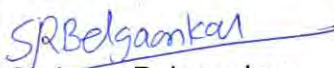

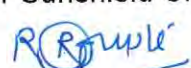
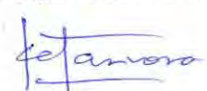




**FORM A**  
**(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company:	Sunshield Chemicals Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signatures	<p>For Sunshield Chemicals Limited</p> <p> Shrirang Belgaonkar Wholetime Director</p> <p>For Sunshield Chemicals Limited</p> <p> Yogesh Thar Chairman - Audit Committee</p> <p>For Sunshield Chemicals Limited</p> <p> Rajiv Gupte Chief Financial Officer</p> <p>For DELOITTE HASKINS &amp; SELLS LLP Chartered Accountants (Regn. No. 117366W/W-100018)</p> <p> Ketan Vora Partner Membership no.100459 Statutory Auditor</p>

23<sup>rd</sup> May 2015

**SUNSHIELD CHEMICALS LTD. (SOLVAY GROUP)**

**Regd. Office :** Phoenix House, A wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013. Maharashtra. India.

Tel. No. : + 91-22-66637100 Fax No. : + 91-22-24952834 Corporate Identity Number - L99999MH1986PLC041612

**Factory :** Village Rasal. Post - Pali, Taluka - Sudhagad, Dist. Raigad - 410 205. Maharashtra. India.

Tel. No. : + 91-214-224217 Fax No. : + 91-214-2242116

[www.solvay.com](http://www.solvay.com)



**Sunshield Chemicals Limited**

**28<sup>th</sup> ANNUAL REPORT  
2014-15**

## Performance Summary

Particulars	Percentage of Growth in comparison to Previous Year	2014-15	2013-14	2012-13	2011-12	2010-11
Volume Sales ( M.T )	(10)	8765.00	9703.00	8146.00	8062.00	7972.00
<b>Revenue</b>						
Gross Sales	(10)	12586.46	13914.09	11017.78	10069.23	8492.33
Net Sales	(11)	11900.55	13365.25	10530.08	9429.03	7914.23
Other Income	83	68.52	37.48	20.08	93.30	65.20
<b>Cost</b>						
Material Consumed	(10)	8627.28	9594.32	7559.29	6816.66	5539.02
Employee benefits expense	26	629.50	498.58	468.36	390.43	326.70
Finance costs	(2)	349.17	357.00	509.76	550.47	409.15
Depreciation and amortization expense	42	326.56	230.13	248.17	223.89	193.52
Other expenses	11	2428.04	2183.89	1661.54	1456.35	1246.14
Profit / Loss before Tax	(173)	(391.48)	538.81	103.04	83.35	264.92
Profit / Loss after Tax	(687)	(318.34)	(40.46)	84.23	96.83	159.68
Earning Per Share	(687)	(4.33)	(0.55)	1.15	1.32	2.17

**DIRECTORS**

Ranjal Laxmana Shenoy	Chairman
Sze Wee Ong	(Alt. Guo Lin)
Ian Brown	
Sanjeev Mukerjee	
Yogesh Thar	
Pierre-Franck Valentin	(Alt. Chen Pu)
Manoj Khullar	Managing Director (w.e.f. 1 <sup>st</sup> July 2015)
Satish Kelkar	
Arun Roy	(w.e.f. 1 <sup>st</sup> July 2015)
Shrirang Belgaonkar	Wholtime Director (upto 30 <sup>th</sup> June 2015)

**AUDIT COMMITTEE**

Yogesh Thar	Chairman
Sanjeev Mukerjee	
Ranjal Laxmana Shenoy	w.e.f. 20 <sup>th</sup> March 2015
Manoj Khullar	
Satish Kelkar	

**COMPANY SECRETARY**

Amit Kumashi

**CHIEF FINANCIAL OFFICER**

Rajeev Gupte

**AUDITORS**

M/s. Deloitte Haskins &amp; Sells LLP

**BANKERS**

Kotak Mahindra Bank Ltd. (Formerly ING Vysya Ltd.)  
 BNP Paribas  
 State Bank of India  
 Citi Bank N.A.

**REGISTERED OFFICE**

Phoenix House, "A" Wing, 4<sup>th</sup> Floor  
 462, Senapati Bapat Marg,  
 Lower Parel (West), Mumbai 400 013  
 Tel.No.91-22-66637100

**REGISTRARS & SHARE TRANSFER AGENTS**

TSR Darashaw Limited  
 6-10, Haji Moosa Patrawala Industrial Estate  
 20, Dr. E. Moses Road, Near Famous Studio  
 Mahalaxmi, Mumbai – 400 011  
 Tel : 91-22-66568484

**WORKS**

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

**CORPORATE INDENTITY NUMBER**

L99999MH1986PLC041612

**CONTENTS**

<b>Notice</b>	<b>2</b>
<b>Directors' Report</b>	<b>16</b>
<b>Corporate Governance Report</b>	<b>40</b>
<b>Auditors' Report</b>	<b>55</b>
<b>Balance Sheet</b>	<b>60</b>
<b>Profit &amp; Loss Account</b>	<b>61</b>
<b>Cash Flow Statement</b>	<b>62</b>
<b>Notes to Financial Statement</b>	<b>64</b>

### NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of **Sunshield Chemicals Limited** will be held on Tuesday 15<sup>th</sup> September 2015 at 3.00 p.m. at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021. to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Khullar (DIN-06415392), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satish Kelkar (DIN-01307387), who retires by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of appointment of Statutory Auditors

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

**"RESOLVED THAT** subject to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366W/W-100018), as Statutory Auditors of the Company be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Ninth Annual General Meeting of the Company to be held in the year 2016, at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors and the Auditors from time to time."

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Ms. Sze Wee Ong (DIN-07006487), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

6. 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 Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and clause 49 of Listing Agreement, Mr. Ranjal Laxmana Shenoy (DIN - 00074761) who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to 31<sup>st</sup> March 2020."

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

**"RESOLVED THAT** Mr. Arun Roy (DIN - 07200894), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

8. 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 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Kishore Bhatia & Associates the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2016, be paid the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand only) plus service tax, out-of-pocket, travelling expenses etc;

**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.”

9. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198, 203, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, and such other approvals as may be necessary, approval of the Company be and is hereby accorded to revise the terms and conditions, including remuneration, of Mr. Shrirang Belgaonkar, Wholetime Director of the Company w. e. f. 1<sup>st</sup> January 2015 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, as contained in the agreement dated 11<sup>th</sup> June 2015 executed by the Company with Mr. Shrirang Belgaonkar, with authority to the Board of Directors to alter or amend the terms and conditions of the said agreement for the period 1<sup>st</sup> January 2015 upto 30<sup>th</sup> June 2015 and as set out in the explanatory statement;

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Shrirang Belgaonkar, Wholetime Director of the Company, remuneration by way of salary, perquisites

and allowances, not exceeding the limits laid down in Part II of Section II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things in their absolute discretion as they may consider necessary or expedient to give effect to this resolution and also to revise the remuneration of the Wholetime Director upward within the limits stipulated in the Companies Act, 2013, read with its schedules and rules.”

10. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, and such other approvals as may be necessary, Mr. Manoj Khullar who is already Managing Director of Rhodia Specialty Chemicals India Limited, be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> July 2015 on remuneration of ₹ 1000/- (Rupees One Thousand Only) per month from the Company;

**RESOLVED FURTHER THAT** pursuant to the Articles of Association of the Company, Mr. Manoj Khullar shall not retire by rotation;

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. Manoj Khullar, Managing Director of the Company, remuneration not exceeding the limits laid down in Part II of Section II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and



writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

11. To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:

**"RESOLVED THAT** pursuant to the provisions of Sections 188, 197 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of listing agreement and the Companies (Meeting of Board and its Powers) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as may be necessary, approval of the Company be and is hereby accorded for appointment of Mr. Satish Kelkar, Director to office/ place of Profit with effect from 1<sup>st</sup> October 2015 for a period of one year on payment of consultancy fee of ₹2,20,000/- (Rupees Two Lacs Twenty Thousand only) per month and a bonus upto 20% of the Consultancy fee;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

**Amit Kumashi**  
Company Secretary

Mumbai, 15<sup>th</sup> July 2015

Phoenix House,  
'A' Wing, 4<sup>th</sup> Floor,  
462, Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400013

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll only instead of himself/ herself and a proxy need not be a member. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The register of members and the share transfer books of the Company will remain closed from 9<sup>th</sup> September 2015 to 15<sup>th</sup> September 2015 (both days inclusive).
3. Shareholders are requested to notify change of address, if any, and details of their bank account to the Registrar/ Depository Participants.
4. For the convenience of shareholders, attendance slip is annexed to the proxy form. Shareholders are requested to affix their signatures at the space provided therefore and hand over the attendance slip at the entrance of the place of meeting. Proxy/Representative of a shareholder should mark on the attendance slip as "Proxy" or "Representative" as the case may be. Shareholders are also requested not to bring with them any person who is not a shareholder.
5. Corporate members intending to send their authorized representatives to attend the Annual General Meeting (AGM) pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. As a measure of economy, copies of the annual report will not be distributed at the AGM. Shareholders are, therefore, requested to bring their copies of the annual report at the meeting.

7. To facilitate easy and cheap transactions in its shares, the Company has dematerialised its shares. Majority of the shareholders have already availed of this facility and de-materialised their shareholdings. Shareholders who have not yet de-materialised their shareholdings are requested to avail of this facility and de-materialise their shareholdings at the earliest. In case any assistance is needed, shareholders are requested to get in touch with the Secretarial Department of the Company.
8. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar/Depositories.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
11. Mr. Alwyn D'Souza, Practicing Company Secretary (Membership No. FCS 5559) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
13. Members can opt for only one mode of voting, i.e., either ballot paper or remote e-voting. In case

members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot paper shall be treated invalid.

14. The instruction for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
  - i. Open email and open PDF file viz; "Sunshield remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - iii. Click on Shareholder - Login
  - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential
  - vi. Home page of remote e-voting opens. Click on e-voting: Active Voting Cycles.
  - vii. Select "EVEN" of Sunshield Chemicals Limited. Now you are ready for e-voting as Cast Vote page opens.
  - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - x. Once the vote on the resolution is cast, the member will not be allowed to change it subsequently.



- xi. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer.sunshield@gmail.com](mailto:scrutinizer.sunshield@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy:
- i. Initial password is provided separately: EVEN (E-Voting Event Number), USER ID and PASSWORD.
  - ii. Please follow all steps from Sl. No. ii to Sl. No. xii above, to cast vote.
- C. Other Instructions:
- i. The e-voting period commences on 12<sup>th</sup> September, 2015 (9:00 am) and ends on 14<sup>th</sup> September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> September, 2015, may cast their vote by electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.
- iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8<sup>th</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - iv. The Scrutinizer shall after the conclusion of voting at the AGM, would count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - v. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.solvayindia.in](http://www.solvayindia.in) 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 were listed.

## Annexure to Notice

### Explanatory Statement under Section 102 of the Companies Act, 2013

#### Item No. 5

Ms. Sze Wee Ong was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November 2014 pursuant to Section 149 and 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Ms. Ong holds office of Director upto the date of the forthcoming AGM of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Ong for the office of Director of the Company.

Ms. Ong is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Ms. Ong has M.B.A (International Management), Bachelor Degree in Business Administration (Marketing) from Royal Melbourne Institute of Technology (RMIT), Australia, Diploma in Industrial Management from Ngee Ann Polytechnic, Singapore, Diploma in Chemical Process Technology (Industrial Chemistry) Singapore Polytechnic, Singapore. Ms. Ong has a work experience of over 20 years. She has vast experience in the areas of Purchasing, Sales and Marketing.

Ms. Ong does not hold any directorship in other Indian Companies. Ms. Ong does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Company will be vastly benefited from the professional capabilities and varied experience of Ms. Ong. The Board, therefore, recommends her appointment as a Director of the Company.

Except Ms. Ong, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### Item No. 6

Mr. Ranjal Laxmana Shenoy was appointed as an Additional Director to hold office as an Independent Director of the Company with effect from 20<sup>th</sup> March 2015.

In accordance with the provisions of Section 149 of the Companies Act ("the Act") read with Schedule IV to the Act, appointment of Independent Directors requires approval of shareholders.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Shenoy for the office of Director of the Company.

Mr. Shenoy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Shenoy is a Bachelor of Commerce, Master of Law, Associate Member of Institute of Chartered Accountants of India, Associate Member of Institute of Company Secretaries of India, Associate Member of Institute of Cost & Works Accountants of India and Diploma holder from Indian Institute of Bankers (C.A. IIB).

Mr. Shenoy has four decades of experience in Companies belonging to different industrial segments. He has rich experience in several areas including Finance, Taxation, Legal, Commercial, Secretarial, Auditing, Procurement, Distribution, Regulatory Affairs etc.

Mr. Shenoy is holding directorship in the following Indian Companies:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Transwarranty Finance Limited	Director	Audit Committee Stakeholders Relationship Committee Nomination and Remuneration Committee
2.	ELANTAS Beck India Limited	Director	Stakeholders Relationship Committee – Chairman CSR Committee – Chairman Audit Committee Risk Management Committee Committee for issue of Duplicate Share Certificate
3.	Alkem Laboratories Limited	Director	Audit Committee – Chairman CSR Committee

Mr. Shenoy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company has received a declaration from Mr. Shenoy that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Shenoy fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Shenoy is independent of the management.

Copy of the draft letter for appointment of Mr. Shenoy as an Independent Director is available for inspection at the Registered Office of the Company during business hours on any working days upto the date of AGM.

The Company will be vastly benefited from the professional capabilities and varied experience of Mr. Shenoy. The Board, therefore, recommends his appointment as a Director of the Company.

Except Mr. Ranjal Laxmana Shenoy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### Item No. 7

Mr. Arun Roy was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> July 2015 pursuant to Section 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Mr. Roy holds office of Director upto the date of the forthcoming AGM of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Roy for the office of Director of the Company.

Mr. Roy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Roy has B. Tech. (Chemical Engineering), Diploma in Industrial Safety and PG Diploma in Business Administration. He has more than 33 years of experience in Chemical business. He has vast experience in the areas of Factory Operations. Mr. Roy is Head of Operations Novecare business of Solvay Group.

Mr. Roy does not hold any directorship in other Indian Companies. Mr. Roy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company will be vastly benefited from the professional capabilities and varied experience of Mr. Roy. The Board, therefore, recommends his appointment as a Director of the Company.

Except Mr. Roy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### Item No. 8

The Board of Directors of the Company on the recommendation of Audit Committee at their meeting held on 23<sup>rd</sup> May 2015 has appointed M/s. Kishore Bhatia & Associates, as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2015-16.

In accordance with the provision of Section 148 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditor) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for ratifying the amount of remuneration payable to the Cost Auditors, as set out at item no. 8 of the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested in the resolution at item No.8.

The Board, therefore, recommends the Ordinary Resolution set out at Item no. 8 of the Notice for approval of Shareholders.

### Item No. 9

Mr. Shrirang Belgaonkar was appointed as Wholetime Director of the Company by the shareholders' resolution dated 10<sup>th</sup> September 2014. Accordingly, an Agreement dated 19<sup>th</sup> September 2014 was entered into between the Company and the Wholetime Director stating the terms and conditions of his appointment (hereinafter referred to as "the said Agreement").

The Board of Directors in its meeting held on 23<sup>rd</sup> May 2015 on the recommendation of the Nomination and

Remuneration Committee, subject to the approval of shareholders has revised the remuneration of Wholetime Director for the period 1<sup>st</sup> January 2015 upto 30<sup>th</sup> June 2015 as under:

#### Remuneration

1. Basic Salary: ₹ 85,085/- (Rupees Eighty Five Thousand Eighty Five only) p.m.
2. House Rent Allowance: ₹ 85,085/- (Rupees Eighty Five Thousand Eighty Five only) p. m.
3. Education Allowance: ₹ 200/- (Rupees Two Hundred only) p. m.
4. Medical Allowance: ₹1,250/- (Rupees One Thousand Two Hundred Fifty only) p. m.
5. Driver's salary: At actuals
6. Leave Travel Allowance: ₹85,085/- (Rupees Eighty Five Thousand Eighty Five only) p. a. for travel in India. Terms and conditions of the payment shall be as per the Company's policy.
7. Food Coupons worth ₹1,500/- (Rupees One Thousand Five Hundred only) p. m. shall be provided towards meals and snacks.
8. Supplementary Allowances as under:  
From January to March 2015 ₹ 48,919/- (Rupees Forty Eight Thousand Nine Hundred Nineteen only) p. m.  
From April 2015 onwards ₹ 51,045/- (Rupees Fifty One Thousand Forty Five only) p. m.
9. Variable Remuneration: ₹ 5,08,960/- p.a. (Rupees Five Lac Eight Thousand Nine Hundred Sixty only) p. a.

#### Perquisites

1. Provident Fund: Benefits as per the scheme of the Company
2. Gratuity: Benefits in accordance with rules and regulations in force in the Company
3. Car: Provision of Company's car along with reimbursement of monthly expenses for fuel and repairs.
4. Mobile: Mobile bills will be reimbursed by the Company.
5. Leave: Leave with full pay and allowance in accordance with rules and regulations in the Company in force from time to time.

6. Leave encashment: In accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term of this Agreement.
7. Other Benefits: Benefits under loan and other schemes in accordance with practices, rules and regulations in force in the Company from time to time. Such other benefits and amenities as may be provided by the Company from time to time to other officers and managers of the Company.

All other terms and conditions of appointment of Mr. Belgaonkar more specifically described in the said Agreement shall remain unchanged.

The proposed resolution which seeks the approval of the Shareholders in AGM is to be passed as a Special Resolution.

The following is the statement of information for the Shareholders pursuant to Section II of Part II of Schedule V of the Companies Act, 2013 ("the Act").

#### I. GENERAL INFORMATION:

- (1) Nature of Industry : Specialty Chemicals
- (2) Date of Commencement of Commercial Production : 17<sup>th</sup> October 1987.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators

(₹ In Lacs)

Particulars	Financial year 2012-13	Financial year 2013-14	Financial year 2014-15
Total Income	10550.16	13402.73	11969.07
Total Expenses	10440.12	12863.92	12360.55
Net Profit for the period	84.23	(40.46)	(318.34)
Basic EPS (₹)	1.15	(0.55)	(4.33)

- (5) Export performance and net foreign exchange collaborations: Export performance in the financial year 2014-15 was ₹ 6509.22 Lacs as compared to ₹ 7785.56 Lacs in 2013-14. Company does not have any foreign collaboration.



- (6) Foreign Investments or collaborators, if any: Rhodia Amines Chemicals Pte. Ltd. Singapore, part of Solvay S.A. group, holds 62.36% Equity Shares in the Company.

### II. INFORMATION ABOUT THE APPOINTEE

#### (1) Background details:

Mr. Shirang Belgaonkar holds a Bachelor's Degree in Chemical Engineering and has more than 25 years of experience in Specialty Chemical business. Mr. Belgaonkar has rich experience and deep knowledge about Specialty Chemicals and has immensely contributed to the growth of the Company by his incisive and broad based knowledge of Specialty Chemicals by user Industries requirements.

#### (2) Past Remuneration:

The remuneration approved as per the resolution passed by Shareholders on 10<sup>th</sup> September, 2014 was as follows:

1. Basic Salary: ₹ 77,350/- (Rupees Seventy Seven Thousand Three Hundred Fifty only) p.m.
2. House Rent Allowance: ₹ 77,350/- (Rupees Seventy Seven Thousand Three Hundred Fifty only) p.m.
3. Education Allowance: ₹ 300/- (Rupees Three Hundred only) p.m.
4. Medical Allowance: ₹ 1,250/- (Rupees One Thousand Two Hundred Fifty only) p.m.
5. Conveyance Allowance: ₹ 6,500/- (Rupees Six Thousand Five Hundred only) p.m.
6. Leave Travel Allowance: ₹ 77,350/- (Rupees Seventy Seven Thousand Three Hundred Fifty only) p. a. for travel in India. Terms and conditions of the payment shall be as per the Company's policy.
7. Food Coupons worth ₹ 1,500/- (Rupees One Thousand Five Hundred only) p.m. shall be provided towards meals and snacks.
8. Other Allowances : ₹ 45,788/- (Rupees Forty Five Thousand Seven Hundred Eighty Eight only) p. m.
9. Variable Remuneration: ₹ 4,67,604 (Rupees Four Lac Sixty Seven Thousand Six Hundred Four Only) p.a.

10. Provident Fund: Benefits as per the scheme of the Company

11. Gratuity: Benefits in accordance with rules and regulations in force in the Company

12. Car: Provision of Company's car along with reimbursement of monthly expenses for fuel and repairs.

13. Mobile: Mobile bills will be reimbursed by the Company.

14. Leave: Leave with full pay and allowance in accordance with rules and regulations in the Company in force from time to time.

15. Leave encashment: In accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term of this Agreement.

16. Other Benefits: Benefits under loan and other schemes in accordance with practices, rules and regulations in force in the Company from time to time. Such other benefits and amenities as may be provided by the Company from time to time to other officers and managers of the Company.

- (3) Recognition or awards: None

- (4) Job Profile and his suitability:

To manage the affairs of the Company under superintendence and control of Board of Directors.

Mr. Shirang Belgaonkar has rich experience and deep knowledge about Specialty Chemicals and has immensely contributed to the growth of the Company by his incisive and broad based knowledge of Specialty Chemicals industry.

- (5) Remuneration proposed: As stated above.

- (6) Comparative remuneration, profile with respect to industry, size of the company, profile of the position and persons:

Mr. Shirang Belgaonkar has contributed immensely to the growth of the Company. The Nomination and Remuneration Committee and the Board after taking into account financial position, trend in the industry, his qualification and experience find the proposed remuneration to the Wholetime Director to be comparable to the remuneration profile with respect to Specialty Chemical Industry, size of our Company and the profile of the Wholetime Director.



- (7) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Shrirang Belgaonkar jointly with Mrs. Devyani Belgaonkar and Mr. Nikhil Belgaonkar owns 0.09% of shares in the Company as of date. He does not have any pecuniary relationship with the Company other than the remuneration drawn as a Wholetime Director of the Company. He is not related to any managerial person of the Company.

### III. OTHER INFORMATION

- (1) Reasons of loss or inadequate profits:

There were number of increases in key Raw Material Prices and changes in landed costs, caused by adverse foreign exchange rates. Company had undertaken Plant Shutdown for implementing Safety Standards and for upgrading the Plant.

- (2) Steps taken or proposed to be taken for improvement:

Company has upgraded its production processes, installed balancing equipment for increased production.

With higher production, Company expects to lower per unit production cost including economy in Oil & Fuel costs and achieve better economy of scale in general.

- (3) Expected increase in productivity and profits in measurable terms:

Company expects a growth in Specialty Chemicals tonnage because of increased capacity, and efficiency and reduced energy cost.

### IV. DISCLOSURES

The remuneration package of the Managerial Person is as disclosed in the Explanatory Statement to Special Resolution.

The shareholders' approval is sought for the terms and conditions of payment of remuneration to Mr. Shrirang Belgaonkar as the Wholetime Director of the Company.

The agreement entered between the Company and Mr. Belgaonkar is available for inspection at the Registered Office of the Company during business hours on any working days upto the date of AGM.

Except Mr. Shrirang Belgaonkar, none of the Directors and

Key Managerial Personnel and their relatives is interested in the resolution.

The Board of Directors recommends the above resolution as a Special Resolution.

### Item No. 10

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee at their meeting held on 23<sup>rd</sup> May 2015 have, in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in the AGM and that of the Central Government, if required under the provisions of the Companies Act, 2013 ("the Act"), sought to appoint Mr. Manoj Khullar as Managing Director, for a period of 3 (Three) years, effective from 1<sup>st</sup> July 2015.

Mr. Manoj Khullar is a B.E. (Chemical Engineering) and M.B.A. from Rotterdam School of Management. Mr. Khullar has a work experience of over 20 years. He started his career by joining Lurgi AG as a Trainee Engineer. After two years he joined Nalco Chemical India (Nalco) in the capacity as Area Manager (Specialty Chemicals) – North & East India. After working with Nalco for four years, he joined Honeywell Specialty Materials as Business Manager (Fluorine Products) – South Asia. Before joining Solvay Group, he was working with Jubilant Life Sciences Limited as a Growth Unit Head (Nutritional Intermediates) for 7 years. He has vast experience in the areas of technical, manufacturing and marketing. Mr. Manoj Khullar has been the Director of the Company since 27<sup>th</sup> December 2012. Mr. Manoj Khullar is India head of Novacare business of Solvay Group.

Mr. Manoj Khullar being Managing Director and employee of Rhodia Specialty Chemicals India Limited will receive remuneration from Rhodia Specialty Chemicals India Limited. He will draw remuneration of ₹ 1000/- (Rupees One Thousand Only) per month from the Company.

The following is the statement of information for the Shareholders pursuant to Section II of Part II of Schedule V of the Act.

#### I. GENERAL INFORMATION:

- Nature of Industry : Specialty Chemicals
- Date of Commencement of Commercial Production : 17<sup>th</sup> October 1987

c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

d. Financial performance based on given indicators

(₹ In Lacs)

Particulars	Financial year 2012-13	Financial year 2013-14	Financial year 2014-15
Total Income	10550.16	13402.73	11969.07
Total Expenses	10440.12	12863.92	12360.55
Net Profit for the period	84.23	(40.46)	(318.34)
Basic EPS (₹)	1.15	(0.55)	(4.33)

e. Export performance and net foreign exchange collaborations: Export performance in the financial year 2014-15 was ₹ 6509.22 Lacs as compared to ₹ 7785.56 Lacs in 2013-14. Company does not have any foreign collaboration.

f. Foreign Investments or collaborators, if any: Rhodia Amines Chemicals Pte. Ltd. Singapore, part of Solvay S.A. group, holds 62.36% Equity Shares in the Company.

## II. INFORMATION ABOUT THE APPOINTEE

a. Background details:

Mr. Manoj Khullar is a B.E. (Chemical Engineering) and M.B.A. from Rotterdam School of Management. Mr. Khullar has a work experience over 20 years. He started his career by joining Lurgi AG as a Trainee Engineer. After two years he joined Nalco Chemical India (Nalco) in the capacity as Area Manager (Specialty Chemicals) – North & East India. After working with Nalco for four years, he joined Honeywell Specialty Materials as Business Manager (Fluorine Products) – South Asia. Before joining Solvay Group, he was working with Jubilant Life Sciences Limited as a Growth Unit Head (Nutritional Intermediates) for 7 years. He has vast experience in the areas of technical, manufacturing and marketing.

b. Past Remuneration: Nil

c. Recognition or awards: None

d. Job Profile and his suitability:

The Board of Directors is of the opinion that Mr. Manoj Khullar's experience will be of immense use to the Company to achieve growth in future. He shall be responsible for the management of the affairs of the Company.

e. Remuneration proposed: ₹ 1000/- (Rupees One Thousand Only) per month.

f. Comparative remuneration, profile with respect to industry, size of the company, profile of the position and persons:

The Nomination and Remuneration Committee and the Board after taking into consideration provisions of Schedule V to the Act, has recommended payment of remuneration of ₹ 1000/- (Rupees One Thousand Only) per month, since Mr. Manoj Khullar is already drawing remuneration from Rhodia Specialty Chemicals India Limited as Managing Director on the limits approved by the Shareholders of the Rhodia Specialty Chemicals India Limited.

g. Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Nil

## III. OTHER INFORMATION

a. Reasons of loss or inadequate profits:

There were number of increases in key Raw Material Prices and changes in landed costs, caused by adverse foreign exchange rates. Company had undertaken Plant Shutdown for implementing Safety Standards and for upgrading the Plant.

b. Steps taken or proposed to be taken for improvement:

Company has upgraded its production processes, installed balancing equipment for increased production.

With higher production, Company expects to lower per unit production cost including economy in Oil & Fuel costs and achieve better economy of scale in general.

c. Expected increase in productivity and profits in measurable terms:

Company expects a growth in Specialty Chemicals tonnage because of increased capacity, and efficiency and reduced energy cost.

#### IV. DISCLOSURES

The remuneration package of the Managerial Person is as disclosed in the Explanatory Statement to Special Resolution.

In accordance with provisions of Section 196, 197, 203 and other applicable provisions of the Act and rules made thereunder, read with Schedule V of the Act shareholders' approval is sought for appointment of Mr. Manoj Khullar as Managing Director.

The agreement entered between the Company and Mr. Manoj Khullar is available for inspection at the Registered Office of the Company during business hours on any working days of the Company upto the date of AGM.

Except Mr. Manoj Khullar, none of the Directors and Key Managerial Personnel and their relatives is interested in the resolution.

The Board of Directors recommends the above resolution as a Special Resolution.

##### Item No. 11

Section 188 (1) (f) of the Companies Act, 2013 ("the Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 state that prior approval of the shareholders must be obtained for appointment to any office or place of profit in the Company, its subsidiary Company or associate Company if monthly remuneration exceeds Rupees Two Lacs Fifty Thousand.

In terms of Section 197 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 any payment to Mr. Satish Kelkar, non-executive Director except meeting fees would require approval of the shareholders.

The Audit Committee and Board of Directors of the Company at its meeting held on 23<sup>rd</sup> May 2015, subject to the approval of the members, appointed Mr. Satish Kelkar, Director to office/ place of Profit in the Company with effect from 1<sup>st</sup> October 2015 for a period of one year on a remuneration of ₹ 2,20,000/- (Rupees Two Lacs Twenty Thousand only) per month plus provision of bonus payment, reimbursement of expenses.

Mr. Satish Kelkar is B.Sc. from Mumbai University and has Master's Degree in Management Studies (MMS). He has experience of more than three decades in the business of manufacturing and marketing of Specialty Chemicals, Anti-oxidants, Surfactants and other Ethylene Oxide Condensates having been connected with Sunshield

Chemicals Limited. He is the past president of Indian Specialty Chemicals Manufacturers Association (ISCMA). He was working as Managing Director of the Company from April 1992 to September 2007 and has managed the Company in difficult situations and severe competition in the Industry.

The particulars of the contracts with Mr. Satish Kelkar are as under:

Particulars	Information
Name of the Related Party	Mr. Satish Kelkar
Name of Director(s) or Key Managerial Personnel who is related	None
Nature of Relationship	Mr. Satish Kelkar is a Director in the Company
The nature, material terms, monetary value and particulars of the contract or arrangement	<p>Mr. Satish Kelkar shall advise and assist the Company in all matters pertaining to business activity of the Company, with emphasis on marketing and sales.</p> <p>Consultancy Fee: Advisor will be paid an consultancy fee of ₹ 2,20,000/- (Rupees Two Lacs Twenty Thousand only) per month exclusive of service tax applicable, if any.</p> <p>Bonus: In addition to the consultancy fee as stated above, Advisor shall be eligible for a bonus that can range between 0 (zero) % and 20 (twenty) % of the consultancy fee, depending on the level of achievement of the financial results of the company. A "target" bonus of upto 10 (ten) % would be payable if the company meets its set financial budget. It is understood for the purpose of this agreement that no bonus would be paid if the</p>

Particulars	Information
	<p>Company does not meet its set financial targets, and a bonus of upto 20% would be paid if the financial results of the Company are at least 20% higher than the set budget. It is noted that the payment of the bonus if any is at the sole discretion of the Management of the Company. The bonus shall be paid to Advisor on the basis results of the Company for the calendar year 2016. Bonus as stated above shall be paid in the month of January 2017 irrespective of the Agreement is in existence or not.</p> <p>Re-imbursements: Charges for one mobile connection used by Advisor shall be borne by the Company. For the aforesaid purpose, Advisor shall inform the details of mobile connection to the Company.</p> <p>Company shall also reimburse reasonable petrol expenses incurred by Advisor to cover visits to plant of the Company and its customers.</p> <p>Local entertainments bills of Advisor shall be reimbursed by the Company subject to prior approval of General Manager, Novocare India, Solvay Group.</p> <p>The Company shall arrange for overseas travel of Advisor subject to prior approval of General Manager, Novocare India, Solvay Group.</p> <p>The payment shall be made within a period of 30 days from the receipt of the bill from Advisor.</p> <p>Payment of consultancy fee and</p>

Particulars	Information
	bonus shall be subject to deduction of tax at source at the rates applicable from time to time under the provisions of the Income Tax Act, 1961.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The draft of the Agreement to be entered into by the Company with Mr. Satish Kelkar is available for inspection at the Registered Office of the Company during business hours on working days of the Company upto the date of AGM.

The Company will continue to be vastly benefited from the professional capabilities and varied experience of Mr. Satish Kelkar.

Except Mr. Satish Kelkar, none of the Directors and Key Managerial Personnel and their relatives is interested in the resolution.

The Board of Directors recommends the above resolution as a Special Resolution.

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

**Amit Kumashi**  
Company Secretary

Mumbai, 15<sup>th</sup> July 2015

Phoenix House,  
'A' Wing, 4<sup>th</sup> Floor,  
462, Senapati Bapat Marg,  
Lower Parel (West), Mumbai - 400013.

## Profile of the Director being re-appointed as required under clause 49 of the Listing Agreement entered with Stock Exchange

Name : **Mr. Manoj Khullar**

Mr. Manoj Khullar is a B.E. (Chemical Engineering) and M.B.A. from Rotterdam School of Management. Mr. Khullar has a work experience over 20 years. He has vast experience in the areas of technical, manufacturing and marketing. Mr. Manoj Khullar has been the Director of the Company since 27<sup>th</sup> December 2012. Mr. Manoj Khullar is due to retire by rotation at the forthcoming AGM of the Company and being eligible, offers himself for re-appointment.

He is holding directorship in the following Indian Companies:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Hindustan Gum and Chemicals Limited	Alternate Director	Nil
2.	Rhodia Specialty Chemicals India Limited	Managing Director	Audit Committee Stakeholders Relationship Committee

Mr. Manoj Khullar does not hold any shares in the Company.

Name : **Mr. Satish Kelkar**

Mr. Satish Kelkar is a B.Sc. from Mumbai University and has Masters' Degree in Management Studies (MMS).

Mr. Satish Kelkar has experience of more than three decades in the business of manufacturing and marketing of Specialty Chemicals, Anti-oxidants, Surfactants and other Ethylene Oxide, Condensates having been connected with Sunshield Chemicals Limited. He is the past president of Indian Specialty Chemicals Manufacturers Association (ISCMA).

Mr. Satish Kelkar was named as one of the Directors of the Company at the time of incorporation of the Company. In the year April 1992 Mr. Satish Kelkar was appointed as Managing Director of the Company. He was working as Managing Director of the Company from April 1992 to September 2007. Mr. Satish Kelkar continues to be Director of the Company. Mr. Satish Kelkar is due to retire by rotation at the forthcoming AGM of the Company and being eligible, offers himself for re-appointment.

He is holding directorship in the following Indian Companies:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Mazda Colours Limited	Director	Nil

He is holding 57,919 (0.79%) Equity Shares of ₹ 10/- each in the Company.



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 28<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2015:

### 1. OVERVIEW OF FINANCIAL RESULTS

Highlights of Company's performance during the financial year 2014-15, is as under:

(₹ In Lac)

	2014-15	2013-14
Export Sales	6509	7786
Domestic Sales (Net of Excise Duty)	5346	5547
Other Operating Income	45	32
Revenue from Operations	11900	13365
Other Income	69	38
<b>Total Income</b>	<b>11969</b>	<b>13403</b>
Less : Materials Consumed	8627	9594
Employees Remuneration & Benefits	629	499
Manufacturing, Administrative, Selling & Other Expenses	2428	2184
<b>Total Expenses</b>	<b>11685</b>	<b>12277</b>
<b>Operating Profit (EBITDA)</b>	<b>285</b>	<b>1126</b>
Less: Finance Cost	349	357
<b>Profit Before Tax &amp; Depreciation (Cash Profit)</b>	<b>(64)</b>	<b>769</b>
Less: Depreciation	327	230
<b>Net Profit Before Tax</b>	<b>(391)</b>	<b>539</b>
Less: Tax Provision	(73)	579
<b>Net Loss after Tax</b>	<b>(318)</b>	<b>(40)</b>

### 2. MAJOR PLANT SHUTDOWN: For long-term sustainable site in India at Solvay Global Standards

A major Plant Shutdown was undertaken for upgradation of plant for a period of 103 days beginning with 15<sup>th</sup> December 2014 and ending on 28<sup>th</sup> March 2015.

During the shutdown period, the Company had taken up major CAPEX Plan of ₹ 40.17 crores - a rise of about 113% from ₹ 36.71 crores in 2013-14 to ₹ 78.31 crores in 2014-15.

In view of the above, performance of current year could not see an upward trend compared to previous year.

However, the upgradation after the Shutdown has achieved the following long-term strengths:

- Solvay Global Standards of Safety with respect to storage and handling of Ethylene Oxide and other related products.
- Higher capacity of Electrical Transformer makes the site further expandable.
- Change from Manual Control System to Distributed Control System – Automation.
- Higher storage capacity of Ethylene Oxide Condensates (EOC) products.
- Improved quality control and development laboratories.

### 3. DIVIDEND

In view of losses, the Board of Directors does not recommend any dividend for the year ended 31<sup>st</sup> March 2015.

### 4. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹ 7.35 Crores. During the year under review, the Company has not issued new shares.

## 5. MANAGEMENT'S DISCUSSION AND ANALYSIS : F.Y. 2014-2015

### (Pursuant to Clause 49 of the Listing Agreement with BSE Limited)

The Company is operating only in one Segment, namely '**Specialty Chemicals**'.

#### I. Industry Structure & Development :-

Your Company manufactures a wide range of specially formulated and customized products for various Industrial applications. Company's customers are well recognized and located not only in India but all over the World especially in the America, Europe, and Far-East.

Our customers represent a wide range of Industries such as 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.

Customers are always expanding and they want to upgrade their products and all these improvements need Company's R&D and niche formulation and application knowledge & experience. Solvay represents this worldwide knowledge base in specialty chemicals supporting the Sunshield team.

Company's main products belong to:

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

A number of Surfactants and specialty chemicals formulated by the Company depend on EO, which is

currently commercially produced and sold in India by only one Supplier. However the supplier has 3 independent production sites viz., at Nagothane, Baroda and Dahej. This multi-location option, gives a reasonable dependability of EO supplies for the Company. Managing logistics of EO procurement is a key factor of operations.

In recent upgradation at our factory, the storage capacity of EO is increased by over 40%. In addition, the site has been upgraded to Solvay global standards of Environment, Health, safety and efficiency.

Solvay is actively involved in planning and implementing the current CAPEX through its worldwide professional teams for Products and Project development. The Company now has its Rasal production site upgraded to Solvay standards of safety and efficiency for a multi-product niche specialty product range.

#### II. Operating and Financial Performance of the Company

(₹ In Lacs)

	F.Y. 2014-2015	F.Y. 2013-2014
i) Exports	6509	7786
ii) Domestic	6077	6128
iii) Processing Charges	107	111
iv) Other Operating Income	45	32
Gross Sales	12738	14057
Less: Excise Duty	838	692
<b>Net Sales</b>	<b>11900</b>	<b>13365</b>
<b>Net Loss after Tax</b>	<b>(318)</b>	<b>(40)</b>

The Sales in Value terms went down by 11%. Export Sales went down by 16% from ₹ 7786 Lacs to ₹ 6509 Lacs and domestic Sales went down by 1% from ₹ 6128 Lacs in 2013-14 to ₹ 6077 Lacs in 2014-15.

EBIDTA was down by 75% at ₹ 285 Lacs in the year 2014-15 against EBIDTA of ₹ 1126 Lacs in the previous year.

Finance Cost came down from ₹ 357 Lacs in 2013-14 to ₹ 349 Lacs in 2014-15, a drop of 2% over that of previous year.

Cash profit (Profit before Tax & Depreciation) went down by 108% from ₹ 769 Lacs in the year 2013-14 to loss of ₹ 64 Lacs in the year 2014-15.

The above adverse performance is mainly on account of major shutdown of 103 days as detailed earlier.

### III. Outlook

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.

Now that Sunshield is a Solvay group Company with access to management, goodwill and global customer base, it is accepted as efficient and dependable global supplier and provides service worldwide.

With the implementation of Capex plan of ₹ 40.17 crores during 2014-15, the Company has a very positive out-look for growth in exports as also domestic.

### IV. Risks and Concerns

- i. Slowdown in world economies, affect demand from user industry specifically in Europe.
- ii. Lower overall demand, can bring pressures all over and the aggressive pricing can cause concerns about margins.

### V. Internal Control System and its adequacy

During the year, no significant internal control issue was identified. Internal checks and controls appropriate to growing size of the Company's business, is being put in place.

### VI. Human Resources

Employee relationships at all levels continued to be satisfactory. The management would like to record its appreciation of dedicated and strong support provided to your Company, by its employees at all levels. The number of employees on rolls as on 31<sup>st</sup> March 2015 is 106.

**(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.)**

### 6. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business.

The Board met four times in the financial year 2014-15 i.e on 23<sup>rd</sup> May 2014, 12<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 13<sup>th</sup> February 2015.

### 7. BOARD COMMITTEES

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed Corporate Social Responsibility Committee, Risk Management Committee and Committee for issue of Duplicate Share Certificates. There are currently six Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Committee for Issue of Duplicate Share Certificates

Details of all the Committees are provided in the "Report on Corporate Governance", a part of this Annual Report.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **9. FRAUD REPORTING BY AUDITORS**

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

## **10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

## **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provision of the Companies Act, 2013 Mr. Manoj Khullar and Mr. Satish Kelkar, Directors of the Company, retire by rotation and being eligible, offer themselves, for re-appointment. The profiles of the Directors seeking re-appointment form part of the Annexure to the Notice.

Mr. Michel Ybert, Mr. Suresh Talwar resigned as Directors with effect from 14<sup>th</sup> November 2014 and 16<sup>th</sup> February 2015 respectively. Your Directors place on record their sincere appreciation of the valuable contribution made by them during their tenure as Directors of the Company.

The Board of Directors appointed Ms. Sze Wee Ong and Mr. Arun Roy as Additional Directors with effect from 14<sup>th</sup> November, 2014 and 1<sup>st</sup> July 2015 respectively. The Board of Directors appointed Mr. Ranjal Laxmana Shenoy as an Additional Director to hold office as an Independent Director of the Company with effect from 20<sup>th</sup> March 2015.

Ms. Ong, Mr. Roy and Mr. Shenoy hold office of Director upto the date of the forthcoming Annual general meeting of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature each of Ms. Ong, Mr. Roy and Mr. Shenoy for the office of Director of the Company.

During the year, Mr. Guo Lin ceased to be Alternate Director to Mr. Michel Ybert with effect from 14<sup>th</sup>

November, 2014. He was appointed as an Alternate Director to Ms. Sze Wee Ong under the Companies Act, 2013 with effect from the same date.

Details of the proposal for appointment of Ms. Sze Wee Ong, Mr. Ranjal Laxmana Shenoy, Mr. Arun Roy and Mr. Manoj Khullar are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 28<sup>th</sup> Annual General Meeting.

The Board of Directors in their meeting held on 23<sup>rd</sup> May 2015, accepted the resignation of Mr. Shrirang Belgaonkar, Wholetime Director with effect from 30<sup>th</sup> June 2015. Your Directors place on record their sincere appreciation of the contribution made by him during his tenure as a member of the Board.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee at their meeting held on 23<sup>rd</sup> May 2015 have, sought to appoint Mr. Manoj Khullar as Managing Director, for a period of 3 (Three) years, effective from 1<sup>st</sup> July 2015. The Board seeks members' approval for appointment of Mr. Manoj Khullar as Managing Director of the Company.

None of the Directors is disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

The Company has recognized Mr. Manoj Khullar, Managing Director, Mr. Rajeev Gupte Chief Financial Officer and Mr. Amit Kumashi Company Secretary of the Company as Key Managerial Personnel as required under Section 203 of the Companies Act, 2013.

### 12. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees.

### 13. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

#### REMUNERATION POLICY

##### Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Wholetime Director and other Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to non-executive directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Wholetime Director. Salary is paid within the range approved by the Shareholders. Annual increments effective 1<sup>st</sup> January each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.



Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

### **Key Managerial Personnel and Other Employees**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

### **CRITERIA FOR BOARD MEMBERSHIP**

Directors

The Company shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.

- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Director

Independent Director is a director who has no direct or indirect material relationship with Sunshield or any of its officers, other than as a director or shareholder of Sunshield.

Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered into with BSE Limited.

## **14. RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY**

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.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

## **15. VIGIL MECHANISM**

The Company has established a vigil mechanism named as Whistle Blower Policy within the Company. The policy of such mechanism has been circulated to all employees within the Company, which provides a framework to the employees for guided & proper utilization of the mechanism. The Whistle Blower

Policy has been published on the Company's website <http://www.solvayindia.in/en/solvay-in/sunshield-chemical-limited>. There have been no instances of any personnel seeking access to the Audit Committee.

### 16. AUDITORS

#### Statutory Auditors

The Statutory Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, hold office for a term of Five (5) years subject to ratification by members at every Annual General Meeting. Accordingly, a Resolution seeking Member's ratification for the appointment of M/s. Deloitte Haskins & Sells LLP is included at Item No. 4 of the Notice convening the Annual General Meeting.

They have issued necessary certificate as required under Section 141 of the Companies Act, 2013.

#### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountant as the Cost Auditor of the Company for the financial year 2014-15.

Cost Audit Report for the year 2013-14 was filed with the Ministry of Corporate Affairs on 12<sup>th</sup> August 2014 in XBRL format. Cost Audit Report for the financial year 2014-15 shall be filed with the Ministry of Corporate Affairs within 180 days from the closure of the financial year i.e. on or before 27<sup>th</sup> September 2015.

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alwyn D'Souza & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is

annexed herewith as Annexure A. The Report does not contain any qualification, reservation or adverse remark.

#### Internal Audit

M/s. Nikhil Narkar & Associates, Chartered Accountants has been appointed as Internal Auditor of the Company.

### 17. COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Deloitte Haskins & Sells LLP, Statutory Auditors, in their report and by Mr. Alwyn D'souza, Company Secretary in Practice, in his secretarial audit report.

### 18. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure B.

### 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any loans, Guarantees or made investments under Section 186 of the Companies Act, 2013

### 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

During the financial year 2014-15, Company has entered into transactions with related parties, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note

27.9 to the financial statements forming part of this Annual Report.

The Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure C.

## **21. CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR policy of the Company and Annual Report on CSR activities is annexed herewith as Annexure D.

## **22. FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year.

## **23. 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.

## **24. 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 E.

## **25. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required by Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, is annexed herewith as Annexure F to this Report.

## **27. CORPORATE GOVERNANCE REPORT**

The Corporate Governance Report for the financial year 2014-15 is set out as a separate Annexure to this Report. Certificate from the Practicing Company Secretary, certifying, compliance with Clause 49 of the Listing Agreement with the Stock Exchange in respect of Corporate Governance is annexed to the Report on Corporate Governance.

## **28. ENVIRONMENT, HEALTH AND SAFETY**

Your Company recognizes importance of Health and Safety of its employees and its neighborhood. Regular Safety Audits are being conducted. Your Company has adopted a Health, Safety and Environment (HSE) Policy, which applies to all employees and activities.

## **29. 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.

**For and On Behalf of the Board of Directors**

**R L Shenoy**  
**Chairman**

Mumbai, 15<sup>th</sup> July 2015

**Annexure A to Directors Report**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

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

To  
The Members,  
**Sunshield Chemicals Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Sunshield Chemicals Limited (hereinafter called "the Company") as stated herein below.

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on our verification of the Company's statutory books, legal 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, 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.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained, by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including their amendments:-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client),

We have also examined compliance of the following to the extent applicable:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange and National Stock Exchange, with respect to the Company's listing of its securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge.

**We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Board decisions are recorded without recording any dissent by any member of the Board, and based on the Minutes there is no reason to believe that the Board resolutions were dissented upon by any Board member/(s).

**We further report that** there are systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines that pertain to the business operations of the Company.

**We further report that** during the audit period, the Company has, with the approval of shareholders, altered its Articles of Association and increased borrowing limits by the Board in accordance with the provisions of the Companies Act, 2013.

Place : Mumbai

Date : 23<sup>rd</sup> May, 2015

Office Address :

Annex-103, Dimple Arcade,

Asha Nagar, Kandivli (E),

Mumbai 400101.

**ALWYN D'SOUZA & Co.,**

Company Secretaries

**[Alwyn P D'souza, FCS.5559]**

[Proprietor]

Certificate of Practice No.5137



## Annexure B to Directors Report

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### FORM NO. MGT - 9

#### 1. REGISTRATION AND OTHER DETAILS

CIN	L99999MH1986PLC041612
Registration Date	19 <sup>th</sup> November 1986
Name of The Company	Sunshield Chemicals Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Phoenix House, A Wing, 4 <sup>th</sup> Floor, 462, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 Tel : 022 – 66637100 Fax: 022 - 24952834 Website: www.solvayindia.in E-mail: investor.sunshield@solvay.com
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any.	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Tel : 022 – 66568484 Fax: 022 – 66568494 Website: www.tsrdarashaw.com E-mail. : csg-unit@tsrdarashaw.com

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:**

Name and Description of main products	NIC Code of the Product / service	% to total turnover of the Company
SUN THEIC	2011	36%

#### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Rhodia Amines Chemicals Pte Ltd. 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315	Foreign Company	Holding	62.36	2(46)

#### 4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e 01.04.2014				No. of shares held at the end of the year i.e 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (1A)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
a) Other Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	45,85,196	-	45,85,196	62.36	45,85,196	-	45,85,196	62.36	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (2A)</b>	<b>45,85,196</b>	-	<b>45,85,196</b>	<b>62.36</b>	<b>45,85,196</b>	-	<b>45,85,196</b>	<b>62.36</b>	-
<b>Total Shareholding of Promoter (A)=(A1)+(A2)</b>	<b>45,85,196</b>	-	<b>45,85,196</b>	<b>62.36</b>	<b>45,85,196</b>	-	<b>45,85,196</b>	<b>62.36</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	700	700	0.01	-	700	700	0.01	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Central Govt.		200	200	0.00		200	200	0.00	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

**4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**i) Category-wise Share Holding cont.**

Category of Shareholders	No. of shares held at the beginning of the year i.e 01.04.2014				No. of shares held at the end of the year i.e 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign	-	-	-	-	-	-	-	-	-
i) Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B1)</b>	<b>-</b>	<b>900</b>	<b>900</b>	<b>0.01</b>	<b>-</b>	<b>900</b>	<b>900</b>	<b>0.01</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1,96,418	22,000	2,18,418	2.97	1,45,233	22,000	1,67,233	2.27	-0.70
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Shareholders holding nominal share capital upto ₹ 1Lac	13,52,265	1,73,005	15,25,270	20.74	13,16,152	1,66,165	14,82,317	20.16	-0.58
ii) Individual shareholders holding nominal share capital in excess of ₹1Lac	9,08,197	-	9,08,197	12.35	10,44,069	-	10,44,069	14.20	1.85
c) Others - Director & Their Relatives	1,15,079	-	1,15,079	1.57	73,345	-	73,345	1.00	-0.57
<b>Sub-total (B2)</b>									
<b>Total Public Shareholding (B)=(B1)+(B2)</b>	<b>25,71,959</b>	<b>1,95,905</b>	<b>27,67,864</b>	<b>37.64</b>	<b>25,78,799</b>	<b>1,89,065</b>	<b>27,67,864</b>	<b>37.64</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A)+(B)+(C)</b>	<b>71,57,155</b>	<b>1,95,905</b>	<b>73,53,060</b>	<b>100</b>	<b>71,63,995</b>	<b>1,89,065</b>	<b>73,53,060</b>	<b>100</b>	<b>0.00</b>

**ii) Shareholding of Promoters**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
Rhodia Amines Chemicals Pte Ltd.	45,85,196	62.36	Nil	45,85,196	62.36	Nil	Nil
<b>TOTAL</b>	<b>45,85,196</b>	<b>62.36</b>	<b>Nil</b>	<b>45,85,196</b>	<b>62.36</b>	<b>Nil</b>	<b>Nil</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year-	No change during the year			
Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / equity etc.)	No change during the year			
At the end of the year	No change during the year			

**iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Asha Mukul Agrawal	150,000	2.04	184,913	2.51
Dipak Kanayalal Shah	147,000	2.00	153,000	2.08
Lincoln P Coelho	80,000	1.09	80,000	1.09
Neepe K Shah	37,854	0.51	66,437	0.90
Kamlesh Navinchandra Shah	55,240	0.75	55,240	0.75
Navinchandra S Shah	0	0.00	51,028	0.69
Ashok Pandurang Patharkar	50,518	0.69	50,518	0.69
Bipin Vadilal Gosalia	33,153	0.45	35,153	0.48
Dhaval Naresh Gosalia	16,171	0.22	26,171	0.36
Medha Dattatreya Dhavale	0	0.00	23,888	0.32

## v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Shrirang Belgaonkar, Wholetime Director					
At the beginning of the year		13,929	0.19	-	-
Date wise increase / decrease in Shareholding Specifying the reasons for increase / decrease					
12.06.2014	Transferred to Mr. Nikhil Belgaonkar	(4900)	0.06	9029	0.12
23.09.2014	Sold in Open Market	(1,000)	0.01	8029	0.01
09.12.2014		(500)	0.01	7529	0.01
At the end of the year		7,529	0.10	-	-
Mr. Satish Kelkar, Director					
At the beginning of the year		98678	1.34	-	-
Date wise increase / decrease in Shareholding specifying the reasons for increase / decrease					
26-05-2014	Sold in Open Market	(4,000)	0.05	94,678	1.29
23-06-2014		(7,000)	0.10	87,678	1.19
24-06-2014		(1,314)	0.02	86,364	1.17
15.09.2014		(10,000)	0.14	76,364	1.04
16.09.2014		(2,000)	0.03	74,364	1.01
10.03.2015		(3,000)	0.04	71,364	0.97
11.03.2015		(210)	0.00	71,154	0.97
12.03.2015		(1,000)	0.01	70,154	0.95
13.03.2015		(369)	0.01	69,785	0.95
16.03.2015		(431)	0.01	69,354	0.94
17.03.2015		(2,600)	0.04	66,754	0.91
18.03.2015		(1,411)	0.02	65,343	0.89
19.03.2015		(1,749)	0.02	63,594	0.86
At the end of the year		63,594	0.86	-	-



Note: None of the other Directors hold any shares in the Company apart from above.  
 In respect of Mr. Belgaonkar shareholding, he holds shares jointly with his Spouse and Son  
 In respect of Mr. Kelkar shareholding, he holds shares jointly with his Spouse.

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Rajeev Gupte, Chief Financial Officer</b>				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat etc.)	-	-	-	-
At the end of the year	-	-	-	-
<b>Mr. Amit Kumashi, Company Secretary</b>				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat etc.)	-	-	-	-
At the end of the year	-	-	-	-

## 5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ In Lacs)

	Security Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	5466.40	-	5466.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	17.18	-	17.18
Total (I+II+III)	-	5483.58	-	5483.58
Change in indebtedness during the financial year	-		-	
Addition	-	1904.51	-	1904.51
Reduction	-	-	-	-
Net Change	-	1904.51	-	1904.51
Indebtedness at the end of the financial year	-		-	
i) Principal Amount	-	7333.64	-	7333.64
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-	54.46	-	54.46
<b>Total(i+ii+iii)</b>	-	<b>7388.10</b>	-	<b>7388.10</b>

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and and/or Managers:**

₹ in Lacs

Sl. No.	Particulars of Remuneration	Mr. Shrirang Belgaonkar Wholetime Director	Total Amount
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33.77	33.77
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission As % of profit	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	33.77	33.77

**B. Remuneration to other Directors:**
**1. Independent Director**

₹ in Lacs

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Yogesh Thar	Mr. Sanjeev Mukerjee	Mr. Suresh Talwar *	Mr. R. L. Shenoy #	
Fee for attending Board/Committee meetings	2.80	3.60	3.00	Nil	9.40
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (B) (1)					9.40

 \* Mr. Suresh Talwar resigned as Director with effect from 16<sup>th</sup> February 2015

 # Mr. R L Shenoy was appointed as Director with effect from 20<sup>th</sup> March 2015

## 2. Other Non-Executive Director

₹ in Lacs

Particulars of Remuneration	Name of Directors	Total Amount
	Mr. Satish Kelkar	
Fee for attending Board/Committee meetings	2.80	2.80
Commission	Nil	Nil
Others – Advisor Fees	24.00	24.00
Total (B) (2)		26.80
Total (B) = (B)(1) + (B)(2)		36.20

Note: Other Non-executive Directors of the Company are not paid any remuneration

## C. Remuneration to Key Managerial personnel other than MD/Manager/WTG

₹ in Lacs

Particulars of Remuneration	Key Managerial Personnel		
	Company Secretary	Chief Financial Officer	Total
Gross Salary			
a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	8.94	11.06	20.01
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission - as % of profit	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil
<b>Total</b>	<b>8.94</b>	<b>11.06</b>	<b>20.01</b>

**7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

## Annexure C to Directors Report

Form No. AOC-2

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

### 1. Details of contracts or arrangements or transactions not at arm's length basis

a Name(s) of the related party and nature of relationship	NA
b Nature of contracts/arrangements/transactions	
c Duration of the contracts / arrangements/transactions	
d Salient terms of the contracts or arrangements or transactions including the value, if any	
e Justification for entering into such contracts or arrangements or transactions	
f date(s) of approval by the Board	
g Amount paid as advances, if any:	
h Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

### 2. Details of material contracts or arrangement or transactions at arm's length basis

a Name(s) of the related party and nature of relationship	Refer Note
b Nature of contracts/arrangements/transactions	
c Duration of the contracts / arrangements/transactions	
d Salient terms of the contracts or arrangements or transactions including the value, if any	
e date(s) of approval by the Board	
f Amount paid as advances, if any:	

Note:

There were no transactions with related parties which qualify as material transactions under the Listing Agreement. The details of the related party transactions for the financial year 2014-15 are set out in Note 27.9 to the financial statements forming part of this Annual Report.

**For and On Behalf of the Board of Directors**

**R L Shenoy**  
Chairman

Mumbai, 15<sup>th</sup> July 2015



## Annexure D to Directors Report

### Annual Report on Corporate Social Responsibility Activities

as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

The Company has developed CSR Policy.

Web-link to CSR Policy:

<http://www.solvayindia.in/en/binaries/CSR%20Policy-222342.pdf>

2. The Composition of the CSR Committee:  
Mr. Yogesh Thar, Mr. Shrirang Belgaonkar and Mr. Manoj Khullar
3. Average net profit of the Company for last three financial years:  
₹ 27,385,067/-
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):  
₹ 5,47,701/-
5. Details of CSR spend during the financial year:
  - a) Total amount to be spent for the financial year:  
₹ 2500/-
  - b) Amount unspent, if any: ₹ 5,45,201/-
  - c) Manner in which the amount spent during the financial year

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise	Amount spent on the projects or programmes (1) Direct expenditure on programmes or projects (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Directly or Through Implementing Agency
1	Donation to Armed Forces Flag Day Fund	Measures for the benefit of armed forces veterans, war widow and their dependents	State: Maharashtra	₹ 2,500	Direct Expenditure: ₹ 2,500	₹ 2,500	Direct: ₹ 2,500

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The Company was looking for CSR activity which could help the residents who are close to our factory at Rasal. The Company has since identified a project which will help the residents to get continuous water supply and has obtained a viability report thereon together with an estimate of costs. A project for health care, sanitation and making available safe drinking water qualifies under Schedule VII of the Companies Act, 2013. This project will commence in the fourth quarter of financial year 2015-16. The amount unspent during financial year 2014-15 will be carried forwarded to financial year 2015-16 for the purpose of completing the identified project.

For **Sunshield Chemicals Limited**

Shrirang Belgaonkar  
Wholetime Director

For and on behalf of the  
**Corporate Social Responsibility Committee of Sunshield Chemicals Limited**

Yogesh Thar  
Chairman of the Corporate Social Responsibility Committee

Mumbai, 23<sup>rd</sup> May, 2015

## Annexure E to the Directors Report

### Particulars of Employees

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2014-15 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2014-15	#Ratio of remuneration of Director to median remuneration of employees
1	Mr. Sanjeev Mukerjee Non-Executive Director	3.60	125%	1.02
2	Mr. Yogesh Thar Non-Executive Director	2.80	40%	0.80
3	Mr. Satish Kelkar Non-Executive Director	26.80	19%	7.57
4	Mr. Suresh Talwar Non-Executive Director	3.00	Refer Note	-
5	Mr. Shrirang Belgaonkar Wholetime Director	33.77	17%	9.54
6	Mr. Rajeev Gupte Chief Financial Officer	11.06	9%	3.12
7	Mr. Amit Kumashi Company Secretary	8.94	10%	2.53

Note:

Details not given as Mr. Suresh Talwar was Director only for part of financial year 2014-15 i.e upto 16<sup>th</sup> February 2015

# Sitting fees payable to non-executive directors were increased from ₹ 20,000/- to ₹ 40,000/- for meetings held from August 2014.

Other Non-executive Directors viz., Mr. Manoj Khullar, Mr. Ian Brown, Mr. Pierre Franck Valentin, Ms. Sze Wee Ong are not paid any remuneration from the Company.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 3.54 lacs per annum.
- iii. In the financial year, there was an increase of 12% in the median remuneration of employees.
- iv. There were 106 permanent employees on the rolls of Company as on 31<sup>st</sup> March 2015.

- v. The explanation on the relationship between average increase in remuneration and company performance:

The average increase in remuneration is not based on Company's performance alone, but also takes into consideration other factors like market benchmark data; the average increases being given by peer companies and overall budgetary impact within the Company.

- vi. Comparison of Remuneration of the Key Managerial Personnel (KMP) against the performance of the Company.

The average increase in remuneration is not based on Company's performance alone. Each KMP is granted salary 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.

- vii. 1. Variations in the market capitalisation of the Company: The market capitalisation as on 31<sup>st</sup> March 2015 was ₹ 23176.84 Lacs (₹ 11746.52 Lacs as on 31<sup>st</sup> March 2014).

2. Price Earnings Ratio is not applicable.

3. The Company had come out with Public offer in 1995 at the rate of ₹ 48 per share. The Market price of the Company as on 31<sup>st</sup> March 2015 was ₹ 315.20 per share.

- viii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable;

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

## **2. Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014**

During the year 2014-15 there were no employees whose particulars are to be given under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014.

## Annexure F 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:

i) Independent electrical metering and connected load ii) Substitution of use of electricity to the extent possible by steam iii) Co-ordination to optimize batch schedule. iv) Use of briquette as fuel. v) Installation of variable frequency drive at THEIC and utility sections to save power. vi) Installed LED light fits to save power. vii) Replacement of Main suction blower of our HOT belt unit, Installed 20 HP Motor instead of previous 30 HP motor with more suction capacity.

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

Running hours of 500 KVA Diesel Generator (DG) set by will be reduced by the installation of UPS system to protect critical equipments. This will avoid continuous running of DG.

c) The capital investment on energy conservation equipment:

Nil

#### TECHNOLOGY ABSORPTION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: N.A.

2. Benefits derived as a result of the above efforts: e.g. product improvement, cost reduction, product development, import substitution, etc.: N. A.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

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

4. Expenditure on R & D : (In ₹)

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

#### 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 Lacs)

	2014-15	2013-14
i) Total foreign exchange used	2876.82	2970.27
ii) Total foreign exchange earned	6509.22	7785.56



---

---

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Corporate Governance:

The Company is committed to produce and deliver quality products and services that meet or exceed its customers' needs.

The Company is committed to adopt the best practices in the area of Corporate Governance. It endeavors to ensure transparency in its operations to protect the interest of its stakeholders. The Company will continuously strive to bring about improvement in productivity, product range, cost effectiveness in its operations and quality improvements in its products, ensuring maintenance of adequate standards of health, safety and environment.

### 2. Board of Directors:

#### Composition

The Company's Board, comprises of nine Directors (excluding Alternate Directors) in conformity with the conditions for the composition of the Board, such as, at least One Woman Director and not less than 50% comprising Non-Executive directors. Mr. Ranjal Laxmana Shenoy is the Non-Executive Chairman and Mr. Shirang Belgaonkar is the Wholetime Director. Mr. Manoj Khullar, Mr. Satish Kelkar, Mr. Ian Brown, Mr. Pierre Franck Valentin, Ms. Sze Wee Ong are Non-Executive Directors. Mr. Yogesh Thar, Mr. Ranjal Laxmana Shenoy and Mr. Sanjeev Mukerjee are Non-Executive Independent Directors.

During the year following changes took place in the constitution of Board of Directors:

#### i) Resignation:

Mr. Michel Ybert and Mr. Suresh Talwar resigned as Directors with effect from 14<sup>th</sup> November, 2014 and 16<sup>th</sup> February 2015 respectively.

Mr. Guo Lin ceased to be Alternate Director to Mr. Michel Ybert with effect from 14<sup>th</sup> November, 2014.

#### ii) Appointments:

Ms. Sze Wee Ong and Mr. Ranjal Laxmana Shenoy were appointed as Additional Directors with effect from 14<sup>th</sup> November, 2014, and 20<sup>th</sup> March 2015 respectively.

Mr. Guo Lin was appointed as an Alternate Director to Ms. Sze Wee Ong with effect from 14<sup>th</sup> November, 2014.

The composition of the Board and number of other Companies / Committees on which the Director of the Company is a Director / Member / Chairman is given below:

## Sunshield Chemicals Limited

Name of Director(s)	Category of Directorship	Other Directorships held <sup>1</sup>	No. of Audit Committees and Stakeholders Relationship Committees in which Chairman / member
Mr. Ranjal Laxmana Shenoy <sup>2</sup>	Independent and Non-Executive Director	3	2/3
Mr. Sanjeev Mukerjee	Independent and Non-Executive Director	2	1/1
Mr. Yogesh Thar	Independent and Non-Executive Director	2	1/0
Mr. Manoj Khullar	Non-Executive Director	1	0/2
Mr. Satish Kelkar	Non-Executive Director	1	0/0
Mr. Shrirang Belgaonkar	Whole-time Director	-	0/0
Mr. Ian Brown	Non-Executive Director	1	0/0
Mr. Pierre Franck Valentin	Non-Executive Director	2	0/0
Ms. Sze Wee Ong <sup>3</sup>	Non-Executive Director	-	0/0
Mr. Chen Pu <sup>4</sup>	Non-Executive Alternate Director	1	0/0
Mr. Guo Lin <sup>4</sup>	Non-Executive Alternate Director	-	0/0
<p>1 Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.</p> <p>2 Appointed as Additional Director with effect from 20<sup>th</sup> March 2015</p> <p>3 Appointed as Additional Director with effect from 14<sup>th</sup> November 2014</p> <p>4 Mr. Chen Pu is Alternate Director to Mr. Pierre Franck Valentin and Mr. Guo Lin is Alternate Director to Ms. Sze Wee Ong.</p>			
<p>Note:</p> <p>No Director serves as Independent Director in more than seven listed Companies.</p>			

### Meeting and Attendance

Four Board Meetings were held during the financial year 2014-15 i.e. on **23<sup>rd</sup> May 2014, 12<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, and 13<sup>th</sup> February 2015.**

The details of the Directors attendance at Board Meetings and the last Annual General Meeting, are given below:

Name of Director(s)	Meetings held during the tenure of Director	Meeting Attended	Attendance at last AGM
Mr. Suresh Talwar <sup>1</sup>	4	4	Yes
Mr. Michel Ybert <sup>2</sup>	3	-	No
Mr. Sanjeev Mukerjee	4	4	No
Mr. Ian Brown	4	1	No
Mr. Yogesh Thar	4	3	No
Mr. Manoj Khullar	4	4	Yes
Mr. Pierre Franck Valentin	4	2	No
Mr. Satish Kelkar	4	4	Yes
Mr. Shrirang Belgaonkar	4	4	Yes
Mr. Ranjal Laxmana Shenoy <sup>3</sup>	-	-	NA
Ms. Sze Wee Ong <sup>4</sup>	1	1	NA
1 Resigned as Director with effect from 16 <sup>th</sup> February 2015 2 Resigned as Director with effect from 14 <sup>th</sup> November 2014 3 Appointed as Additional Director with effect from 20 <sup>th</sup> March 2015 4 Appointed as Additional Director with effect from 14 <sup>th</sup> November 2014			
Note: Mr. Ian Brown, Mr. Pierre Franck Valentin and Ms. Sze Wee Ong attended the meeting through Video Conferencing. Alternate Directors viz., Mr. Pu Chen and Mr. Guo Lin did not attended the meeting.			

### Information placed before the Board

Agenda papers, containing relevant information, are made available to the Board in advance to enable the Board to discharge its responsibility effectively and take informed decisions. Where it is not practicable to send relevant information as part of Agenda papers, the same is tabled at the Meeting with suitable explanations.

The Information as specified in Annexure X to clause 49 of the Listing Agreement is made available to the Board regularly along with the Agenda papers.

### 3. Board Committees

The Board is responsible for constituting, assigning and co-opting the Members of the following Committees.

#### i. Audit Committee

Audit Committee includes five Directors viz., Mr. Yogesh Thar (Chairman/Independent Director), Mr. Sanjeev Mukerjee (Independent Director), Mr. Ranjal Laxmana Shenoy (Independent Director), Mr. Manoj Khullar (Non-Executive Director) and Mr. Satish Kelkar (Non-Executive Director). On resignation of Mr. Suresh Talwar as Director of the Company, Mr. Talwar ceased to be member of the Audit Committee. Mr. Ranjal Laxmana Shenoy was appointed as Member of the Audit Committee with effect from 20<sup>th</sup> March 2015.

All Members of the Committee are financially literate and have knowledge in the area of business of the Company.

The Chief Financial Officer, representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee meetings. The Company Secretary is the Secretary of the Committee.

Four Audit Committee Meetings were held during the financial year 2014-15 i.e. on **23<sup>rd</sup> May 2014, 12<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, and 13<sup>th</sup> February 2015.**

Attendance at Audit Committee Meetings:

Name of Member(s)	Meetings held during the tenure of Director	Meeting Attended
Mr. Yogesh Thar	4	3
Mr. Sanjeev Mukerjee	4	4
Mr. Satish Kelkar	4	4
Mr. Manoj Khullar	4	4
Mr. Suresh Talwar <sup>1</sup>	4	4
Mr. Ranjal Laxmana Shenoy <sup>2</sup>	-	-
1 Resigned as Director w.e.f. 16 <sup>th</sup> February 2015		
2 Appointed as Additional Director w.e.f. 20 <sup>th</sup> March 2015		

The Audit Committee of the Company has such powers and role as are detailed under Section 177 of the Companies Act, 2013 and also under clause 49 of the Listing Agreement. The broad terms of reference include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for appointment, remuneration and terms of appointment of auditor 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 auditors report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be given in the report of the Board of Directors in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board, for approval
  - Review and monitor the auditors independence and performance, and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the company with related parties
  - Scrutiny of inter-corporate loans and investments
  - Valuation of undertakings or assets of the company, 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
  - 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
  - To look 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 CFO 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.

**ii. Nomination and Remuneration Committee:**

During the year under review, the nomenclature of this Committee was changed from Remuneration Committee to the Nomination and Remuneration Committee.

The Board has constituted Nomination and Remuneration Committee which comprises of three Independent Directors viz. Mr. Ranjal Laxmana Shenoy, Mr. Yogesh Thar and Mr. Sanjeev Mukerjee. On resignation of Mr. Suresh Talwar as Director of the Company, Mr. Talwar ceased to be member of the Nomination and Remuneration Committee. Mr. Ranjal Laxmana Shenoy was appointed as Member of the Committee with effect from 20<sup>th</sup> March 2015.



The role of the committee include the following

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal

One Meeting was held during the financial year 2014-15 i.e. on **23<sup>rd</sup> May 2014**.

### Remuneration Policy:

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Wholtime Director. Salary is paid within the range approved by the Shareholders. Annual increments effective 1<sup>st</sup> January each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board. Within the prescribed ceiling, the perquisites package is approved by the Nomination and Remuneration Committee.

The remuneration paid to Wholtime Director is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Details of remuneration paid to Wholtime Director for the year 2014-15:

₹ in Lacs

Name of Director	Salary	Performance Incentive	Retirement Benefits	Total
Shrirang Belgaonkar	29.24	4.53	1.14	34.91
Notes:				
1. Mr. Belgaonkar is appointed for a period of three years with effect from 24 <sup>th</sup> July 2014.				
2. Notice period for severance of agreement with the Wholtime Director is three months.				

Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Non-Executive Directors other than Employees of Solvay Group serving as Directors on the Board receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and shareholders.

The remuneration by way of commission paid to the Non-Executive Directors is determined periodically & reviewed based on the industry benchmarks.

Details of remuneration paid to non-executive Director for the year 2014-15:

₹ in Lacs

Particulars of Remuneration	Name of Directors				
	Mr. Yogesh Thar	Mr. Sanjeev Mukerjee	Mr. Satish Kelkar	Mr. Suresh Talwar	Mr. R. Laxmana Shenoy
Fee for attending Board/ Committee meetings	2.80	3.60	2.80	3.00	Nil
Others – Advisor Fees	-	-	24.00	-	-

The Company has not advanced any loans to any of the Directors.

#### **Shareholding Details of Directors:**

<b>Name of Director</b>	<b>No of shares held</b>
Mr. Satish Kelkar@	63594
Mr. Shrirang Belgaonkar ^	7579

@ Shares are jointly held with Spouse.

^ Shares are jointly held with Spouse and Son.

None of the other Directors holds any shares in the Company.

The Company has no Stock Option Scheme for any of its Directors.

#### **Policy for selection and appointment of Directors and their remuneration**

The Nomination & Remuneration Committee has adopted a policy which inter alia deals with the manner of selection of the Board of Directors i.e. the Executive and Non-Executive Directors, and their remuneration.

#### **Familiarisation Programme for Independent Directors**

Periodic presentations are made at the Board and Board Committee Meetings, on business, Company Plans and performance updates of the Company to familiarise the Independent Directors with the operations of the Company.

### **iii. Stakeholders Relationship Committee:**

During the year under review, the nomenclature of this Committee was changed from Shareholders' and Investors' Grievance Committee to the Stakeholders' Relationship Committee.

Stakeholders Relationship Committee comprises of Mr. Sanjeev Mukerjee (Independent Director), Mr. Yogesh Thar (Independent Director) and Mr. Manoj Khullar (Non-Executive Director).

The Committee focuses primarily on monitoring and ensuring that all shareholder and investor services operate in an efficient manner and that shareholder and investor grievances / complaints including that of all other stakeholders are addressed promptly with the result that all issues are resolved rapidly and efficiently.

One Meeting was held during the financial year 2014-15 i.e. on 23<sup>rd</sup> May 2014. As of 31<sup>st</sup> March 2015, there were no unresolved investor complaints pending.

During the year under review 35 correspondences were received from the Company's Shareholders on various subjects such as loss of securities, request for change in address, change in bank details, request for transfer / transmission of shares and request for documents registration which were replied in time. One complaint was received through SEBI Scores pertaining to non-receipt of Share Certificates, which was resolved.

Mr. Amit Kumashi, Company Secretary has been appointed as the Compliance officer, as required by the Listing Agreement entered into with BSE Limited.

There are no pending legal matters, in which the Company has been made a party, before any Court(s), Consumer Forum(s), SEBI, Ministry of Corporate Affairs etc., relating to Investors' grievances / complaints.

With reference to clause 47(f) of the Listing Agreement, Company has designated exclusive e-mail ID [investor.sunshield@solvay.com](mailto:investor.sunshield@solvay.com) for investors to register their grievances, for immediate resolution.

#### iv. Corporate Social Responsibility Committee

The Board has constituted Corporate Social Responsibility Committee comprising of Mr. Yogesh Thar (Independent Director), Mr. Shrirang Belgaonkar (Wholetime Director) and Mr. Manoj Khullar (Non-Executive Director).

The Committee has following objectives:

- Formulation and Review of this CSR policy indicating activities to be undertaken by the Company
- Recommendation of the amount of expenditure to be incurred on CSR activities
- Monitor and implement this policy from time to time.

#### v. Risk Management Committee

The Board has constituted Risk Management Committee comprising of Mr. Shrirang Belgaonkar (Wholetime Director), Mr. Manoj Khullar (Non-Executive Director) and Mr. Chidananda Bhagwat, (Operation Manager).

The Risk Management Committee has following responsibilities:

- Reviewing and approving the risk management policies of the Company
- Assessment and monitoring of all risks associated with the operations of the Company
- Development and implementation of internal compliance and control systems and procedures to manage risk.

#### vi. Committee for issue of duplicate share certificates

The Board has constituted a Committee for the purpose of issuance of duplicate share certificates. The Committee comprises of two Non-Executive Directors, Mr. Manoj Khullar, Mr. Satish Kelkar and Mr. Shrirang Belgaonkar, Wholetime Director.

### 4. Other information

#### i. Code of Conduct

The Company has formulated a Code of Conduct for Directors and Senior Management of the Company which is posted on the Company's website <http://www.solvayindia.in/en/solvay-in/sunshield-chemical-limited>. All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Shrirang Belgaonkar, Wholetime Director is appended at the end of the Report.

#### ii. CEO and CFO Certification:

Certification from the Wholetime Director and the Chief Financial Officer as required under clause 49 of the Listing Agreement, was placed before the Board of Directors of the Company in its Meeting held on 23<sup>rd</sup> May 2015 to approve the Audited Annual Accounts for the year ended 31<sup>st</sup> March 2015.

### iii. General Body Meetings

#### a. Details of last three Annual General Meetings (AGM) Held:

Financial Year	AGM No.	Venue	Date	Time
2013-14	27th	Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021	10 <sup>th</sup> September 2014	10.30 a.m
2012-13	26th	Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021	23 <sup>rd</sup> August 2013	12.00 Noon
2011-12	25th	M. C. Ghia Hall, Bhoghilal Hargovindas Building, 2nd Floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 023	7 <sup>th</sup> August 2012	11.30 a.m

#### b. Special Resolutions passed at the last three Annual General Meetings (AGM):

At 27th AGM held on 10<sup>th</sup> September 2014: Alteration of Articles of Association, Appointment of Mr. Shrirang Belgaonkar as Wholetime Director of the Company and Increase in Borrowing Powers of the Company.

At 26th AGM held on 23<sup>rd</sup> August 2013: Appointment of Mr. Satish Kelkar as Advisor to the Company and approval of Payment of Commission to Non-Executive Directors of the Company.

At 25th AGM held on 7<sup>th</sup> August 2012: Approval of one-time special payment to Mr. Shrirang Belgaonkar, as Wholetime Director of the Company.

#### c. During the year 2014-15, no resolution was passed through Postal Ballot.

### iv. Disclosures:

- Transactions with related parties, as per requirement of Accounting Standard 18, have been adequately disclosed in Note No. 27.9 in notes to accounts. There were no materially significant related party transactions that may have potential conflict with the interests of Company at large.
- 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. No penalties have been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.
- The Company has established a vigil mechanism named as Whistle Blower Policy which is posted on the Company's website <http://www.solvayindia.in/en/solvay-in/sunshield-chemical-limited>. There have been no instances of any personnel seeking access to the Audit Committee.
- The Company is complying with the mandatory requirements under Clause 49.

The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

Maintenance of the Chairman's Office: Separate office of the Chairman is not maintained by the Company.

## Sunshield Chemicals Limited

---

Shareholder Rights: Half yearly and quarterly results are forwarded to the BSE Limited and uploaded on the website of the Company.

Audit Qualification: During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

Separate Posts of Chairman and CEO: The Chairman of the Company and the Wholtime Director / CEO are different persons

Reporting of Internal Auditor: The Internal Auditor of the Company regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

- Independent Directors meeting was held on 30<sup>th</sup> March 2015.

### v. Means of Communication

The quarterly and annual financial results of the Company are announced within stipulated time from the end of the respective quarter and are published in two newspapers viz. Free Press Journal and Navshakti. The financial results and other major events / developments concerning the Company are also posted on the Company's website [www.solvayindia.in](http://www.solvayindia.in).

### 5. General Shareholders Information:

- 28<sup>th</sup> Annual General Meeting will be held on Tuesday 15<sup>th</sup> September 2015 at 3.00 p.m. at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021.
- The Company's financial Year is from on 1<sup>st</sup> April to 31<sup>st</sup> March
- Dates of book closure Wednesday, 9<sup>th</sup> September 2015 to Tuesday, 15<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
- Listing on Stock Exchanges: The Company's equity shares are listed on BSE Limited, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date.
- Company's Registration / Stock Code / Symbol

Corporate Identity Number (CIN) – allotted by the Ministry of Corporate Affairs	L99999MH1986PLC041612
BSE Limited	530845
International Securities Identification Number (ISIN)	INE199E01014

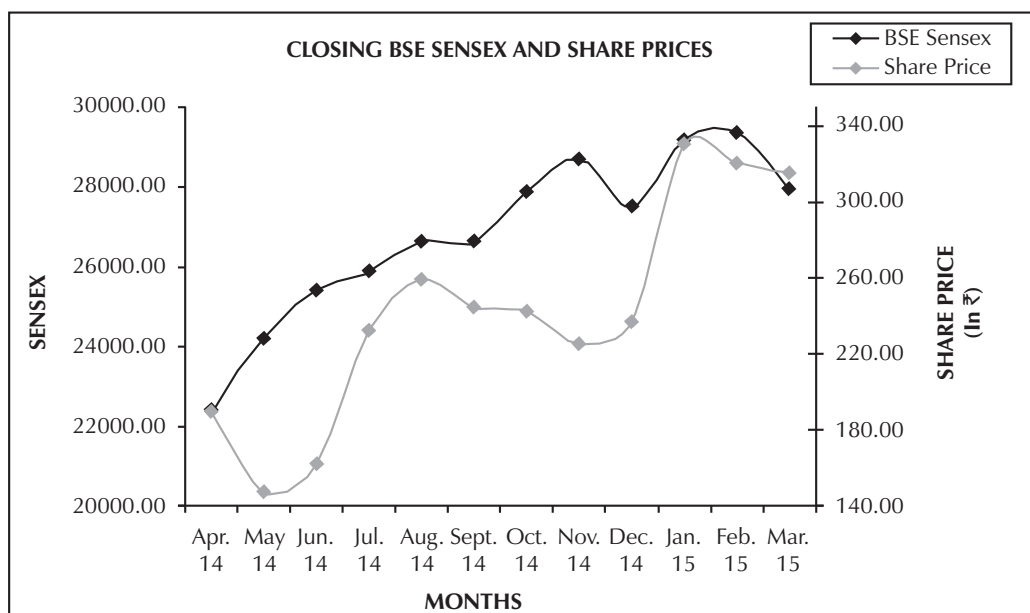
f) **Market Price Data:**

(High/Low) Company's Share Price during each month in the financial year 2014-15 and performance in comparison to the BSE SENSEX.

**Share Price Vs SENSEX for 2014-15**

Month	Share Price			BSE SENSEX		
	High (₹)	Low (₹)	Varitation %	High (₹)	Low (₹)	Varitation %
April, 2014	199.95	148.00	-25.98	22939.31	22197.51	-3.23
May	195.00	144.15	-26.08	25375.63	22277.04	-12.21
June	189.75	146.00	-23.06	25725.12	24270.20	-5.66
July	263.20	158.40	-39.82	26300.17	24892.00	-5.35
August	272.45	217.05	-20.33	26674.38	25232.82	-5.40
September	298.00	238.15	-20.08	27354.99	26220.49	-4.15
October	256.95	232.35	-9.57	27894.32	25910.77	-7.11
November	268.00	185.05	-30.95	28822.37	27739.56	-3.76
December	262.00	215.00	-17.94	28809.64	26469.42	-8.12
January, 2015	371.95	232.00	-37.63	29844.16	26776.12	-10.28
February	353.50	301.10	-14.82	29560.32	28044.49	-5.13
March	334.70	280.10	-16.31	30024.74	27248.45	-9.25

g) **Stock Performance Index :**





### h) Registrars and Share Transfer Agents:

TSR Darashaw Limited continue to be the Registrar and Transfer Agents of the Company, for processing transfers, handling correspondence of shareholders, rendering depository services such as dematerialization and rematerialization of the Company's shares. As the Company's shares are compulsorily to be traded in dematerialized form, members who still hold these shares in physical form are requested to open demat accounts with Depository Participants registered with National Securities Depository Ltd. (NSDL) and / or Central Depository Services Ltd. (CDSL) and get their shares dematerialized.

The Address of the Registrars and Share Transfer Agents are as under:

#### **TSR Darashaw Limited**

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Near Famous Studio,  
Mahalaxmi, Mumbai – 400 011.  
Tel. 022-66568484 Fax No. 022-66568494  
Email: csg-unit@tsrdarashaw.com  
Website: www.tsrdarashaw.com

### i) Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange, and most of the transfer of shares have taken place in electronic form.

All Physical share transfers are effected well within the stipulated period of 30 days of lodgment subject to documents being in order.

### j) Distribution of shareholding as on 31<sup>st</sup> March 2015:

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 500	2,664	80.31	4,55,538	6.20
501 - 1000	302	9.11	2,39,921	3.26
1001 - 2000	164	4.84	2,46,838	3.36
2001 - 3000	58	1.75	1,47,884	2.01
3001 - 4000	29	0.87	99,849	1.36
4001 - 5000	29	0.87	1,38,215	1.88
5001 - 10000	35	1.06	2,66,414	3.62
Above 10001	36	1.09	57,58,401	78.31
<b>Total</b>	<b>3,317</b>	<b>100.00</b>	<b>73,53,060</b>	<b>100.00</b>

Categories of Shareholding as on 31<sup>st</sup> March 2015:

Category of Shareholder	No. of Shares	% of shareholding
Promoters' Group	45,85,196	62.36
Mutual Funds/UTI	700	0.01
Central Government / State Government	200	0.00
Indian Public	25,53,789	34.73
Non Resident Indians	45,942	0.63
Other Corporate Bodies	1,67,233	2.27
<b>Total</b>	<b>73,53,060</b>	<b>100.00</b>

k) **Dematerialisation of Shares:**

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Equity Shares of the Company are to be compulsorily traded in the dematerialised form. As on 31<sup>st</sup> March 2015, 71,63,995 Equity Shares comprising of 97.43% of paid up capital of the Company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

l) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity: **NIL**

m) **Plant Location :**

Pali-Khopoli Road, Village Rasal, Wave  
Taluka Sudhagad, Dist. Raigad Maharashtra  
Telephone: (02142) 242117 / 242046 / 242226

n) **Address for Correspondence:**

In respect of transactions relating to shares:	In respect of transactions relating to shares:
<b>TSR Darashaw Limited</b> 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Tel : 022 - 66568484 Fax: 022 – 66568494	<b>Sunshield Chemicals Limited</b> Phoenix House, 4 <sup>th</sup> Floor, 462, Senapati Bapat Marg, Lower Parel (west) Mumbai – 400 013 Tel : 022 – 66637100 Fax: 022 - 24952834
Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a> E-mail. : <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>	Website: <a href="http://www.solvayindia.in">www.solvayindia.in</a> E-mail: <a href="mailto:investor.sunshield@solvay.com">investor.sunshield@solvay.com</a>

### Declaration – 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 31<sup>st</sup> March 2015, have affirmed compliance with code of conduct.

**For Sunshield Chemicals Limited**

**Shrirang Belgaonkar**  
Wholetime Director

Mumbai, 23<sup>rd</sup> May 2015

---

---

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Sunshield Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Sunshield Chemicals Limited (the Company) for the year ended 31<sup>st</sup> March, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to be procedure and implementation thereof. This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Mumbai  
Date : 23<sup>rd</sup> May 2015

ALWYN D'SOUZA & Co.,  
Company Secretaries

(Alwyn P D'souza FCS.5559)  
(Proprietor)  
Certificate of Practice No.5137

## **INDEPENDENT AUDITORS' CERTIFICATE**

### **TO THE MEMBERS OF SUNSHIELD CHEMICALS LIMITED**

#### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Sunshield Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

7. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 in accordance with the generally accepted accounting practice – Also refer Note 27.1 (i) to the financial statements.;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Regn. No. 117366W/W-100018)

**Ketan Vora**

Partner

Membership Number: 100459

Mumbai, May 23, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Sunshield Chemicals Limited on the financial statements for the year ended March 31, 2015)

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
2. In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a), and (b) of clause (iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, value added tax, custom duty, excise duty, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.
  - (c) There are no dues of income tax, sales tax, wealth tax, service tax, custom duty, duty of excise duty, value added tax and cess which have not been deposited as on March 31, 2015 on account of disputes except as given below:



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (₹ in Lacs)	Amount Involved (₹ in Lacs)
Income Tax Act, 1961	Income Tax including interest and penalty	Commissioner of Income Tax (Appeals)	Assessment Year 2007-2008	58.89
Income Tax Act, 1961	Income Tax including Interest	Commissioner of Income Tax (Appeals)	Assessment Year 2011-2012	2.48
Income Tax Act, 1961	Income Tax including Interest	Commissioner of Income Tax (Appeals)	Assessment Year 2012-2013	2.38
Maharashtra Value Added Tax Act, 2002	Value Added Tax including interest	Joint Commissioner of Sales Tax (Appeals)	2006-07	25.56
Central Sales Tax Act, 1956	Sales Tax including interest and penalty	Joint Commissioner of Sales Tax (Appeals)	2006-07	607.21
Central Sales Tax Act, 1956	Sales Tax	Maharashtra Sales Tax Tribunal	2007-08	85.59
Maharashtra Value Added Tax Act, 2002	Value Added Tax including interest and penalty	Joint Commissioner of Sales Tax (Appeals)	2009-10	141.07
Central Sales Tax Act, 1956	Sales Tax including interest	Joint Commissioner of Sales Tax (Appeals)	2009-10	378.65

(d) There are no amounts that are due to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the Rules made thereunder.

8. The accumulated losses of the Company as at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit. There were no cash losses incurred in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. There are no dues to financial institution and the Company has not issued any debentures.
10. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Regn. No. 117366W/W-100018)

**Ketan Vora**

Partner

Membership Number: 100459

Mumbai, May 23, 2015

# Sunshield Chemicals Limited

## Balance Sheet as at 31 March 2015

Particulars	Note No.	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 ₹ in Lacs
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	3	735.31	735.31
(b) Reserves and surplus	4	1,029.32	1,370.10
		<u>1,764.63</u>	<u>2,105.41</u>
(2) Non-current liabilities			
(a) Long-term borrowings	5	4,236.00	2,240.85
(b) Deferred tax liabilities (net)	6	402.58	502.96
(c) Other Long-term liabilities	7	39.31	-
(d) Long-term provisions	8	73.93	56.30
		<u>4,751.82</u>	<u>2,800.11</u>
(3) Current liabilities			
(a) Short-term borrowings	9	3,212.05	3,364.53
(b) Trade payables	10	1,655.02	1,456.24
(c) Other current liabilities	11	1,750.18	175.53
(d) Short-term provisions	12	10.64	87.12
		<u>6,627.89</u>	<u>5,083.42</u>
<b>TOTAL</b>		<u><b>13,144.34</b></u>	<u><b>9,988.94</b></u>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible fixed assets	13	3,076.42	3,358.91
(ii) Capital work-in-progress	27.15	4,755.11	312.11
		<u>7,831.53</u>	<u>3,671.02</u>
(b) Non-current Investments	14	-	0.25
(c) Long-term loans and advances	15	885.37	553.26
		<u>8,716.90</u>	<u>4,224.53</u>
(2) Current assets			
(a) Inventories	16	2,034.12	1,379.64
(b) Trade receivables	17	1,189.29	3,288.53
(c) Cash and cash equivalents	18	18.23	272.51
(d) Short-term loans and advances	19	758.30	339.77
(e) Other current assets	20	427.50	483.96
		<u>4,427.44</u>	<u>5,764.41</u>
<b>TOTAL</b>		<u><b>13,144.34</b></u>	<u><b>9,988.94</b></u>
See accompanying notes forming part of the financial statements			

In terms of our report of even date

For and on behalf of the Board of Directors

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunshield Chemicals Limited**

**Ketan Vora**  
Partner

**R. L. Shenoy**  
Chairman

**Yogesh Thar**  
Director

**Shrirang Belgaonkar**  
Wholtime Director

**Rajeev Gupte**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Mumbai, 23rd May 2015

## Statement of Profit and Loss for the year ended 31 March 2015

Particulars	Note No.	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2014 ₹ in Lacs
<b>I. Income</b>			
Revenue from operations	21(a)		
Sale of products (gross)		12,586.46	13,914.09
Less: Excise duty		837.81	691.77
Sale of products (net)		11,748.65	13,222.32
Sale of services			
- Processing charges	21(b)	107.24	111.27
Other operating income	21(c)	44.66	31.66
		11,900.55	13,365.25
<b>II. Other income</b>	22	68.52	37.48
<b>III. Total Revenue (I+II)</b>		11,969.07	13,402.73
<b>IV. Expenses</b>			
Cost of materials consumed	23(a)	9,048.12	9,881.41
Changes in inventories of finished goods and work-in-progress	23(b)	(420.84)	(287.09)
Employee benefit expense	24	629.5	498.58
Finance costs	25	349.17	357.00
Depreciation expense	13	326.56	230.13
Other expenses	26	2,428.04	2,183.89
<b>Total Expenses</b>		12,360.55	12,863.92
<b>V. (Loss) / Profit before tax (III - IV)</b>		(391.48)	538.81
<b>VI. Less : Tax expense</b>			
Current Tax Expenses		-	115.00
Less: MAT credit (₹ Nil (previous year ₹ 114.70 lacs) pertaining to earlier years)		-	(229.00)
Tax adjustments relating to prior years		17.21	-
		17.21	(114.00)
Deferred tax (credit)/charge (₹ Nil (previous year ₹ 524.70 lacs) pertaining to earlier years)		(90.35)	693.27
		(73.14)	579.27
<b>VII. Profit / (Loss) after tax</b>		(318.34)	(40.46)
<b>VIII. Earnings per share [Nominal value of share ₹ 10 ]</b>	27.11		
Basic		(4.33)	(0.55)
Diluted		(4.33)	(0.55)

See accompanying notes forming part of the financial statements

In terms of our report of even date      For and on behalf of the Board of Directors

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunshield Chemicals Limited**

**Ketan Vora**  
Partner

**R. L. Shenoy**  
Chairman

**Yogesh Thar**  
Director

**Shrirang Belgaonkar**  
Wholtime Director

**Rajeev Gupte**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Mumbai, 23rd May 2015

## Cash Flow Statement for the year ended 31 March 2015

Particulars	Year ended March 31, 2015 ₹ in Lacs	Year ended March 31, 2014 ₹ in Lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax	(391.48)	538.81
Adjustments for non-cash items / items required to be disclosed separately:		
Depreciation expense	326.56	230.13
Provision for doubtful debts	11.76	-
Interest Income	-	(13.28)
Liabilities / Provisions no longer required written back	(68.52)	(2.67)
Dividend Income	-	(0.03)
Loss on sale / write off of fixed assets (net)	-	38.83
Sale of Tenancy rights	-	(21.50)
Finance Costs	349.17	357.00
Write back of provision for doubtful debts	-	(16.43)
Unrealised foreign exchange loss (net)	22.7	-
Incremental value of Sales Tax Deferral	6	7.38
	<u>647.67</u>	<u>579.43</u>
<b>Operating Profit before changes in Working Capital</b>	<b>256.19</b>	<b>1,118.24</b>
Adjustments for changes in Working Capital and Provisions:		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables and other receivables	1,463.43	(1,292.34)
Inventories	(654.48)	(239.21)
	<u>808.95</u>	<u>(1,531.55)</u>
Adjustments for increase/(decrease) in operating liabilities:		
Trade and other payables	307.81	(366.36)
Short and long term provisions	13.72	169.14
	<u>321.53</u>	<u>(197.22)</u>
	<u>1,130.48</u>	<u>(1,728.77)</u>
<b>Cash Generated / (used in) Operations</b>	<b>1,386.67</b>	<b>(610.53)</b>
Income-tax paid	(97.59)	(42.43)
<b>(A) Net Cash flow from Operating Activities</b>	<b>1,289.08</b>	<b>(652.96)</b>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(3,063.05)	(351.85)
Interest received	1.87	13.28
Dividend received	-	0.03
Proceeds from equity investments	0.25	-
Sale of Tenancy rights	-	21.50
<b>(B) Net Cash used in Investing Activities</b>	<u>(3,060.93)</u>	<u>(317.04)</u>
	<b>(1,771.85)</b>	<b>(970.00)</b>

## Cash Flow Statement for the year ended 31 March 2015 (continued)

Particulars	Year ended March 31, 2015 ₹ in Lacs	Year ended March 31, 2014 ₹ in Lacs
<b>CASH FROM FINANCING ACTIVITIES</b>		
Interest Paid	(331.58)	(357.00)
Proceeds from Long Term Borrowings	1,984.75	408.69
Proceeds from Short Term Borrowings	(115.57)	1,151.22
Deferred Sales Tax Instalments Paid	(20.03)	(12.10)
(C) <b>Net Cash from Financing Activities</b>	<b>1,517.57</b>	1,190.81
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(254.28)</b>	220.81
Cash and cash Equivalents at the beginning of the year	272.51	51.70
Cash and cash Equivalents at the end of the year	18.23	272.51

Notes:

- 1 The above cash flow statement has been prepared under the 'Indirect Method'.
- 2 Reconciliation of cash and cash equivalents with the Balance Sheet  
 Net cash and cash equivalents (as defined in  
 AS 3 Cash Flow Statements) included in note 18
 

	18.23	272.51
--	-------	--------

In terms of our report of even date

For and on behalf of the Board of Directors

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunshield Chemicals Limited**

**Ketan Vora**  
Partner

**R. L. Shenoy**  
Chairman

**Yogesh Thar**  
Director

**Shrirang Belgaonkar**  
Wholetime Director

**Rajeev Gupte**  
Chief Financial Officer

**Amit Kumashi**  
Company Secretary

Mumbai, 23rd May 2015

## **Notes forming part of the financial statements**

### **1 Corporate information**

Sunshield Chemicals Limited ('the Company') was incorporated in India on 19<sup>th</sup> November 1986. The Company is engaged in manufacture and sell of Speciality Chemicals in domestic and international markets.

### **2 Significant accounting policies**

#### **2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **2.3 Inventories**

Inventories are valued at the lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

#### **2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.5 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **2.6 Depreciation**

"Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support, etc.:"

General plant and machinery - 18 years

## Notes forming part of the financial statements (Continued)

### 2.7 Revenue recognition

#### **Sale of goods**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

#### **Income from services**

Service income is recognised as per the terms of the contract when the related services are rendered.

### 2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

### 2.9 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets 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, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets 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 fixed asset 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 fixed assets 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. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

#### **Capital work-in-progress:**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 2.10 Foreign currency transactions and translations

#### **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 at rates that closely approximate the rate at the date of the transaction.

#### **Measurement at the balance sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

#### **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### 2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 2.12 Employee benefits

#### **(i) Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period as an expense as the related service is rendered by employees.



### Notes forming part of the financial statements (Continued)

#### (ii) Post Employment Benefits:

##### (a) Defined Contribution Plans

Contributions to the recognized statutory Provident Fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the period in which the liability is incurred.

##### (b) Defined Benefit Plans

Provision for gratuity, which is a defined benefit plan, is made on the basis of an actuarial valuation carried out by an independent actuary at the balance sheet date and is funded through a scheme administered by the LIC. The actuarial valuation is done using the 'Project Unit Credit Method'. The discount rates used for determining the present value of the defined benefit obligation, are based on the market yields on Government securities as at the balance date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

#### (iii) Other Long- term employment benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the defined benefit obligation are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

### 2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.14 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 executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

### 2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 2.16 Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the period.

---

---

## Notes forming part of the financial statements (Continued)

### 2.17 Taxes on income

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). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

#### Minimum Alternate Tax

In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### 2.18 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.20 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Sunshield Chemicals Limited

### Notes forming part of the financial statements as at 31 March 2015

#### Note 3 Share capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
(a) Authorised:				
Equity shares of ₹ 10/- each with voting rights	1,50,00,000	1,500	1,50,00,000	1,500
7% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	50,00,000	500	50,00,000	500
	<u>2,00,00,000</u>	<u>2,000</u>	<u>2,00,00,000</u>	<u>2,000</u>
(b) Issued, Subscribed and fully Paid-up				
Equity shares of ₹ 10/- each fully paid-up with voting rights	<u>73,53,060</u>	<u>735.31</u>	<u>73,53,060</u>	<u>735.31</u>

#### (c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
Opening Balance	73,53,060	735.31	73,53,060	735.31
Add: Fresh Issued during the year	-	-	-	-
Closing Balance	<u>73,53,060</u>	<u>735.31</u>	<u>73,53,060</u>	<u>735.31</u>

#### (d) Terms/Rights attached to equity shares

The Company has 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 share 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.

#### (e) Details of Equity Shares held by the Holding Company:

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of Shares		No. of Shares	
Rhodia Amines Chemicals Pte. Limited (Holding Company)	45,85,196		45,85,196	

#### (f) Details of Shareholders holding more than 5% equity shares in the Company:

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	% holding	No. of Shares	% holding
Rhodia Amines Chemicals Pte. Limited (Holding Company)	45,85,196	62.36%	45,85,196	62.36%

## Notes forming part of the financial statements as at 31 March 2015 (Continued)

### Note 4 Reserves and surplus

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Capital Reserves		
Balance as per previous year Balance sheet		
- Special capital incentive grant	26.06	26.06
- Value of ownership rights (Refer Note 27.16)	427.50	427.50
	<b>453.56</b>	453.56
(b) Securities Premium Account	883.10	883.10
(c) Surplus/(Deficit) in Statement of Profit and loss		
Opening Balance	33.44	73.90
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax) (Refer Note 27.14)	(22.44)	-
	11.00	73.90
Add : (Loss) for the year	(318.34)	(40.46)
Closing Balance	(307.34)	33.44
	<b>1,029.32</b>	<b>1,370.10</b>

### Note 5 Long-term borrowings

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Unsecured		
(a) Term Loan		
- From Banks (Refer (i) below)	1,700.00	1,700.00
(b) Deferred payment liabilities		
- Interest free sales tax loan 1993 scheme (Refer (ii) below)	116.53	138.99
(c) Loans and Advances from related party (Refer (iii) below)	2,419.47	401.86
	<b>4,236.00</b>	<b>2,240.85</b>

	Particulars	Present Rate of Interest	Terms of Repayment	Outstanding as on 31 March 2015 Rupees in Lacs	Current maturities of long-term borrowings as on 31 March 2015 Rupees in Lacs	Outstanding as on 31 March 2014 Rupees in Lacs	Current maturities of long-term borrowings as on 31 March 2014 Rupees in Lacs
(i)	Term loan from BNP Paribas Bank is secured against a corporate guarantee from Rhodia S.A France, a subsidiary of the ultimate holding company	10.30%	Bullet payment in 2018	1,700.00	-	1,700.00	-
(ii)	Interest free sales tax loan 1993 scheme	-	Predetermined yearly installment repayable till 2021	144.99	28.46	159.02	20.03
(iii)	External Commercial Borrowing (ECB) taken from Solvay Finance Ireland a subsidiary of Solvay S.A. Belgium, the ultimate holding company	2.84%	5 years from the date of utilisation of respective drawdown, the maturity dates ranges from November 2018 to February 2020	2,419.47	-	401.86	-

## Sunshield Chemicals Limited

### Notes forming part of the financial statements as at 31 March 2015 (Continued)

#### Note 6 Deferred tax liabilities (net)

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	558.83	554.82
Deferred tax assets		
Disallowance under section 43(B) / 40 (a) of Income tax Act, 1961	148.42	-
Unabsorbed Depreciation carried forward *	3.94	51.86
Provision for doubtful debts	3.89	-
	<u>402.58</u>	<u>502.96</u>

\* Deferred tax asset on unabsorbed depreciation is recognised to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax less other items of deferred tax assets.

#### Note 7 Other Long-term liabilities

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Interest accrued but not due on borrowings	39.31	-
	<u>39.31</u>	<u>-</u>

#### Note 8 Long-term provisions

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Provision for employee benefits:		
(a) Provision for Compensated absences	39.53	39.20
(b) Provision for Gratuity (Refer Note 27.10)	34.40	17.10
	<u>73.93</u>	<u>56.30</u>

#### Note 9 Short-term borrowings

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Unsecured		
(a) Loans repayable on demand from banks		
Overdraft facilities (Refer (i) below)	0.77	275.11
(b) Loans and advances from related party (Refer (ii) below)	1,100.00	1,200.00
(c) Other Short-term borrowings		
- Buyer's credit (Refer (iii) below)	937.12	1,415.91
- Packing credit foreign currency loan (Refer (iv) below)	1,174.16	473.51
	<u>3,212.05</u>	<u>3,364.53</u>

## Notes forming part of the financial statements as at 31 March 2015 (Continued)

	Loan particulars	Present Rate of Interest
(i)	Loan from ING Vysya Bank Ltd. is secured by a corporate guarantee from Rhodia S.A. France, a subsidiary of ultimate holding company	11%
(ii)	Loan from Solvay Specialities India Pvt. Ltd.	9.75%
(iii)	Buyer's credit facilities from ING Vysya Bank Ltd. and BNP Paribas Bank are secured by a corporate guarantee from Rhodia S.A. France, a subsidiary of ultimate holding company	2.46%
(iv)	Packing credit foreign currency loan from BNP Paribas Bank is secured by a corporate guarantee from Rhodia S.A. France, a subsidiary of ultimate holding company	2.67%

### Note 10 Trade payables

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Total outstanding dues of micro and small enterprises (Refer Note 27.2)	9.84	-
(b) Total outstanding dues of other than micro and small enterprises	1,645.18	1,456.24
	<u>1,655.02</u>	<u>1,456.24</u>

### Note 11 Other current liabilities

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Current maturities of long term debts (Refer Note 5)	28.46	20.03
(b) Interest accrued but not due on borrowings	17.59	-
(c) Other Payables		
- Statutory remittances (Contributions to PF, withholding taxes, Excise Duty, VAT, Service Tax, etc.)	95.38	84.24
- Payables on purchase of fixed assets	1,568.25	58.84
- Advance from customers	40.50	12.42
	<u>1,750.18</u>	<u>175.53</u>

### Note 12 Short- term provisions

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Provision for employee benefits		
- Provision for Compensated absences	10.64	14.55
(b) Other provisions		
- Tax provisions less payments	-	72.57
	<u>10.64</u>	<u>87.12</u>

## Sunshield Chemicals Limited

### Notes forming part of the financial statements as at 31 March 2015 (Continued)

#### Note 13 Fixed Assets

₹ In Lacs

Description	Gross Block (At cost)				Depreciation				Net Block	
	As at 01-Apr-14	Additions	Deductions	As at 31-Mar-15	As at 01-Apr-14	For the year	Deductions	Other adjustments / Transitional adjustment recorded against surplus balance in Statement of Profit and Loss	As at 31-Mar-15	As at 31-Mar-15
<b>Tangible Fixed Assets</b>										
Freehold Land	<b>9.19</b> (9.19)	- (-)	- (-)	<b>9.19</b> (9.19)	- (-)	- (-)	- (-)	- (-)	- (-)	<b>9.19</b> (9.19)
Buildings	<b>483.02</b> (483.02)	<b>24.78</b> (-)	- (-)	<b>507.80</b> (483.02)	<b>163.80</b> (147.29)	<b>17.38</b> (14.31)	- (-)	<b>20.98</b> (-)	<b>202.16</b> (161.60)	<b>305.64</b> (321.42)
Plant and Equipment	<b>4,596.21</b> (4,815.99)	<b>31.14</b> (28.42)	- (248.20)	<b>4,627.35</b> (4,596.21)	<b>1,612.38</b> (1,620.56)	<b>284.98</b> (206.31)	- (211.43)	<b>11.47</b> (-)	<b>1,908.83</b> (1,615.44)	<b>2,718.52</b> (2,980.77)
Furniture and Fixtures	<b>76.27</b> (76.00)	- (0.27)	- (-)	<b>76.27</b> (76.27)	<b>76.04</b> (74.35)	<b>0.03</b> (1.69)	- (-)	<b>0.02</b> (-)	<b>76.09</b> (76.04)	<b>0.18</b> (0.23)
Vehicles	<b>5.65</b> (7.89)	- (-)	- (2.24)	<b>5.65</b> (5.65)	<b>0.60</b> (1.05)	<b>1.84</b> (0.54)	- (0.99)	- (-)	<b>2.44</b> (0.60)	<b>3.21</b> (5.05)
Office Equipment	<b>1.49</b> (13.33)	- (-)	- (11.84)	<b>1.49</b> (1.49)	<b>0.27</b> (11.02)	<b>0.10</b> (0.07)	- (11.02)	- (-)	<b>0.37</b> (0.07)	<b>1.12</b> (1.42)
Computers	<b>63.94</b> (15.90)	<b>20.62</b> (48.04)	- (-)	<b>84.56</b> (63.94)	<b>23.77</b> (15.90)	<b>22.23</b> (7.21)	- (-)	- (-)	<b>46.00</b> (23.11)	<b>38.56</b> (40.83)
Total	<b>5,235.77</b>	<b>76.54</b>	-	<b>5,312.31</b>	<b>1,876.86</b>	<b>326.56</b>	-	<b>32.47</b>	<b>2,235.89</b>	<b>3,076.42</b>
Previous Year	(5,421.32)	(76.73)	(262.28)	<b>(5,235.77)</b>	(1,870.17)	(230.13)	(223.44)	(-)	<b>(1,876.86)</b>	<b>(3,358.91)</b>

#### Note 14 Non-current Investments

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Non-trade Investments		
(valued at cost)		
- Investment in Equity Instruments - Unquoted (2500 Equity shares of ₹10/- each of Saraswat Bank fully paid up)	-	0.25
	-	0.25



## Notes forming part of the financial statements as at 31 March 2015 (Continued)

### Note 15 Long- term loans and advances

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Unsecured, considered Good		
(a) Capital Advances	179.87	99.34
(b) Security Deposits	34.43	21.89
(c) Tax payments less provisions	125.45	100.41
(d) MAT credit entitlement	211.79	229.00
(e) Balances with Government authorities		
- VAT credit receivable	333.83	102.62
	<u>885.37</u>	<u>553.26</u>

### Note 16 Inventories

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(Valued at the lower of cost and net realisable value)		
(a) Raw materials [(includes Goods -in - Transit ₹175.69 lacs, (previous year ₹ Nil)]	691.88	426.29
(b) Packing materials	52.72	42.72
(c) Work-in-progress	139.65	196.14
(d) Finished goods [(includes Goods -in - Transit ₹ 39.09 lacs, (previous year ₹ Nil)]	1,076.80	599.47
(e) Stores and spares	73.07	115.02
	<u>2,034.12</u>	<u>1,379.64</u>

### Note 17 Trade receivables

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3.00	9.32
Doubtful	11.76	-
Less: Provision for doubtful trade receivables	11.76	-
	<u>3.00</u>	<u>9.32</u>
(b) Others		
Unsecured, considered good	1,186.29	3,279.21
	<u>1,189.29</u>	<u>3,288.53</u>

## Sunshield Chemicals Limited

### Notes forming part of the financial statements as at 31 March 2015 (Continued)

#### Note 18 Cash and cash equivalents

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Balance with banks		
- in current accounts	18.23	1.13
- in deposit accounts	-	271.00
(b) Cash on hand	-	0.38
	<u>18.23</u>	<u>272.51</u>

#### Note 19 Short- term loans and advances

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
Unsecured, considered good - others		
(a) Loans and advances to employees	9.29	2.61
(b) Prepaid Expenses	17.16	40.36
(c) Balance with government authorities		
- Cenvat credit receivable, etc.	484.48	236.06
- VAT credit receivable	-	21.86
- Excise duty recoverable	112.24	8.35
- Custom duty recoverable	-	18.83
(d) Others		
Advances to suppliers of goods and services	135.13	11.70
	<u>758.30</u>	<u>339.77</u>

#### Note 20 Other current assets

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(a) Interest accrued on deposits	-	1.87
(b) Asset held for sale (Refer Note 27.16)	427.50	427.50
(c) Export Incentive Receivable	-	54.59
	<u>427.50</u>	<u>483.96</u>

## Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### Note 21 Revenue from operations

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) <b>Sale of products</b>		
Finished goods	12,586.46	13,914.09
Less: Excise duty	837.81	691.77
Sale of products (net)	11,748.65	13,222.32
(b) <b>Sale of services</b>		
Processing charges	107.24	111.27
(c) <b>Other operating income</b>		
Scrap sales		
[Net of excise duty ₹ NIL, (Previous year ₹ 0.43 lacs)]	38.26	3.49
Duty Drawback	6.40	6.68
Write back of provision for doubtful debts	-	16.43
Others	-	5.06
	44.66	31.66
	11,900.55	13,365.25

### Note 22 Other income

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) Interest income		
- On fixed deposits with banks	-	11.04
- On income tax refund	-	2.24
(b) Dividend income on non-current investments	-	0.03
(c) Sale of Tenancy rights	-	21.50
(d) Liabilities / provisions no longer required written back	68.52	2.67
	68.52	37.48

## Sunshield Chemicals Limited

### Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

#### Note 23 (a) Cost of materials consumed

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) <b>Raw materials consumed</b>		
Opening stock of raw materials	426.29	544.87
Add: Purchases	<u>8,944.58</u>	<u>9,429.48</u>
	9,370.87	9,974.35
Less: Closing stock of raw materials	<u>691.88</u>	<u>426.29</u>
Cost of raw materials consumed	8,678.99	9,548.06
(b) <b>Packing materials consumed</b>		
Opening stock of packing materials	42.72	22.00
Add: Purchases	<u>379.13</u>	<u>354.07</u>
	421.85	376.07
Less: Closing stock of packing materials	<u>52.72</u>	<u>42.72</u>
Cost of packing materials consumed	369.13	333.35
	<u>9,048.12</u>	<u>9,881.41</u>

#### Note 23 (b) Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) <b>Work-in-progress</b>		
Opening stock	196.14	142.94
Less: Closing stock	<u>139.65</u>	<u>196.14</u>
	56.49	-53.20
(b) <b>Finished goods</b>		
Opening stock	599.47	365.58
Less: Closing stock	<u>1,076.80</u>	<u>599.47</u>
Net (Increase)	(477.33)	(233.89)
	<u>(420.84)</u>	<u>(287.09)</u>

#### Note 24 Employee benefit expense

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) Salaries and wages	564.48	425.09
(b) Contribution to provident and other funds	38.18	33.86
(c) Staff welfare expenses	<u>26.84</u>	<u>39.63</u>
	<u>629.50</u>	<u>498.58</u>

## Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### Note 25 Finance costs

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) Interest expense		
- On Borrowings	330.02	318.05
(b) Other borrowing costs	19.15	38.95
	<u>349.17</u>	<u>357.00</u>

### Note 26 Other expenses

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
Consumption of stores and spare parts	203.06	108.09
Power and fuel	480.44	617.90
Rent	127.53	46.97
Repairs and maintenance		
- Plant and machinery	89.43	31.23
- Others	14.91	45.85
Insurance	<u>43.00</u>	<u>26.26</u>
Rates and taxes	16.49	10.15
Increase / (Decrease) of excise duty on inventory (Refer Note 27.12)	19.97	16.55
Sub-contract charges	347.54	289.40
Legal and professional fees (Refer Note (ii) below)	286.25	272.72
Travelling and conveyance	35.63	31.86
Director's sitting fees	12.20	6.40
Payments to Auditors (Refer Note (i) below)	7.27	4.55
Freight and forwarding expenses (net)	330.22	319.73
Provision for doubtful trade receivables	11.76	-
Loss on sale / write off of fixed assets (net)	-	38.83
Net loss on Foreign currency transactions and translation	73.20	17.59
Miscellaneous Expenses	<u>329.14</u>	<u>299.81</u>
	<u>2,428.04</u>	<u>2,183.89</u>

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(i) Payments to the auditors comprise (net of service tax input credit, where applicable):		
(a) To statutory auditors		
- For audit	5.81	3.00
- For other services	1.46	1.50
- Reimbursement of expenses	-	0.05
(ii) Professional fees includes payments to cost auditors for cost audit	<u>1.78</u>	<u>4.55</u>

## Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### Note 27 Additional information to the financial statements

#### Note 27.1 Contingent Liabilities and commitments to the extent not provided for in respect of:

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(i) <b>Contingent Liabilities:</b> <b>Claims against the Company not acknowledged as debt:</b>		
(a) <b>Income Tax matters</b> Demand notices issued by Income Tax Dept. for which the Company has preferred appeal	130.52	128.16
(b) <b>Sales Tax Matters</b> Demand notices issued by Sales Tax Dept. for which the Company has preferred appeal	1,244.09	1,283.86
Note: Future ultimate outflow of resources embodying economic benefits in respect of matters stated under 27.1 (i) above is uncertain as it depends on the final outcome of judgments / decisions on the matters involved.		
(ii) <b>Capital Commitments</b> The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances) and not provided for Tangible Assets	133.00	337.03

#### Note 27.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2015 ₹ In Lacs	As at 31 March 2014 ₹ In Lacs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.84	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payments made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	2.98	-
(v) The amount of Interest accrued and remaining unpaid at the end of the accounting year	2.98	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to the Micro and Small Enterprises has been determined based on the details regarding the status of the suppliers obtained by the Company. This has been relied upon by the auditors.		

**Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)**

**Note 27 Additional information to the financial statements (Continued)**

**Note 27.3 (a) Details of Consumption of Raw Materials, Packing Material and Stores & Spares**

Particulars	For the year ended 31 March 2015	
	₹ In Lacs	%
<b>Raw Materials consumed</b>		
Imported	<b>3,107.15</b> (3,383.54)	<b>36%</b> (34%)
Indigenous	<b>5,571.84</b> (6,164.52)	<b>64%</b> (66%)
	<b>8,678.99</b> (9,548.06)	<b>100%</b> (100%)
<b>Packing Materials consumed</b>		
Imported	- (-)	- (-)
Indigenous	<b>369.13</b> (333.35)	<b>100%</b> 100%
	<b>369.13</b> (333.35)	<b>100%</b> 100%
<b>Stores &amp; Spares consumed</b>		
Imported	- (-)	- (-)
Indigenous	<b>203.06</b> (108.09)	<b>100%</b> (100%)
	<b>203.06</b> (108.09)	<b>100%</b> (100%)

Figures in bracket are for the previous year ended 31 March, 2014

**Note 27.3 (b) Details of Category-wise Raw Materials Consumed**

Particulars	As at 31 March 2015	As at 31 March 2014
	₹ In Lacs	₹ In Lacs
<b>Raw Material Consumed</b>		
Ethylene Oxide	<b>3,496.02</b>	4155.98
Cyanuric Acid	<b>911.38</b>	1465.00
Di-isobutylene	<b>238.50</b>	342.47
Others	<b>4,033.09</b>	3584.46
	<b>8,678.99</b>	9547.91



## Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### Note 27 Additional information to the financial statements (Continued)

#### Note 27.4 Inventories and Sales of Finished Goods

Particulars	Opening Stock As at 31 March 2014 ₹ In Lacs	Closing Stock As at 31 March 2015 ₹ In Lacs	Net Sales during the year 2015 ₹ In Lacs
Theic	156.34 (148.16)	152.58 (156.34)	4,389.43 (5,996.00)
Ethoxylates & Propoxylates	287.70 (167.82)	552.60 (287.70)	3,405.87 (3,891.00)
Antioxidants	131.54 (25.08)	340.71 (131.54)	3,304.35 (3,253.00)
Miscellaneous Products	23.89 (24.52)	30.91 (23.89)	649.00 (82.32)
<b>Total of manufactured items</b>	<b>599.47</b> (365.58)	<b>1,076.80</b> (599.47)	<b>11,748.65</b> (13,222.32)

# Net of excise duty

Figures in bracket are for the previous year ended 31 March, 2014

#### Note 27.5 Value of imports calculated on CIF basis

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
Raw Material	2,741.66	2,970.27
Capital Goods	135.16	-

#### Note 27.6 Expenditure in foreign currency

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
Travelling	1.80	1.86
Computer maintenance and Software	57.48	101.44
Repairs & Maintenance	117.42	-
Legal & Professional Charges	71.72	0.08
IT Material	-	3.90
Foreign Bank Charges	5.01	-
Export Commission	18.49	9.61
Interest (capitalized)	39.31	4.23

## Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### Note 27 Additional information to the financial statements (Continued)

#### Note 27.7 Earnings in foreign exchange

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
Exports of Goods calculated on FOB basis	6,509.22	7,785.56
Freight and insurance recovered on sales	145.76	141.80

#### Note 27.8 Segment Information

- (a) Primary business segment  
The Company is engaged in manufacturing of specialty chemicals.
- (b) The details of geographical segments are as under:

Geographical Segment	Revenues for the year ended 31 March, 2015 ₹ In Lacs	Segment assets as at 31 March, 2015 ₹ In Lacs	"Capital expenditure incurred during the year ended 31 March, 2014 ₹ In Lacs
India	5314.09 (5475.37)	12570.04 (8313.05)	4519.55 -351.86
Others	6654.98 (7927.36)	574.30 (1675.89)	- (-)

Figures in bracket are for the previous year ended 31 March, 2014

#### Note 27.9 Related Party Disclosures

Related Party Disclosures in accordance with the Accounting Standard 18 - "Related Party Disclosures" are given below:

- (a) Parties where Control exists:
- Ultimate Holding Company:**  
Solvay S.A.
  - Holding Company:**  
Rhodia Amines Chemicals Pte Limited (holds 62.36% of the equity share capital in the Company)
- (b) Names of the related parties with whom the Company had transactions during the year:
- Fellow Subsidiaries:**  
Solvay (China) Co. Ltd.  
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.  
Rhodia Operations S.A.S.  
Solvay Asia Pacific Co. Ltd.  
Solvay Chemicals Korea Co. Ltd.  
Solvay Specialties India Pvt. Ltd.  
Solvay (Zhenjiang) Chemicals Co. Ltd.  
Rhodia Specialty Chemicals India Limited  
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.  
Solvay Finance Ireland

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

## Sunshield Chemicals Limited

### Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

#### Note 27 Additional information to the financial statements (Continued)

(ii) **Key Management Personnel:**

Mr. Shrirang R. Belgaonkar, Wholetime Director

(c) Transactions with the Related Parties are for the year

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
<b>(i) Fellow Subsidiaries</b>		
<b>Sales of goods:</b>		
Solvay (Zhenjiang) Chemicals Co. Ltd.	4.98	3.08
Rhodia Specialty Chemicals India Ltd.	19.10	261.82
	<b>24.08</b>	<b>264.90</b>
<b>Purchase of goods:</b>		
Rhodia Specialty Chemicals India Ltd.	24.40	45.72
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	108.21	-
	<b>132.61</b>	<b>45.72</b>
<b>Rendering of services:</b>		
Solvay Chemicals Korea Co. Ltd.	3.00	-
<b>Receiving of services:</b>		
Rhodia Specialty Chemicals India Ltd.	222.94	189.04
Rhodia Operation S.A.S.	96.83	-
Solvay Chemicals Korea Co. Ltd.	0.36	-
Solvay (China) Co. Ltd.	19.58	38.83
Solvay Asia Pacific Co. Ltd.	4.04	0.08
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	6.99	66.51
	<b>350.74</b>	<b>294.46</b>
<b>Inter corporate loan taken:</b>		
Solvay Specialties India Pvt. Ltd.	1,400.00	700.00
<b>Inter corporate loan repaid:</b>		
Solvay Specialties India Pvt. Ltd.	1,500.00	1,000.00
<b>Interest expense on inter-corporate loan taken:</b>		
Solvay Specialties India Pvt. Ltd.	104.25	93.04
<b>External Commercial Borrowings (ECB) taken</b>		
Solvay Finance Ireland	2,419.20	401.86
<b>Interest expense on ECB loan taken:</b>		
Solvay Finance Ireland	39.31	4.24
<b>(ii) Key Management Personnel:</b>		
<b>Remuneration*:</b>		
Mr. Shrirang R. Belgaonkar	33.77	28.98
* The above amount does not include gratuity and compensated absence payable which is actuarially determined on an overall basis for the Company as a whole and individual information in respect of director is not available.		

## Note 27 Additional information to the financial statements (Continued)

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(d) <b>Balances outstanding as at year end:</b>		
<b>Amount Payable:</b>		
<b>Fellow subsidiaries:</b>		
Solvay Asia Pacific Co. Ltd.	4.12	0.08
Solvay (China) Co. Ltd.	58.41	38.83
<b>Solvay Specialty Chemicals Asia Pacific Pte. Ltd.</b>	<b>73.50</b>	<b>66.51</b>
Rhodia Operation S.A.S.	96.83	-
Rhodia Specialty Chemicals India Ltd.	53.54	48.96
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	63.11	-
	<b>349.51</b>	<b>154.38</b>
<b>Amount Receivable:</b>		
Solvay Chemicals Korea Co. Ltd.	1.89	-
Solvay (Zhenjiang) Chemicals Co.	4.98	-
	<b>6.87</b>	<b>-</b>
<b>Loan Outstanding:</b>		
Solvay Specialties India Pvt. Ltd. (includes interest accrued but not due of ₹ 15.15 lacs, previous year ₹ 12.95 lacs)	1,115.15	1,212.95
Solvay Finance Ireland (includes interest accrued but not due of ₹ 39.31 lacs, previous year ₹ 4.24 lacs)	2,458.78	401.86
	<b>3,573.93</b>	<b>1,614.81</b>
(e) Long Term Loan from bank (Note 5) of ₹ 1,700 lacs (previous year ₹ 1,700 lacs) is secured by a corporate guarantee from Rhodia SA France, a subsidiary of the ultimate holding company.		
(f) No amount have been written off / provided for or written back in respect of amounts receivable from or payable to the related parties.		

### Note 27.10

#### Details of Employee Benefits as required by the Accounting Standard 15 "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. The Company recognised ₹20.87 Lacs (Year ended 31 March, 2014 ₹17.92 Lacs) 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 lumpsum 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.

## Sunshield Chemicals Limited

### Note 27 Additional information to the financial statements (Continued)

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

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
<b>Gratuity:</b>		
1 <b>Components of employer expenses</b>		
Current service cost	6.09	4.65
Interest cost	8.30	5.88
Expected return on Plan Assets	(6.39)	(5.24)
Actuarial Losses / (Gains)	9.31	10.65
Past service cost	0.00	0.00
Total expense recognised in the Statement of Profit and Loss (included in "Contribution to provident and other funds" under 'Employee benefits expense' in Note 24)	17.31	15.94
2 <b>Actual Contribution and Benefits payments for the year</b>		
Actual Benefits payments	(8.46)	(3.80)
Actual Contributions	0.01	14.95
3 <b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present Value of Defined Benefit Obligation	110.41	95.03
Fair Value of Plan Assets	76.01	77.93
Funded status [Surplus / (Deficit)]	(34.40)	(17.10)
Net (liability) / asset recognised in the Balance Sheet	(34.40)	(17.10)
4 <b>Change in Defined Benefit Obligation during the year</b>		
Present Value of Defined Benefit Obligation as at the beginning	95.03	76.57
Current service cost	6.09	4.65
Interest cost	8.29	5.88
Actuarial losses / (gains)	9.46	11.73
Benefits paid	(8.46)	(3.80)
Past Service cost	-	-
Present Value of Defined Benefit Obligation as at the end of the year	110.41	95.03
5 <b>Change in Fair Value of Plan Assets during the year</b>		
Plan Assets as at the beginning	77.93	60.46
Expected return on Plan Assets	6.39	5.24
Actuarial Gains / (Losses)	0.15	1.08
Actual Company Contributions	0.01	14.95
Benefits paid	(8.46)	(3.80)
Plan Assets as at the end of the year	76.01	77.93

## Note 27 Additional information to the financial statements (Continued)

### 6 Actuarial Assumptions

Discount Rate	7.95%	9.30%
Expected Return on plan assets	8.75%	9.00%
Salary Escalation Rate	8.00%	8.00%
Attrition:		
21-44 years	12.00%	12.00%
45 & above	2.00%	2.00%

Mortality tables	<b>Indian Assured Lives Mortality (2006-08)Ult</b>	Indian Assured Lives Mortality (2006-08)Ult
------------------	--	--

Estimated amounts of contribution in the immediate next year (₹ In lacs)	10	10
--	----	----

- 7 The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The actual return on plan asset is ₹ 6.54 lacs [previous year ₹6.32 lacs]
- 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.

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Particulars	For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
9 <b>The major categories of Plan Assets as a percentage of the total plan assets</b>		
Insurer managed funds	100%	100%

The gratuity benefit scheme of the Company is managed by Life Insurance Corporation of India (LIC). The Company does not have the details of the composition of the plan assets, by category, from the LIC for the current and the previous year and hence the disclosures as required by Accounting Standard (AS) 15 on Employee Benefits have not been given.

### 10 Experience Adjustments:

Particulars	Year ended ₹ In Lacs				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined Benefit Obligation	110.41	95.03	76.57	53.87	45.06
Plan Assets	76.01	77.93	60.46	54.14	42.53
Surplus / (Deficit)	(34.40)	(17.10)	(16.11)	(0.27)	(2.53)
Experience adjustment on Plan Liabilities	0.03	13.91	6.17	0.00	0.00
Experience adjustment on Plan Assets	0.15	1.08	(0.03)	0.00	0.00

## Sunshield Chemicals Limited

### Note 27.11 Earnings Per Share

Particulars		For the year ended 31 March 2015 ₹ In Lacs	For the year ended 31 March 2014 ₹ In Lacs
(a) Weighted average number of equity shares of ₹10/- each outstanding as at the Balance Sheet date	Nos.	73,53,060	73,53,060
(b) Nominal value of share	₹	10	10
(c) Net Profit / (Loss) attributable to equity shareholders	₹ In Lacs	(318.34)	(40.46)
(d) Earnings per share (basic and diluted)	₹	(4.33)	(0.55)

### Note 27.12

Excise duty paid and collected from customers is shown separately and deducted from the Gross sales in the Statement of Profit and Loss.

Excise duty appearing under other expenses (Note 26) represents the difference between the excise duty included in the closing stock and that in the opening stock of manufactured finished goods ₹ 76.74 lacs (previous year ₹56.77 lacs)

### Note 27.13 Foreign Currency Exposures:

(a) Hedged Exposures

There are no forward exchange contracts outstanding as at 31<sup>st</sup> March 2015 and as at 31<sup>st</sup> March 2014.

(b) Unhedged Exposures as at 31<sup>st</sup> March 2015

Particulars	Currency	Amount in Foreign Currency	Equivalent Amount in Indian Currency (₹ in Lacs)
Trade & Other payables	USD	8,43,999 (14,65,217)	527.74 (843.15)
	Euro	31,505 ( - )	21.19 ( - )
External Commercial Borrowings (ECB)	USD	38,68,994 (6,71,000)	2,419.47 (401.86)
Interest accrued but not due on ECB	USD	62,869 ( - )	39.31 ( - )
Buyers' Credit	USD	14,98,716 (23,33,400)	937.12 (1,415.91)
Interest accrued but not due on buyer's credit	USD	4,937 ( - )	3.09 ( - )
Packing Credit	USD	7,28,110 (4,91,280)	455.27 (292.21)
	Euro	10,68,525 (2,22,800)	718.89 (181.29)
Trade Receivable and other receivables	USD	75,417 (19,59,203)	47.16 (1,069.00)
	Euro	7,83,578 (8,72,711)	527.14 (606.89)

Figures in bracket are for the previous year ended 31 March, 2014



**Note 27.14**

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of its assets as mentioned in note 2.6. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹22.44 lacs (net of deferred tax of ₹ 10.03 lacs) against the opening surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹79.23 lacs consequent to the change in the useful life of the assets.

**Note 27.15**

Capital work in progress includes interest Capitalised of ₹39.31 lacs (previous year ₹4.24).

**Note 27.16**

In an earlier year, the Company surrendered tenancy rights in exchange of the office premise in the building at Dadar, Mumbai and accounted ₹ 427.50 lacs, as an asset with corresponding credit to the Capital Reserve, being the fair market value of the asset acquired as per the valuation report of a surveyor/ valuer. The Company intend to sale the aforesaid premise in the near future.

**Note 27.17**

The plant operations with respect to Ethylene Oxide (EO) based products which contributes significant portion of the Company's current production was shut down for planned maintenance and upgrading of capacity from 15<sup>th</sup> December 2014 to 28<sup>th</sup> March 2015.

**Note 27.18**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Sunshield Chemicals Limited**

**R. L. Shenoy**  
Chairman

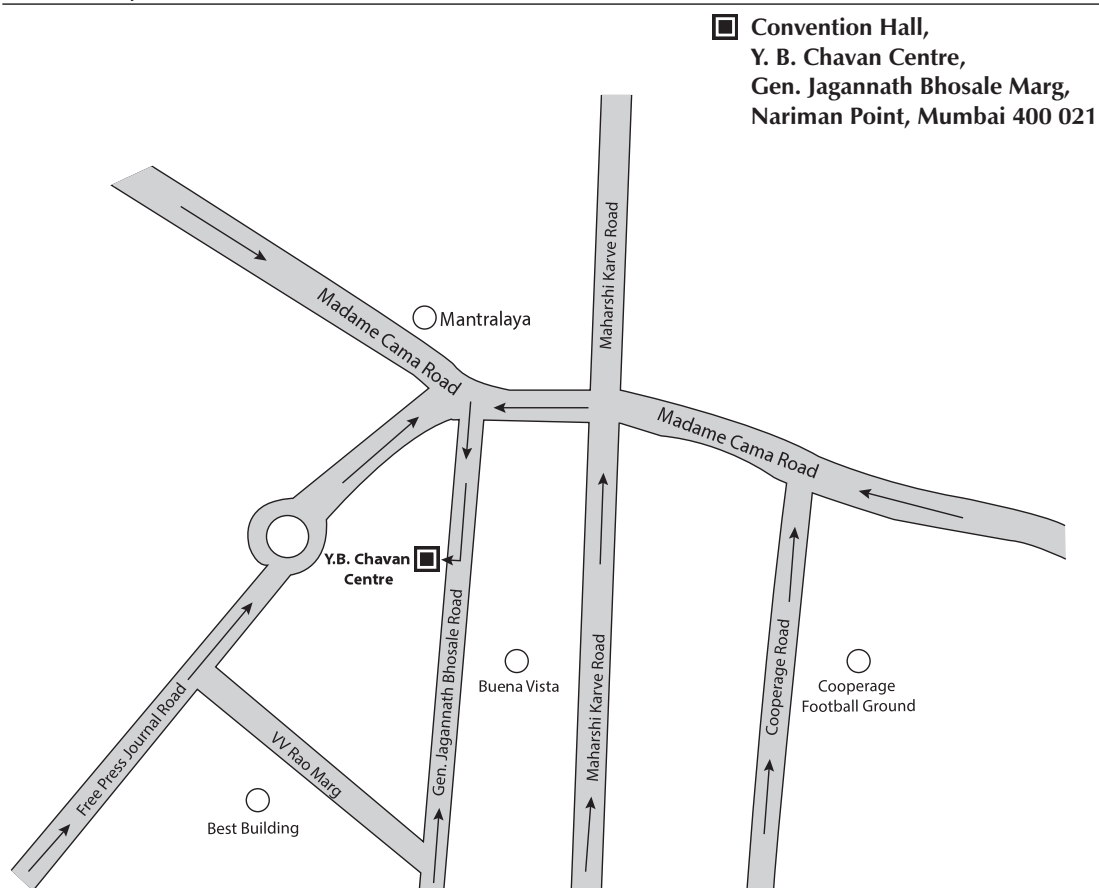
**Yogesh Thar**  
Director

**Rajeev Gupte**  
Chief Financial Officer

**Shrirang Belgaonkar**  
Wholetime Director

**Amit Kumashi**  
Company Secretary

Route map to the venue of the AGM





SUNSHIELD CHEMICALS LIMITED

Regd. Office: Phoneix House, A wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013.

Corporate Identification No. (CIN): L99999MH1986PLC041612

Phone: 91-22-66637101, Fax: 91-22-24952834, E-mail: investor.sunshield@solvay.com, Website: www.solvayindia.in

ATTENDANCE SLIP

(To be presented at the entrance duly signed)

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021, at 3.00 p.m on Tuesday, the 15<sup>th</sup> September, 2015.

SIGNATURE OF THE ATTENDING MEMBER / PROXY: \_\_\_\_\_

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password

Note : Please refer to the instructions printed under the Notes to the Notice of the 28<sup>th</sup> Annual General Meeting. The voting period starts from 9-00 am on Saturday, the 12<sup>th</sup> September, 2015 and ends at 5-00 pm on Monday, the 14<sup>th</sup> September, 2015. The voting portal shall be disabled by NSDL for voting thereafter.



SUNSHIELD CHEMICALS LIMITED

Regd. Office: Phoneix House, A wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013.

Corporate Identification No. (CIN): L99999MH1986PLC041612

Phone: 91-22-66637101, Fax: 91-22-24952834, E-mail: investor.sunshield@solvay.com, Website: www.solvayindia.in

PROXY FORM

Name of the member(s) :

Registered address :

E-mail ID :

Folio No/Client ID :

I/We being the member(s) of \_\_\_\_\_ Shares of Sunshield Chemicals Limited, hereby appoint :

1. Name:

Address :

E-mail ID :

Signature : or failing him

2. Name:

Address :

E-mail ID :

Signature : or failing him

3. Name :

Address :

E-mail ID :

Signature :

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Eight Annual General Meeting of the Company to be held on Tuesday, the 15<sup>th</sup> September, 2015, at 3.00 p.m at Convention Hall, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021, and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business :

1. Adoption of financial statement for the year ended 31<sup>st</sup> March, 2015, together with Auditors' Report and Directors' Report
2. Reappointment of Mr. Manoj Khullar as Director, who retires by rotation
3. Reappointment of Mr. Satish Kelkar as Director, who retires by rotation
4. Reification of Appointment of Auditors

Special Business :

5. Appointment of Ms. Sze Wee Ong as an Director of the Company
6. Appointment of Mr. Ranjal Laxmana Shenoy as an Independent Director of the Company
7. Appointment of Mr. Arun Roy as an Director of the Company
8. Approval of remuneration of Cost Auditors
9. Increase in remuneration of Mr. Shrirang Belgaonkar
10. Appointment of Mr. Manoj Khullar as Managing Director
11. Appointment of Mr. Satish Kelkar to Office / Place of Profit in the Company.

Affix Rupee  
One  
Revenue  
Stamp

Signed this..... day of ....., 2015

Signature of the shareholder : .....

Signature of Proxy holder(s) : .....

- Notes :
1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Phoneix House, A wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 28th Annual General Meeting.

*If undelivered, please return to :*

**Sunshield Chemicals Limited**

Phoenix House, 'A' Wing, 4<sup>th</sup> Floor,  
462, Senapati Bapat Marg,  
Lower Parel (West), Mumbai - 400 013. India.