Expenditure

Particulars	₹ In Lakh	₹ In Lakh
	March 31, 2023	March 31, 2022
a) Amount required to be spent by the company during the year	40.56	12.67
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	38.36	12.67
d) Amount of expenditure Incurred	38.38	14.87
e) Shortfall at the end of the year	—	—
f) Total of Previous years shortfall	—	—
g) Reason for Shortfall	NA	NA
Nature of CSR Activities:-		
i) School Renovation Project executed at village Ambole	—	9.00
ii) CSR Activities (Tree Plantation and Support to school students)	—	0.90
iii) infrastructure support to Crematorium at village Rasal	—	4.97
iv) Promoting education - Organizing education fair	2.50	—
v) Promoting education - Promotion of Road Safety	0.43	—
vi) Promotion of rural sports, nationally recognised sports, paralympic sports and olympic sports	1.50	—
vii) Environment sustainability	0.66	—
viii) Rural development and Environment Sustainability - Development & beautification of Pond at village Rasal	33.29	—
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.		
Total	38.38	14.87

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, 2023

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 School,
Chembur (w), Mumbai - 400043

CIN: L99999MH1986PLC041612