



30th August, 2016

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

Sir,

Sub: Compliance of Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, please find attached Annual Report for the financial year 2015-16 duly approved and adopted by the members of the Company at the Annual General Meeting held on 30th August 2016.

Kindly take note of the same and acknowledge.

Thanking You

Your's truly,
For Sunshield Chemicals Limited

A handwritten signature in blue ink, appearing to read 'Amit Kumashi'.

Amit Kumashi
Company Secretary

Encl.: As Above

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. : 0091-22-66637100 Fax No. : 0091-22-24952834 Corporate Identity Number - L99999MH1986PLC041612

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

Tel. No. : 02142 - 661110, 02142 - 661111

www.solvay.com



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Sunshield Chemicals Limited

**29th ANNUAL REPORT
2015-16**

Performance Summary

(₹ In Lacs)

Particulars	Percentage of Growth in comparison to Previous Year	2015-16	2014-15	2013-14	2012-13	2011-12
Volume Sales (M.T)	19	10446	8765	9703	8146	8062
Revenue						
Gross Sales	24	15,647.37	12,586.46	13,914.09	11,017.78	10,069.23
Net Sales	26	15,022.79	11,900.55	13,365.25	10,530.08	9,429.03
Other Income	344	304.14	68.52	37.48	20.08	93.30
Cost						
Material Consumed	17	10,059.94	8,627.28	9,594.32	7,559.29	6,816.66
Employee benefits expense	6	667.44	629.50	498.58	468.36	390.43
Finance costs	209	1,079.66	349.17	357.00	509.76	550.47
Depreciation and amortization expense	68	548.36	326.56	230.13	248.17	223.89
Other expenses	37	3,314.68	2,428.04	2,183.89	1,661.54	1,456.35
Profit / Loss before Tax	(12)	(343.15)	(391.48)	538.81	103.04	83.35
Profit / Loss after Tax	(73)	(84.55)	(318.34)	(40.46)	84.23	96.83
Earning Per Share	(73)	(1.15)	(4.33)	(0.55)	1.15	1.32

DIRECTORS

Ranjal Laxmana Shenoy	Chairman
Ajit Shah	
Arun Roy	
Ian Brown	
Manoj Khullar	Managing Director
Sanjeev Mukerjee	
Satish Kelkar	
Sze Wee Ong	(Alt. Guo Lin)
Valdirene Licht	

AUDIT COMMITTEE

Ajit Shah	Chairman
Sanjeev Mukerjee	
Ranjal Laxmana Shenoy	
Manoj Khullar	
Satish Kelkar	

COMPANY SECRETARY

Amit Kumashi

CHIEF FINANCIAL OFFICER

Rajeev Gupte

AUDITORS

M/s. Deloitte Haskins & Sells LLP

BANKERS

Kotak Mahindra Bank Ltd.
 BNP Paribas
 State Bank of India
 Citi Bank N.A.

REGISTERED OFFICE

Phoenix House, "A" Wing, 4th 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

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NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of **Sunshield Chemicals Limited** will be held on Tuesday, 30th August 2016 at 11.00 a.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 31st March 2016, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ian Brown (DIN-02427816), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Sze Wee Ong (DIN-07006487), who retires by rotation and, being eligible, offers herself 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 any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366W/W-100018), as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting of the Company to be held in the year 2017, 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 pursuant to the provisions of Sections 149 and 152 and any 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) read with Schedule IV to the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ajit Shah (DIN - 02396765) 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 19th October 2020.”

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

“RESOLVED THAT Ms. Valdirene Licht (DIN: 07405104), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and any 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 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 liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s Kishore Bhatia & Associates Cost Accountants (Firm Registration No.00294), 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 31st March 2017, be paid remuneration of ₹ 1,90,000/- (Rupees One Lac Ninety Thousand only) plus service tax and reimbursement of out-of-pocket expenses at actuals, if any incurred in connection with the audit;

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

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

**Amit Kumashi
Company Secretary**

Mumbai, 29th June 2016

Phoenix House,
'A' Wing, 4th 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 24th August 2016 to 30th August 2016 (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 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 2015-16 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. Members are entitled to receive the said Annual Report & Notice in physical form upon sending a request in writing to the Company's registered office and / or sending an email to investor.sunshield@solvay.com. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. Members may also note that the Annual Report for 2015-16 will be available on the Company's website www.solvayindia.in.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar / Depositories.
11. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, 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.
12. 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.
13. 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.
14. Members can opt for only one mode of voting, i.e., either remote e-voting or Ballot paper. 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.
15. 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 with a copy marked to 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 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 27th August, 2016 (9:00 am) and ends on 29th August, 2016 (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 23rd August 2016, may cast their vote 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 of 23rd August 2016. 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. 23rd August 2016, may obtain the login ID and password by sending a request at 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
- iv. The Chairman shall at the AGM at the discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- v. 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.
- vi. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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

Mr. Ajit Shah was appointed as an Additional Director to hold office as an Independent Director of the Company with effect from 20th October 2015.

In accordance with the provisions of Section 149 read with Schedule IV to Companies Act, 2013 ("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. Shah for the office of Director of the Company.

Mr. Shah 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. Shah is an eminent Chartered Accountant in practice since 1971. He is a Senior Partner at M. A. Parikh & Co., a firm of Chartered Accountants at Mumbai. He has specialization in the field of Audits and Assurances, domestic and international transfer pricing, valuation and consultancy in the field of finance and taxation.

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

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Foseco India Limited	Director	Audit Committee - Chairman Nomination and Remuneration Committee - Chairman Stakeholders Relationship Committee CSR Committee
2.	Rhodia Specialty Chemicals India Limited	Director	Audit Committee - Chairman Nomination and Remuneration Committee Committee for issue of Duplicate Share Certificate
3.	Tal Manufacturing Solutions Limited	Director	Audit Committee

Mr. Shah 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. Shah that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Shah fulfills the conditions for his appointment as an Independent Director as specified in the Act.

Copy of the draft letter for appointment of Mr. Shah 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. Shah. The Board, therefore, recommends his appointment as a Director of the Company.

Except Mr. Shah, 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.

Item No. 6

Ms. Valdirene Licht was appointed as an Additional Director of the Company with effect from 15th March 2016 pursuant to Section 149 and 161 of the Companies Act, 2013 ("the Act") and rules made thereunder. Ms. Licht 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. Licht for the office of Director of the Company.

Ms. Licht 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. Licht has a Master degree in Science of Management MIT (USA), Post-Graduation degree in Business Administration. She has 27 years of experience in various fields' viz., Marketing, Management, and Strategic. She is currently General Manager of Novicare business for Asia Pacific region.

Ms. Licht is holding directorship in the following Indian Companies:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Hindustan Gum and Chemicals Limited	Director	Audit Committee Nomination and Remuneration Committee
2.	Rhodia Specialty Chemicals India Limited	Director	Nil

Ms. Licht 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. Licht. The Board, therefore, recommends her appointment as a Director of the Company.

Except Ms. Licht, 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.

Item No. 7

The Board of Directors of the Company on the recommendation of Audit Committee has appointed M/s. Kishore Bhatia & Associates, as Cost Auditors for auditing the cost accounts of the Company for the Financial Year 2016-17.

In accordance with the provision of Section 148 of Companies Act, 2013 ("the Act") read with Companies (Audit and Auditor) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the 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. 7 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.7.

The Board, recommends the Ordinary Resolution set out at Item no. 7 of the Notice for approval of Shareholders.

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

**Amit Kumashi
Company Secretary**

Mumbai, 29th June 2016

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

Sunshield Chemicals Limited

Profile of the Director being re-appointed

Name : **Mr. Ian Brown**

Mr. Ian Brown is a member of Chartered Institute of Management Accountants. He is working as Finance Vice President of Solvay Asia Pacific. He has over 20 years of Industrial Experience. He has been working with Solvay Group of Companies in various capacities since 1999. He has worked in different Companies and has wide experience in Finance.

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	Director	Nil

Mr. Ian Brown does not hold any shares in the Company

Name : **Ms. Sze Wee Ong**

Ms. Sze Wee 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 any shares in the Company.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to submit their 29th Annual Report of the Company along with the Audited financial statements for the year ended 31st March 2016:

1. OVERVIEW OF FINANCIAL RESULTS

Highlights of Company's performance during the financial year 2015-16, is as under:

(₹In Lacs)

	2015-16	2014-15
Export Sales	8139	6509
Domestic Sales (Net of Excise Duty)	6798	5346
Other Operating Income	86	45
Revenue from Operations	15023	11900
Other Income	304	69
Total Income	15327	11969
Less :		
Materials Consumed	10060	8627
Employees Remuneration & Benefits	667	630
Manufacturing, Administrative, Selling & Other Expenses	3315	2428
Total Expenses	14042	11685
Operating Profit (EBITDA)	1285	284
Less: Finance Cost	1080	349
Profit Before Tax & Depreciation (Cash Profit)	205	(65)
Less: Depreciation	548	326
Net Profit Before Tax	(343)	(391)
Less: Tax Expense		
Current Tax Expense	4	-
Tax adjustments relating to prior years	-	17
Deferred Tax (Credit)/Charge	(263)	(90)
Net Loss after Tax	(84)	(318)

2. DIVIDEND

In view of losses, the Board of Directors does not recommend any dividend for the year ended 31st March 2016.

3. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 7.35 Crores. During the year under review, the Company has not issued new shares.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS : F.Y. 2015-2016

I. Industry Structure & Development :-

The Chemical Industry is a crucial constituent of the growing Indian Economy, providing the key material for several industries. The Company is operating only in one Segment, namely 'Specialty Chemicals'. Specialty Chemicals are particular chemical products which provide a wide variety of effects on which many other industry sectors rely.

The Company manufactures a wide range of specially formulated and customized products for various Industrial applications. Company's customers are well recognized and located not only in India but all over the World especially in 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 up-grade 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

Sunshield Chemicals Limited

products. The technologies developed involve surfactants, Esters, Amides, and other complementary processes.

- b. Specialty Anti-Oxidants for Lubricants, Polymers, Rubber, Tyre & Latex and other Industries involving Aminic & Phenolic technologies and
- c. Other Non-EO technologies & customized blends for various applications.

II. Operating and Financial Performance of the Company

(₹ In Lacs)

	F.Y. 2015 - 2016	F.Y. 2014 - 2015	Change over Previous year
i) Exports	8139	6509	25%
ii) Domestic	7628	6184	23%
iii) Other Operating Income	86	45	91%
Gross Sales	15853	12738	24%
Less: Excise Duty	830	838	
Net Sales	15023	11900	26%
Other Income	304	69	341%
Total Income	15327	11969	28%

	F.Y. 2015 - 2016	F.Y. 2014 - 2015	Change over Previous year
Volume Sales (MT)	10446	8576	22%
Net Sales Value (₹)	15023	11900	26%
Average Product Price (₹ per kg)	144	139	4%

During the year, Sales by Volume went up by 22% from 8576 Mt. to 10446 Mt. the sales in Value terms went up by 26%. The growth was contributed by increase in average selling price of its products from ₹ 139 per kg to ₹ 144 per kg.

Export Sales went up by 25% from ₹ 6509 lacs to ₹ 8139 lacs and domestic Sales went up by 23% from ₹ 6184 lacs in 2014-15 to ₹ 7628 lacs in 2015-16.

During the year, the Company had sold its property situated at Dadar for a total consideration of ₹ 550 lacs thereby earning a profit of ₹117 lacs on sale of property.

EBIDTA was up by 352% at ₹ 1285 lacs in the year 2015-16 against EBIDTA of ₹ 284 lacs in the previous year.

Finance Cost went up from ₹ 349 lacs in 2014-15 to ₹ 1080 lacs in 2015-16, mainly on account of increase in interest cost and Foreign Exchange losses. Interest cost increased on account of borrowings to finance the capital expenditure. The capital expenditure incurred was during 2014-15 but it was commissioned in 2015-16.

Cash profit (Profit before Tax & Depreciation) was at ₹ 205 lacs in the year 2015-16 as compared to loss of ₹ 65 lacs in the year 2014-15.

III. Outlook

Solvay is actively involved in planning and implementing the current capital expenditure through its world-wide 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.

The Company's products continue to be well received by World's leading users of specialty chemicals for a diverse range of industrial applications. The Company has been recognized as a reputable and dependable supplier to many Indian and global consumers of specialty products developed in-house.

IV. Risks and Concerns

The Present and future risks are reviewed by the management of the Company at regular intervals. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuous basis. These are discussed at Audit Committee and Board of Directors Meetings. Following risks are considered as high risks areas:

- i. Foreign Exchange Fluctuations
- ii. Procurement Risk
- iii. Competition Risk

Major Risk arises from main raw material viz., Ethylene Oxide (EO). EO is currently consistently available from only one manufacturer in the country. Some of the major raw materials are hazardous and inflammable. The Company has ensured that Safety equipment's and infrastructure are in place as per statues and global safety standards.

In addition to above, the Company feels that slowdown in world economies, will affect demand from user industry specifically and lower overall demand, can bring pressures all over and the aggressive pricing can cause concerns about margins.

V. Internal Financials Controls and its adequacy

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

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. During the year under review, the Company successfully entered into wage settlement agreement with workers of the Company. The number of employees on rolls as on 31st March 2016 is 98.

(The statement in this report including Management's Discussions & Analysis Report reflects Company's projections, estimates, expectations or predictions. These may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied, since your Company's operations are influenced by many external and internal factors beyond the control of the Company.)

5. 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 2015-16 i.e on 23rd May 2015, 12th August 2015, 4th November 2015 and 9th February 2016.

6. BOARD COMMITTEES

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently six Committees of the Board, which are given below:

- **Audit Committee**

Audit Committee includes five Directors viz., Mr. Ajit Shah (Chairman/Independent Director), Mr. Sanjeev Mukerjee (Independent Director), Mr. Ranjal Laxmana Shenoy (Independent Director), Mr. Manoj Khullar (Managing Director) and Mr. Satish Kelkar (Non-Executive Director).

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism.

- **Nomination and Remuneration Committee**

The Board has constituted Nomination and Remuneration Committee which comprises of three Independent Directors viz. Mr. Ranjal Laxmana Shenoy, Mr. Ajit Shah and Mr. Sanjeev Mukerjee.

The role of the committee include the Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and 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.

- **Stakeholders' Relationship Committee**

Stakeholders Relationship Committee comprises of Mr. Sanjeev Mukerjee (Independent Director), Mr. Ajit Shah (Independent Director) and Mr. Manoj Khullar (Managing 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.

- **Corporate Social Responsibility Committee**

The Board has constituted Corporate Social Responsibility Committee comprising of Mr. Ajit Shah (Independent Director), Mr. Arun Roy (Non-Executive Director) and Mr. Manoj Khullar (Managing Director).

The Committee focuses on formulation and Review of CSR policy indicating activities to be undertaken by the Company; recommendation of the amount of expenditure to be incurred on CSR activities and monitoring and implementing this policy from time to time.

The CSR policy of the Company and Annual Report on CSR activities is annexed herewith as Annexure A.

- **Risk Management Committee**

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

The role of Risk Management Committee includes reviewing and approving the risk management policies of the Company; assessment and monitoring of all risks associated with the operations of the Company and development and implementation of internal compliance and control systems and procedures to manage risk.

- **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. Arun Roy, Mr. Satish Kelkar and Mr. Manoj Khullar, Managing Director.

7. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (3)(c) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the directors have 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 operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable

laws and that such systems are adequate and operating effectively.

8. 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.

9. 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).

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provision of the Companies Act, 2013 Mr. Ian Brown and Ms. Sze Wee Ong, 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.

During the year Mr. Yogesh Thar and Mr. Pierre Franck Valentin resigned as Directors with effect from 30th September 2015 and 29th February 2016 respectively. Mr. Chen Pu ceased to be Alternate Director to Mr. Pierre Franck Valentin with effect from 29th February 2016. 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 Mr. Ajit Shah as an Additional Director to hold office as an Independent Director of the Company with effect from 20th October 2015 and Ms. Valdirene Licht as Additional Director with effect from 15th March 2016.

Mr. Shah and Ms. Licht shall 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 Mr. Shah and Ms. Licht for the office of Director of the Company.

Details of the proposal for appointment of Ms. Valdirene Licht and Mr. Ajit Shah are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 29th Annual General Meeting.

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 pursuant to Sections 2 (51) and 203 of the Act, Mr. Manoj Khullar, Managing Director, Mr. Rajeev Gupte, Chief Financial Officer and Mr. Amit Kumashi, Company Secretary of the Company as Key Managerial Personnel of the Company.

11. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. The Independent Directors have evaluated the performance of the working Directors and the Chairman of the Company

12. 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 Managing 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 Managing Director. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st 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.

13. 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.

14. 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.

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

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

16. 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) Rules, 2014, the Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountant as the Cost Auditor of the Company for the financial year 2015-16.

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 to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure B. 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 C.

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 2015-16, 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.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note 26.9 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 D.

21. FIXED DEPOSITS

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

22. 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.

23. 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.

24. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The status of complaints received from female employees with regard to sexual harassment during the year is as under:

Number of Complaints of sexual harassment received during the period April 2015 to March 2016	Number of complaints disposed off during the period April 2015 to March 2016	Nature of action taken by the employer
NIL	Not applicable	Not applicable

25. 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.

26. CORPORATE GOVERNANCE REPORT

Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on the non-applicability of certain regulations of corporate

governance is applicable to Sunshield Chemicals Limited ("Company"), since Company's paid-up Capital is less than ₹ 10 crores and networth is less than ₹ 25 crores.

27. 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.

28. 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

DIN No. 0074761

Mumbai, 30th May 2016

Annexure A 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 present CSR initiatives focus on two main recognized activities mentioned in Schedule VII of the Companies Act, 2013, namely promoting education and Ensuring environmental sustainability, ecological balance, maintaining quality of soil, air and water to benefit the communities in and around its manufacturing unit.

The Company has framed the CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 and same is placed on the Company's website and web-link of same is <http://www.solvayindia.in/en/binaries/CSR%20Policy-222342.pdf>

2. The Composition of the CSR Committee:
Mr. Ajit Shah, Mr. Manoj Khullar and Mr. Arun Roy
3. Average net profit of the Company for last three financial years:
₹ 12,582,422/-
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):
₹ 2,51,648/-
5. Details of CSR spend during the financial year:
 - a) Total amount to be spent for the financial year: ₹ 43000/-
 - b) Amount unspent, if any: ₹ 2,08,648/-
 - 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	Distribution of notebooks to schools falling within jurisdiction of Group Grampanchayat Rasal	Promoting Education	State: Maharashtra Village: Rasal	₹ 8,000	Direct Expenditure: ₹ 8,000	₹ 8,000	Direct: ₹ 8,000
2	Tree Plantation in the plot adjoining to Company's land	Ensuring environmental sustainability, ecological balance, maintaining quality of soil, air and water	State: Maharashtra Village: Rasal	₹ 35,000	Direct Expenditure: ₹ 35,000	₹ 35,000	Direct: ₹ 35,000

Sunshield Chemicals Limited

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 residing close to Company's factory at Rasal. The Company had identified a project whereby Company would provide mini-tempo to Gram Panchayat Rasal for lifting garbage from Rasal and its surrounding villages. Since the project had been approved in April 2016, the company provided mini-tempo to Gram Panchayat Rasal for lifting garbage.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Manoj Khullar
Managing Director
DIN No.06415392

Ajit Shah
Chairman of the CSR Committee
DIN No.02396765

Mumbai, 30th May 2016

Annexure B to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To
The Members,
Sunshield Chemicals Limited

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

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance for the purpose of expressing 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 31st March, 2016 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 above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not applicable as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable as the Company has not issued any shares/options to directors/employees during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as the Company has not issued any debt securities during the year under review;

Sunshield Chemicals Limited

- (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted / propose to delist its equity shares during the year under review and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
- (vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Petroleum Act, 1934, Indian Explosive Act, 1884 and applicable general business laws, rules, regulations and guidelines.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December 2015).

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 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, Independent Directors and Women 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 hence we do not find any basis to believe that the Board resolutions were dissented upon by any Board member/(s).

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

We further report that during the audit period no material events / actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place : Mumbai

Date : 30th May, 2016

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 C to Directors' Report

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2016

[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 th 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 th 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	20119	35%
ALKOXYLATES	20119	31%
ANTIOXIDANT	20119	26%
MISCELLEANOUS	20119	8%

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)

Sunshield Chemicals Limited

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 01.04.2015				No. of shares held at the end of the year i.e 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (1A)	-	-	-	-	-	-	-	-	-
(2) Foreign									
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	-	-	-	-	-	-	-	-	-
Sub-total (2A)	45,85,196	-	45,85,196	62.36	45,85,196	-	45,85,196	62.36	-
Total Shareholding of Promoter (A)=(A1)+(A2)	45,85,196	-	45,85,196	62.36	45,85,196	-	45,85,196	62.36	-
B. Public Shareholding									
1. Institutions									
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 01.04.2015				No. of shares held at the end of the year i.e 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B1)	-	900	900	0.01	-	900	900	0.01	-
2. Non-Institutions									
a) Bodies Corporate									
I Indian	1,45,233	22,000	1,67,233	2.27	2,28,441	22,000	2,50,441	3.41	1.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Shareholders holding nominal share capital upto ₹ 1Lac	13,16,152	1,66,165	14,82,317	20.16	14,12,867	1,60,575	15,73,442	21.40	1.24
ii) Individual shareholders holding nominal share capital in excess of ₹1Lac	10,44,069	-	10,44,069	14.20	9,39,810	-	9,39,810	12.78	-1.42
c) Others - Director & Their Relatives	73,345	-	73,345	1.00	3,271	-	3,271	0.04	-0.95
Sub-total (B2)	25,78,799	1,88,165	27,66,964	37.63	25,84,389	1,82,575	27,66,964	37.63	0.00
Total Public Shareholding (B)=(B1)+(B2)	25,78,799	1,89,065	27,67,864	37.64	25,84,389	1,83,475	27,67,864	37.64	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	71,63,995	1,89,065	73,53,060	100	71,69,585	1,83,475	73,53,060	100	0.00

Sunshield Chemicals Limited

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
TOTAL	45,85,196	62.36	Nil	45,85,196	62.36	Nil	Nil

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	184,913	2.51	184,913	2.51
Dipak Kanayalal Shah	153,000	2.08	153,000	2.08
India Infoline Limited *	1,108	0.02	1,04,202	1.42
Lincoln P Coelho	80,000	1.09	80,000	1.09
Dhanraj Poonamchand Veena	91,600	1.25	56,853	0.77
Navinchandra S Shah	51,028	0.69	51,028	0.69
Ashok Pandurang Patharkar	50,518	0.69	48,317	0.66
Jigney Sudhir Bhachech	20,450	0.28	36,532	0.50
Bipin Vadilal Gosalia	35,153	0.48	34,153	0.46
Haresh Shantichand Jhaveri *	4,000	0.05	30,000	0.41
Dhaval Naresh Gosalia	26,171	0.36	24,920	0.34
Neepa K Shah #	66,437	0.90	18,583	0.25
Kamlesh Navinchandra Shah #	55,240	0.75	0	0.00
Medha Dattatreya Dhavale #	23,888	0.32	0	0.00

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

* Not in the list of Top 10 shareholders as on 1st April 2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31st March 2016.

Ceased to be in the list of Top 10 shareholders as on 31st March 2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 1st April 2015.

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. Satish Kelkar, Director				
At the beginning of the year	63,123	0.86	63,123	0.86
Transactions (Sold in Market) during the year:	(62,123)	(0.85)	1,000	0.01
At the end of the year	-	-	1,000	0.01

Note:

None of the other Directors and Key Managerial Personnel holds any shares in the Company as on 31st March 2016.

Mr. Shirang Belgaonkar resigned as Wholetime Director effective from 30th June 2015.

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	3814.44	3558.78	-	7373.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	34.50	-	34.50
Total (I+II+III)	3814.44	3693.28	-	7407.72
Change in indebtedness during the financial year	-		-	
Addition	1138.43	3811.41	-	4949.84
Reduction	2113.67	34.50	-	2148.17
Net Change	(975.24)	3776.91	-	2801.67
Indebtedness at the end of the financial year				
i) Principal Amount	2839.20	7275.88	-	10115.08
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-	94.31	-	94.31
Total(i+ii+iii)	2839.20	7370.19	-	10209.39

Sunshield Chemicals Limited

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*	Mr. Manoj Khullar Managing Director #	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.78	0.09	15.86
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission As % of profit	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	15.78	0.09	15.86

* Resigned as Wholetime Director with effective from 30th June 2015

Appointed as Managing Director with effective from 1st July 2015.

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. Ajit Shah #	Mr. R. L. Shenoy	
Fee for attending Board/ Committee meetings	2.40	3.60	1.60	3.60	11.20
Commission	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (B) (1)					11.20

* Mr. Yogesh Thar resigned as Director with effect from 30th September 2015

Mr. Ajit Shah was appointed as Director with effect from 20th October 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	3.20	3.20
Commission	Nil	Nil
Others – Advisor Fees	27.44	27.44
Total (B) (2)		30.64
Total (B) = (B)(1) + (B)(2)		41.84

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

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

₹ 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	9.16	11.51	20.67
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
Total	9.16	11.51	20.67

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

Annexure D 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	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 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:

All related Party transactions entered during the Financial Year were in ordinary course of business and on arm's length basis. There were no transactions with related parties which qualify as material transactions. The details of the related party transactions for the financial year 2015-16 are set out in Note 26.9 to the financial statements forming part of this Annual Report.

For and On Behalf of the Board of Directors

R L Shenoy
Chairman
DIN No. 0074761

Mumbai, 30th May 2016

Annexure E to the Directors' Report

Particulars of Employees

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of Director to median remuneration of employees
1	Mr. R L Shenoy * Non-Executive Director	3.60	Not applicable	0.94
2	Mr. Sanjeev Mukerjee Non-Executive Director	3.60	Nil	0.94
3	Mr. Ajit Shah * Non-Executive Director	3.20	Not Applicable	0.83
4	Mr. Satish Kelkar Non-Executive Director	30.64	14%	7.98
5	Mr. Yogesh Thar # Non-Executive Director	2.40	Not Applicable	0.62
6	Mr. Shrirang Belgaonkar # Wholetime Director	15.78	Not Applicable	4.10
7	Mr. Manoj Khullar ^ Managing Director	0.09	Not Applicable	0.02
8	Mr. Rajeev Gupte Chief Financial Officer	11.51	9%	2.99
9	Mr. Amit Kumashi Company Secretary	9.16	10%	2.38

* Mr. R L Shenoy and Mr. Ajit Shah were appointed as Director with effect from 20th March 2015 and 20th October 2015 respectively.

Mr. Shrirang Belgaonkar and Mr. Yogesh Thar ceased to Director with effect from 30th June 2015 and 30th September 2015 respectively.

^ Mr. Manoj Khullar was appointed as Managing Director with effect from 1st July 2015.

Other Non-executive Directors viz., Mr. Arun Roy, Mr. Ian Brown, Mr. Pierre Franck Valentin (upto 29th February 2016), Ms. Sze Wee Ong and Ms. Valdirene Licht are not paid any remuneration from the Company.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 3.84 lacs per annum.

- iii. In the financial year, there was an increase of 10% in the median remuneration of employees.
- iv. There were 98 permanent employees on the rolls of Company as on 31st March 2016.
- 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 31st March 2016 was ₹ 24110.68 Lacs (₹ 23176.84 Lacs as on 31st March 2015).
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 31st March 2016 was ₹ 327.90 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.
The Key Managerial Personnel's of the Company receives remuneration higher than Managing Director of the Company.
- 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 Personnel) Rules, 2014

During the year 2014-15 there were no employee who was drawing remuneration exceeding ₹ 60 lacs per annum and thus no particulars are to be given under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) 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:
 1. Installed variable frequency drive for cooling tower fan, THEIC, Mother Liquor recovery units. - By installing variable frequency drive, equipment run at specific parameter by which no extra energy is consumed thereby saving is made on electricity.
 2. Installation of energy efficient LED light at plant building.
 3. Six sigma projects in Anti-oxidants plant to reduce cycle time of Octylated diphenyle amine. This will reduce agitator running hours. – By reducing running hours of agitator saving is made on electricity.
 4. Solwatt® - Energy conservation initiative by Solvay kicked off at site. The key aim of Solwatt® is to create a sustainable culture of energy efficiency in the plants.
- b) The steps taken by the Company for utilising alternate sources of energy:
 1. 500 KVA Diesel Generator (DG) set running hours optimized by installation of UPS system to protect critical equipment at Unit II. This will avoid continuous running of DG.
 2. Biomass based Cogeneration plant proposal is prepared and sent for approval of Solvay energy services division.
- 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 :

<ol style="list-style-type: none"> 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 ₹)

<ol style="list-style-type: none"> a) Capital b) Recurring c) Total d) Total R & D Expenditure as percentage of turnover 	}	Nil
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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)

	2015-16	2014-15
i) Total foreign exchange used	4079.69	2876.82
ii) Total foreign exchange earned	8139.46	6509.22

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, 2016, 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 prescribed under section 133 of the Act.

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

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

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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.

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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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

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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 principles – also refer Note 26.1 (i) to the financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts –also refer Note 26.13 (a) to the financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora
Partner
Membership Number: 100459

Mumbai, May 30, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SUNSHIELD CHEMICALS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

-
-
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ketan Vora
Partner
Membership Number: 100459

Mumbai, May 30, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold and building thereof are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act and are of the opinion that, prima

facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 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	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

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	Commissioner of Income Tax (Appeals)	Assessment Year 2013-2014	4.61
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	Joint Commissioner of Sales Tax (Appeals)	2007-08	78.09
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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of CARO 2016 is not applicable.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

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

Ketan Vora

Partner

Membership Number: 100459

Mumbai, May 30, 2016

Sunshield Chemicals Limited

Balance Sheet as at 31 March 2016

Particulars	Note No.	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	735.31	735.31
(b) Reserves and surplus	4	944.77	1,029.32
		<u>1,680.08</u>	<u>1,764.63</u>
(2) Non-current liabilities			
(a) Long-term borrowings	5	5,961.94	4,236.00
(b) Deferred tax liabilities (net)	6	139.43	402.58
(c) Other Long-term liabilities	7	125.29	39.31
(d) Long-term provisions	8	102.98	73.93
		<u>6,329.64</u>	<u>4,751.82</u>
(3) Current liabilities			
(a) Short-term borrowings	9	4,139.20	3,212.05
(b) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	10	38.70	9.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,464.51	1,645.18
(c) Other current liabilities	11	419.06	1,750.18
(d) Short-term provisions	12	9.50	10.64
		<u>7,070.97</u>	<u>6,627.89</u>
	TOTAL	<u><u>15,080.69</u></u>	<u><u>13,144.34</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible fixed assets	13	7,927.19	3,076.42
(ii) Capital work-in-progress	26.15	150.88	4,755.11
		<u>8,078.07</u>	<u>7,831.53</u>
(b) Long-term loans and advances	14	545.45	885.37
		<u>8,623.52</u>	<u>8,716.90</u>
(2) Current assets			
(a) Inventories	15	2,766.70	2,034.12
(b) Trade receivables	16	2,565.71	1,189.29
(c) Cash and cash equivalents	17	212.16	18.23
(d) Short-term loans and advances	18	912.60	758.30
(e) Other current assets	19	-	427.50
		<u>6,457.17</u>	<u>4,427.44</u>
	TOTAL	<u><u>15,080.69</u></u>	<u><u>13,144.34</u></u>

See accompanying notes forming part of the financial statements

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

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

Ketan Vora
Partner

R. L. Shenoy
Chairman
(DIN No.0074761)

Ajit Shah
Director
(DIN No.02396765)

Manoj Khullar
Managing Director
(DIN No.06415392)

Mumbai, 30th May 2016

Rajeev Gupte
Chief Financial Officer

Amit Kumashi
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2016

Particulars	Note No.	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
I. Income			
Revenue from operations	20(a)		
Sale of products (gross)		15,647.37	12,586.46
Less: Excise duty		830.39	837.81
Sale of products (net)		14,816.98	11,748.65
Sale of services			
- Processing charges	20(b)	120.23	107.24
Other operating income	20(c)	85.58	44.66
		15,022.79	11,900.55
II. Other income	21	304.14	68.52
III. Total Revenue (I+II)		15,326.93	11,969.07
IV. Expenses			
Cost of materials consumed	22(a)	10,578.49	9,048.12
Purchase of stock-in-trade	22(b)	2.18	-
Changes in inventories of finished goods and work-in-progress	22 (c)	(520.73)	(420.84)
Employee benefit expense	23	667.44	629.50
Finance costs	24	1,079.66	349.17
Depreciation expense	13	548.36	326.56
Other expenses	25	3,314.68	2,428.04
Total Expenses		15,670.08	12,360.55
V. (Loss) / Profit before tax		(343.15)	(391.48)
VI. Less : Tax expense			
Current Tax Expenses		4.54	-
Tax adjustments relating to prior years		-	17.21
		4.54	17.21
Deferred tax (credit)/charge		(263.14)	(90.35)
		(258.60)	(73.14)
VII. Profit / (Loss) after tax		(84.55)	(318.34)
VIII. Earnings per share [Nominal value of share ₹ 10]	26.11		
Basic		(1.15)	(4.33)
Diluted		(1.15)	(4.33)

See accompanying notes forming part of the financial statements

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

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

Ketan Vora
Partner

R. L. Shenoy
Chairman
(DIN No.0074761)

Ajit Shah
Director
(DIN No.02396765)

Manoj Khullar
Managing Director
(DIN No.06415392)

Mumbai, 30th May 2016

Rajeev Gupte
Chief Financial Officer

Amit Kumashi
Company Secretary

Cash Flow Statement for the year ended 31 March 2016

Particulars	Year ended March 31, 2016 ₹ in Lacs	Year ended March 31, 2015 ₹ in Lacs
A) CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax	(343.15)	(391.48)
Adjustments for non-cash item / items required to be disclosed separately:		
Depreciation expense	548.36	326.56
Provision for doubtful trade receivables	-	11.76
Interest Income	(11.08)	-
Liabilities / Provisions no longer required written back	(57.24)	(68.52)
Profit on Sale of Assets	(6.62)	-
Profit on Sale of Assets held for sale	(117.00)	-
Fixed assets written off	59.94	-
Finance Cost	1,079.66	349.17
Write back of provision for doubtful debts	(8.05)	-
Write off of MAT credit receivable	211.79	-
Unrealised foreign exchange loss (net)	(7.73)	22.70
Incremental sales tax deferral	4.35	6.00
	1,696.38	647.67
Operating Profit before changes in Working Capital	1,353.23	256.19
Adjustments for changes in Working Capital and Provisions:		
(Increase) / Decrease in Trade Receivables	(1,348.69)	2,071.13
(Increase) in Inventories	(732.58)	(654.47)
Decrease in Other Current Assets	-	54.59
(Increase) in Short Term & Long Term Loans and Advances	(146.04)	(662.30)
Increase in short and long term Provisions	27.91	13.72
(Decrease) / increase in Other Current Liabilities	29.58	39.22
Increase in Trade Payables	893.48	268.59
	(1,276.34)	1,130.48
Cash Generated from Operations	76.89	1,386.67
Income-tax paid	(8.78)	(97.59)
Net Cash flow from Operating Activities	68.11	1,289.08
(B) CASH FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets including Capital Advances	(2,258.53)	(3,063.05)
Interest Received	11.08	1.87
Proceeds from equity investments	-	0.25
Proceeds from sale of asset held for sale	544.50	-
Proceeds from sale of Fixed Assets	12.44	-
Net Cash used in Investing Activities	(1,690.51)	(3,060.93)
	(1,622.40)	(1,771.85)
(C) CASH FROM FINANCING ACTIVITIES		
Interest Paid	(667.29)	(331.58)
Proceeds from Long Term Borrowings	1,584.93	1,984.75

Cash Flow Statement for the year ended 31 March 2016 (continued)

Particulars	Year ended March 31, 2015 ₹ in Lacs	Year ended March 31, 2014 ₹ in Lacs
Proceeds from Short Term Borrowings	927.15	(115.57)
Deferred Sales Tax Installments Paid	<u>(28.46)</u>	<u>(20.03)</u>
Net Cash from Financing Activities	<u>1,816.33</u>	<u>1,517.57</u>
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	<u>193.93</u>	<u>(254.28)</u>
Cash and cash equivalents on 31.03.2015	18.23	272.51
Cash and cash equivalents on 31.03.2016	212.16	18.23

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

Ketan Vora
Partner

Mumbai, 30th May 2016

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

R. L. Shenoy
Chairman
(DIN No.0074761)

Rajeev Gupte
Chief Financial Officer

Ajit Shah
Director
(DIN No.02396765)

Manoj Khullar
Managing Director
(DIN No.06415392)

Amit Kumashi
Company Secretary

Notes forming part of the financial statements

1 Corporate information

Sunshield Chemicals Limited ('the Company') was incorporated in India on 19th November 1986. The Company is engaged in manufacture and sale 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 and the relevant provisions of the Companies Act, 2013 ("the 2013 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

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.

Notes forming part of the financial statements (Continued)

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.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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

Notes forming part of the financial statements (Continued)

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.

(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 sheet 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 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing liabilities in foreign currency. Derivative contracts which are closely linked to the existing liabilities are accounted as per the policy stated for Foreign currency transactions and translations. All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.21 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 2016

Note 3 Share capital

Particulars	As at 31 March 2016		As at 31 March 2015	
	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 2016		As at 31 March 2015	
	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 2016		As at 31 March 2015	
	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 2016		As at 31 March 2015	
	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 2016 (Continued)
Note 4 Reserves and surplus

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(a) Capital Reserves	453.56	453.56
(b) Securities Premium Account	883.10	883.10
(c) Surplus/(Deficit) in Statement of Profit and loss Opening Balance	(307.34)	33.44
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 26.14)	-	(22.44)
	<u>(307.34)</u>	<u>11.00</u>
Add : (Loss) for the year	<u>(84.55)</u>	<u>(318.34)</u>
Closing Balance	<u>(391.89)</u>	<u>(307.34)</u>
	<u>944.77</u>	<u>1,029.32</u>

Note 5 Long-term borrowings

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ 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)	84.11	116.53
(c) Loans and Advances from related party (Refer (iii) below)	4,177.83	2,419.47
	<u>5,961.94</u>	<u>4,236.00</u>

	Particulars	Present Rate of Interest	Terms of Repayment	Outstanding as on 31 March 2016 ₹ in Lacs	Current maturities of long-term borrowings as on 31 March 2016 ₹ in Lacs	Outstanding as on 31 March 2015 ₹ in Lacs	Current maturities of long-term borrowings as on 31 March 2015 ₹ 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	120.89	36.78	144.99	28.46
(iii)	External Commercial Borrowing (ECB) taken from Solvay Finance Ireland a subsidiary of Solvay S.A. Belgium, the ultimate holding company	3.20%	5 years from the date of utilisation of respective drawdown, the maturity dates ranges from November 2018 to February 2020	4,249.62	71.79	2,419.47	-

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Notes forming part of the financial statements as at 31 March 2016 (Continued)

Note 6 Deferred tax liabilities (net)

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	909.74	558.83
Deferred tax assets		
Disallowance under section 43(B) / 40 (a) of Income tax Act, 1961	50.93	148.42
Unabsorbed depreciation and unabsorbed business loss carried forward	697.01	3.94
Provision on inventories	22.37	-
Provision for doubtful debts	-	3.89
	<u>139.43</u>	<u>402.58</u>

Note 7 Other Long-term liabilities

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Interest accrued but not due on borrowings	125.29	39.31
	<u>125.29</u>	<u>39.31</u>

Note 8 Long-term provisions

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Provision for employee benefits:		
(a) Provision for Compensated absences	48.84	39.53
(b) Provision for Gratuity (Refer Note 26.10)	54.14	34.40
	<u>102.98</u>	<u>73.93</u>

Note 9 Short-term borrowings

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Unsecured		
(a) Loans repayable on demand from banks		
Overdraft facilities (Refer (i) below)	139.20	0.77
Working capital Demand Loan (Refer (i) below)	1,000.00	-
(b) Loans and advances from related party (Refer (ii) below)	3,000.00	1,100.00
(c) Other Short-term borrowings		
- Buyer's credit (Refer (i) below)	-	937.12
- Packing credit foreign currency loan (Refer (i) below)	-	1,174.16
	<u>4,139.20</u>	<u>3,212.05</u>

Notes forming part of the financial statements as at 31 March 2016 (Continued)

Loan particulars

- (i) Secured by a corporate guarantee from Rhodia S.A. France, a subsidiary of ultimate holding company
(ii) Loan from Solvay Specialities India Pvt. Ltd., a fellow subsidiary of Sunshield Chemicals Limited
-

Note 10 Trade payables

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(a) Total outstanding dues of micro and small enterprises (Refer Note 26.2)	38.70	9.84
(b) Total outstanding dues of other than micro and small enterprises	2,464.51	1,645.18
	<u>2,503.21</u>	<u>1,655.02</u>

Note 11 Other current liabilities

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(a) Current maturities of long term debts (Refer Note 5)	108.57	28.46
(b) Interest accrued but not due on borrowings	98.76	17.59
(c) Other Payables		
- Statutory remittances (Contributions to PF, withholding taxes, Excise Duty, Customer Duty, etc.)	157.57	95.38
- Payables on purchase of fixed assets	46.27	1,568.25
- Advance from customers	7.89	40.50
	<u>419.06</u>	<u>1,750.18</u>

Note 12 Short- term provisions

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Provision for employee benefits		
Provision for Compensated absences	9.50	10.64
	<u>9.50</u>	<u>10.64</u>

Sunshield Chemicals Limited

Notes forming part of the financial statements as at 31 March 2016 (Continued)

Note 13 Fixed Assets

₹ In Lacs

Description	Gross Block (At cost)				Depreciation				Net Block	
	As at 01-Apr-15	Additions	Deductions	As at 31-Mar-16	As at 01-Apr-15	For the year	Deductions	Transitional adjustment recorded against surplus balance in Statement of Profit and Loss	As at 31-Mar-16	As at 31-Mar-16
Tangible Fixed Assets										
Freehold Land	9.19 (9.19)	67.78 (-)	(0.15) (-)	76.82 (9.19)	- (-)	- (-)	- (-)	- (-)	- (-)	76.82 (9.19)
Buildings	507.80 (483.02)	1,190.47 (24.78)	- (-)	1,698.27 (507.80)	202.16 (163.80)	65.18 (17.38)	- (-)	- (20.98)	267.34 (202.16)	1,430.93 (305.64)
Plant and Equipment	4,627.35 (4,596.21)	4,093.32 (31.14)	(110.57) (-)	8,610.10 (4,627.35)	1,908.83 (1,612.38)	449.53 (284.98)	(44.96) (-)	- (11.47)	2,313.40 (1,908.83)	6,296.70 (2,718.52)
Furniture and Fixtures	76.27 (76.27)	- (-)	- (-)	76.27 (76.27)	76.09 (76.04)	0.13 (0.03)	- (-)	- (0.02)	76.22 (76.09)	0.05 (0.18)
Vehicles	5.65 (5.65)	- (-)	- (-)	5.65 (5.65)	2.44 (0.60)	0.71 (1.84)	- (-)	- (-)	3.15 (2.44)	2.50 (3.21)
Computers	84.56 (63.94)	113.32 (20.62)	(15.90) (-)	181.98 (84.56)	46.00 (23.77)	32.51 (22.23)	(15.90) (-)	- (-)	62.61 (46.00)	119.37 (38.56)
Office Equipments	1.49 (1.49)	- (-)	- (-)	1.49 (1.49)	0.37 (0.27)	0.30 (0.10)	- (-)	- (-)	0.67 (0.37)	0.82 (1.12)
Total	5,312.31	5,464.89	(126.62)	10,650.58	2,235.89	548.36	(60.86)	-	2,723.39	7,927.19
Previous Year	(5,235.77)	(76.54)	(-)	(5,312.31)	(1,876.86)	(326.56)	(-)	(32.47)	(2,235.89)	(3,076.42)

Note 14 Long-term loans and advances

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Unsecured, considered Good		
(a) Capital Advances	55.76	179.87
(b) Security Deposits	34.67	34.43
(c) Tax payments less provisions	129.69	125.45
(d) MAT credit entitlement	-----	211.79
(e) Balances with Government authorities		
- VAT credit receivable	311.83	327.83
- VAT paid under protest	13.50	6.00
	545.45	885.37

Notes forming part of the financial statements as at 31 March 2016 (Continued)

Note 15 Inventories

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(Valued at the lower of cost and net realisable value)		
(a) Raw materials [(includes Goods -in - Transit ₹ 19.28 lacs, (previous year ₹ 175.69 lacs)]	866.39	691.88
(b) Packing materials	57.05	52.72
(c) Work-in-progress	87.62	139.65
(d) Finished goods [(includes Goods -in - Transit ₹ Nil, (previous year ₹ 39.09 lacs)]	1,649.56	1,076.80
(e) Stock-in-trade	2.18	-
(f) Stores and spares	103.90	73.07
	<u>2,766.70</u>	<u>2,034.12</u>

Note 16 Trade receivables

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(a) Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	13.62	3.00
Doubtful	3.71	11.76
Less: Provision for doubtful trade receivables	3.71	11.76
	<u>13.62</u>	<u>3.00</u>
(b) Others		
Unsecured, considered good	2,552.09	1,186.29
	<u>2,565.71</u>	<u>1,189.29</u>

Note 17 Cash and cash equivalents

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(a) Balance with banks		
- in current accounts	211.72	18.23
(b) Cash on hand	0.44	----
	<u>212.16</u>	<u>18.23</u>

Sunshield Chemicals Limited

Notes forming part of the financial statements as at 31 March 2016 (Continued)

Note 18 Short- term loans and advances

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Unsecured, considered good - others		
(a) Loans and advances to employees	5.70	9.29
(b) Prepaid Expenses	14.09	17.16
(c) Balance with government authorities		
- Cenvat credit receivable	499.44	484.48
- Excise duty recoverable from excise department	67.07	112.24
- Duty drawback receivable		
(d) Others		
Advances to suppliers of goods and services	326.30	135.13
	<u>912.60</u>	<u>758.30</u>

Note 19 Other current assets

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
Asset held for sale (Refer Note 26.16)	-	427.50
	<u>-</u>	<u>427.50</u>

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)
Note 20 Revenue from operations

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Sale of products		
Finished goods (Refer note 26.4)	15,647.37	12,586.46
Less: Excise duty	830.39	837.81
Sale of products (net)	14,816.98	11,748.65
(b) Sale of services		
Processing charges	120.23	107.24
(c) Other operating income		
Scrap sales		
[Net of excise duty ₹4.82 lacs, (Previous year ₹ Nil lacs)]	64.56	38.26
Duty Drawback	21.02	6.40
	85.58	44.66
	15,022.79	11,900.55

Note 21 Other income

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Interest income:		
- On deposits from bank	8.53	-
- Others	2.55	-
(b) Profit on sale of asset held for sale (Refer Note 26.16)	117.00	-
(c) Profit on sale of fixed assets	6.62	-
(d) Service fees recovered	18.33	-
(e) Liabilities / provisions no longer required written back	57.24	68.52
(f) Net gain on foreign currency transactions	85.82	-
(g) Write back of provision for doubtful debts	8.05	-
	304.14	68.52
	304.14	68.52

Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)

Note 22 (a) Cost of materials consumed

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Raw materials consumed		
Opening stock of raw materials	691.88	426.29
Add: Purchases	10,288.82	8,944.58
	<u>10,980.70</u>	<u>9,370.87</u>
Less: Closing stock of raw materials	866.39	691.88
Cost of raw materials consumed	10,114.31	8,678.99
(b) Packing materials consumed		
Opening stock of packing materials	52.72	42.72
Add: Purchases	468.51	379.13
	<u>521.23</u>	<u>421.85</u>
Less: Closing stock of packing materials	57.05	52.72
Cost of packing materials consumed	464.18	369.13
	<u>10,578.49</u>	<u>9,048.12</u>

Note 22 (b) Purchase of stock-in-trade

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
Purchases of stock-in-trade		
IGEPAL BC-10	2.18	-

Note 22 (c) Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Work-in-progress		
Opening stock	139.65	196.14
Less: Closing stock	87.62	139.65
	52.03	56.49
(b) Finished goods		
Opening stock	1,076.80	599.47
Less: Closing stock	1,649.56	1,076.80
	(572.76)	(477.33)
Net (Increase)	<u>(520.73)</u>	<u>(420.84)</u>

Note 23 Employee benefit expense

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Salaries and wages	586.80	564.48
(b) Contribution to provident and other funds	51.03	38.18
(c) Staff welfare expenses	29.61	26.84
	<u>667.44</u>	<u>629.50</u>

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)
Note 24 Finance costs

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Interest expense	828.23	330.02
(b) Other borrowing costs	6.20	19.15
(c) Net loss on foreign currency transactions and translations	245.23	-
	<u>1,079.66</u>	<u>349.17</u>

Note 25 Other expenses

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
Consumption of stores and spare parts	147.34	203.06
Power and fuel	742.31	480.44
Rent	135.85	127.53
Repairs and maintenance		
- Plant and machinery	145.71	89.43
- Others	<u>30.48</u>	<u>14.91</u>
Insurance	37.24	43.00
Rates and taxes	58.52	16.49
Increase / (Decrease) of excise duty on inventory (Refer Note 26.12)	50.87	19.97
Fixed assets written off	59.94	-
Sub-contract charges	349.21	347.54
Legal and professional fees (Refer Note (ii) below)	377.53	228.77
Corporate social responsibility expense	0.43	0.03
Computer maintenance and Software	162.94	57.48
Travelling and conveyance	37.15	35.63
Director's sitting fees	14.40	12.20
Payments to Auditors (Refer Note (i) below)	8.00	7.27
Freight and forwarding expenses (net)	373.92	330.22
Provision for doubtful trade receivables	-	11.76
Net loss on Foreign currency transactions and translation	-	73.20
Write off of MAT credit receivable	211.79	-
Miscellaneous Expenses	<u>371.05</u>	<u>329.11</u>
	<u>3,314.68</u>	<u>2,428.04</u>

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(i) Payments to the auditors comprise (net of service tax input credit, where applicable):		
(a) To statutory auditors		
- For audit	5.81	5.81
- For other services	<u>2.19</u>	<u>1.46</u>
	<u>8.00</u>	<u>7.27</u>
(ii) Professional fees includes payments to cost auditors for cost audit	1.78	1.78

Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)

Note 26 Additional information to the financial statements

Note 26.1 Contingent Liabilities and commitments to the extent not provided for in respect of:

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(i) Contingent Liabilities:		
Claims against the Company not acknowledged as debt:		
(a) Income Tax matters		
Demand notices issued by Income Tax Dept. for which the Company has preferred appeal	9.46	130.52
(b) Sales Tax Matters		
Demand notices issued by Sales Tax Dept. for which the Company has preferred appeal	1,244.09	1,244.09
(c) During the year, the Company has received a legal notice from a party alleging that the Company has been using their land for the last 30 years. In the said notice, the said party has claimed mense profit for 30 years amounting to ₹ 1,166.40 lakhs. The Company has replied to the notice and called upon the party to cancel and/ or withdraw the notice for the reasons stated in the reply. The Company is taking further legal action in the matter.	1,166.40	-
Note: Future ultimate outflow of resources embodying economic benefits in respect of matters stated under 26.1 (i) above is uncertain as it depends on the final outcome of judgments / decisions on the matters involved.		
(ii) Capital Commitments		
The estimated amount in respect of the contracts remaining to be executed on capital account (net of capital advances) and not provided for Tangible Assets	117.91	133.00

Note 26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2016 ₹ In Lacs	As at 31 March 2015 ₹ In Lacs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	38.70	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	10.86	2.98
(v) The amount of Interest accrued and remaining unpaid at the end of the accounting year	10.86	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 2016 (Continued)
Note 26 Additional information to the financial statements (Continued)
Note 26.3 (a) Details of Consumption of Raw Materials, Packing Material and Stores & Spares

Particulars	For the year ended 31 March 2016	
	₹ In Lacs	%
Raw Materials consumed		
Imported	3,813.82	38%
	(3,107.15)	(36%)
Indigenous	6,300.49	62%
	(5,571.84)	(64%)
	10,114.31	100%
	(8,678.99)	(100%)
Packing Materials consumed		
Imported	-	-
	(-)	(-)
Indigenous	464.18	100%
	(369.13)	100%
	464.18	100%
	(369.13)	100%
Stores & Spares consumed		
Imported	109.06	74%
	(-)	(-)
Indigenous	38.28	26%
	(203.06)	(100%)
	147.34	100%
	(203.06)	(100%)

Figures in bracket are for the previous year ended 31 March, 2015

Note 26.3 (b) Details of Category-wise Raw Materials Consumed

Particulars	As at 31 March 2016	As at 31 March 2015
	₹ In Lacs	₹ In Lacs
Raw Material Consumed		
Ethylene Oxide	3,825.71	3,496.02
Cyanuric Acid	1,472.38	911.38
Di-isobutylene	260.46	238.50
Di-Phenylamine	925.91	901.44
Others	3,629.85	3131.65
	10,114.31	8,678.99

Sunshield Chemicals Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)

Note 26 Additional information to the financial statements (Continued)

Note 26.4 Inventories and Sales of Finished Goods

Particulars	Opening Stock	Closing Stock	WIP of Closing Stock	Net Sales during
	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	the year 2015#
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
Theic	152.58	869.00	40.40	5,069.31
	(156.34)	(152.58)	(55.05)	(4,389.43)
Ethoxylates & Propoxylates	552.60	507.03	4.55	5,649.73
	(287.70)	(552.60)	(2.69)	(3,405.87)
Antioxidants	340.71	248.41	42.67	4,014.94
	(131.54)	(340.71)	(81.91)	(3,304.35)
Miscellaneous Products	30.91	25.12	-	82.99
	(23.89)	(30.91)	(-)	(649.00)
Total of manufactured items	1,076.80	1,649.56	87.62	14,816.97
	(599.47)	(1,076.80)	(139.65)	(11,748.65)

Net of excise duty

Figures in bracket are for the previous year ended 31 March, 2015

Note 26.5 Value of imports calculated on CIF basis

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
	₹ In Lacs	₹ In Lacs
Raw Material	3,970.63	2,741.66
Capital Goods	109.06	135.16

Note 26.6 Expenditure in foreign currency

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
	₹ In Lacs	₹ In Lacs
Travelling	6.86	1.80
Computer maintenance and Software	162.94	57.48
Repairs & Maintenance	38.95	117.42
Legal & Professional Charges	2.02	71.72
Foreign Bank Charges	4.26	5.01
Export Commission	13.41	18.49
Interest	127.08	39.31*
Freight & Forwarding expenses	7.65	-
Misc. Expenses	21.27	-

* Capitalized

Notes forming part of the financial statements for the year ended 31 March 2016 (Continued)
Note 26 Additional information to the financial statements (Continued)
Note 26.7 Earnings in foreign exchange

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
Exports of Goods calculated on FOB basis	8,139.46	6,509.22
Freight and insurance recovered on sales	58.73	145.76
Service Rendered (Recovery of expenses cross-charged for related parties)	13.04	-

Note 26.8 Segment Information

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

Geographical Segment	Revenues for the year ended 31 March, 2016 ₹ In Lacs	Segment assets as at 31 March, 2016 ₹ In Lacs	Capital expenditure incurred during the year ended 31 March, 2016 ₹ In Lacs
India	7,128.74	13890.93	860.66
	(5314.09)	(12570.04)	(4,519.55)
Others	8,198.19	1189.76	-
	(6654.98)	(574.30)	(-)

Figures in bracket are for the previous year ended 31 March, 2015

Note 26.9 Related Party Disclosures

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

- (a) Parties where Control exists:
- (i) **Ultimate Holding Company:**
Solvay S. A.
- (ii) **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:
- (i) **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 Solutions Italia S.p.A
Solvay CR S.R.O
Solvay Finance Ireland Unlimited

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 2016 (Continued)

Note 26 Additional information to the financial statements (Continued)

(ii) **Key Management Personnel:**

Mr. Shreerang Belgaonkar, Wholetime Director (upto 30th June, 2015)

Mr. Manoj Khullar, Managing Director (from 1st July, 2015)

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

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(i) Fellow Subsidiaries		
Sales of goods:		
Solvay (Zhenjiang) Chemicals Co. Ltd.	370.59	4.98
Rhodia Specialty Chemicals India Ltd.	206.29	19.10
Solvay Chemicals Korea Co. Ltd.	10.60	-
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	44.95	-
Solvay CR S.R.O	3.59	-
	<u>636.02</u>	<u>24.08</u>
Purchase of Raw Materials:		
Rhodia Specialty Chemicals India Ltd.	38.39	24.40
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	281.67	108.21
Solvay Solutions Italia S.p.A	26.18	-
	<u>346.24</u>	<u>132.61</u>
Rendering of services:		
Solvay Asia Pacific Co. Ltd.	5.34	-
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	3.91	-
Solvay Chemicals Korea Co. Ltd.	3.79	3.00
	<u>13.04</u>	<u>3.00</u>
Receiving of services:		
Rhodia Specialty Chemicals India Ltd.	285.61	222.94
Rhodia Operations S.A.S.	162.94	96.83
Solvay Chemicals Korea Co. Ltd.	-	0.36
Solvay (China) Co. Ltd.	-	19.58
Solvay Asia Pacific Co. Ltd.	0.42	4.04
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	1.60	6.99
Solvay Specialties India Pvt. Ltd.	13.96	-
	<u>464.53</u>	<u>350.74</u>
Inter corporate loan taken:		
Solvay Specialties India Pvt. Ltd.	1,900.00	1,400.00
Inter corporate loan repaid:		
Solvay Specialties India Pvt. Ltd.	-	1,500.00
Interest expense on inter-corporate loan taken:		
Solvay Specialties India Pvt. Ltd.	182.02	104.25
External Commercial Borrowings (ECB) taken		
Solvay Finance Ireland Unlimited	4,193.94	2,419.20
Interest expense on ECB loan taken:		
Solvay Finance Ireland Unlimited	125.29	39.31
(ii) Key Management Personnel:		
Remuneration # :		
Mr. Shreerang Belgaonkar, Wholetime Director (upto 30 th June, 2015)	15.78	33.77
Mr. Manoj Khullar, Managing Director (from 1 st July, 2015)	0.09	-
# 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 26 Additional information to the financial statements (Continued)

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(d) Balances outstanding as at year end:		
Amount Payable:		
Fellow subsidiaries:		
Solvay Asia Pacific Co. Ltd.	-	4.12
Solvay (China) Co. Ltd.	-	58.41
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	-	73.50
Rhodia Operations S.A.S.	193.85	96.83
Rhodia Specialty Chemicals India Ltd.	233.90	53.54
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	-	63.11
Solvay Specialties India Pvt. Ltd.	0.90	-
	<u>428.65</u>	<u>349.51</u>
Amount Receivable:		
Solvay Chemicals Korea Co. Ltd.	1.17	1.89
Solvay Specialty Chemicals Asia Pacific Pte. Ltd.	48.25	-
Rhodia Specialty Chemicals India Ltd.	43.66	-
Solvay (Zhenjiang) Chemicals Co. Ltd.	49.06	4.98
Solvay (Zhangjiagang) Specialty Chemicals Co. Ltd.	19.24	-
	<u>161.38</u>	<u>6.87</u>
Loan Outstanding:		
Solvay Specialties India Pvt. Ltd. (includes interest accrued but not due of ₹ 41.36 lacs, previous year ₹ 15.15 lacs)	3,041.36	1,115.15
Solvay Finance Ireland Unlimited (includes interest accrued but not due of ₹ 125.29 lacs, previous year ₹ 39.31 lacs)	4,303.12	2,458.78
	<u>7,344.48</u>	<u>3,573.93</u>
(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 26.10 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 ₹ 21.74 Lacs (Year ended 31 March, 2015 ₹ 20.87 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 26 Additional information to the financial statements (Continued)

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

Particulars	For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
Gratuity:		
1 Components of employer expenses		
Current service cost	7.81	6.09
Interest cost	8.53	8.30
Expected return on Plan Assets	(6.13)	(6.39)
Actuarial Losses / (Gains)	9.53	9.31
Past service cost	-	-
Total expense recognised in the Statement of Profit and Loss (included in "Contribution to provident and other funds" under 'Employee benefits expense' in Note 23)	19.74	17.31
2. Actual Contribution and Benefits payments for the year		
Actual Benefits payments	(21.75)	(8.46)
Actual Contributions	0.01	0.01
3. Net asset / (liability) recognised in the Balance Sheet		
Present Value of Defined Benefit Obligation	113.99	110.41
Fair Value of Plan Assets	59.85	76.01
Funded status [Surplus / (Deficit)]	(54.14)	(34.40)
Net (liability) / asset recognised in the Balance Sheet	(54.14)	(34.40)
4. Change in Defined Benefit Obligation during the year		
Present Value of Defined Benefit Obligation as at the beginning	110.41	95.03
Current service cost	7.81	6.09
Interest cost	8.53	8.29
Actuarial losses / (gains)	8.81	9.46
Benefits paid	(21.57)	(8.46)
Past Service cost	-	-
Present Value of Defined Benefit Obligation as at the end of the year	113.99	110.41
5. Change in Fair Value of Plan Assets during the year		
Plan Assets as at the beginning	76.01	77.93
Expected return on Plan Assets	6.13	6.39
Actuarial Gains / (Losses)	(0.73)	0.15
Actual Company Contributions	0.01	0.01
Benefits paid	(21.57)	(8.46)
Plan Assets as at the end of the year	59.85	76.01

Note 26 Additional information to the financial statements (Continued)
6. Actuarial Assumptions

Discount Rate	7.85%	7.95%
Expected Return on plan assets	8.75%	8.75%
Salary Escalation Rate	8.00%	8.00%
Attrition:		
21-44 years	12.00%	12.00%
45 & above	2.00%	2.00%

Mortality tables

Indian Assured Lives Indian Assured Lives
Mortality (2006-08)Ult Mortality (2006-08)Ult

7. Estimated amounts of contribution in the immediate next year (₹ In lacs)	10	10
8. 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 Rs. 5.41 lacs [previous year Rs.6.54 lacs]		
9. 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	For the year ended
	31 March 2016	31 March 2015
	₹ In Lacs	₹ In Lacs
10. The major categories of Plan Assets as a percentage of the total plan assets		
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.

11 Experience Adjustments:

Particulars	Year ended ₹ In Lacs				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined Benefit Obligation	113.99	110.41	95.03	76.57	53.87
Plan Assets	59.85	76.01	77.93	60.46	54.14
Surplus / (Deficit)	(54.14)	(34.40)	(17.10)	(16.11)	(0.27)
Experience adjustment on Plan Liabilities	8.02	0.03	13.91	6.17	0.00
Experience adjustment on Plan Assets	(0.72)	0.15	1.08	(0.03)	0.00

Sunshield Chemicals Limited

Note 26.11 Earnings Per Share

Particulars		For the year ended 31 March 2016 ₹ In Lacs	For the year ended 31 March 2015 ₹ In Lacs
(a) Weighted average number of equity shares of ₹10/- each outstanding as at the Balance Sheet date	Nos.	7,353,060	73,53,060
(b) Nominal value of share	₹	10	10
(c) Net Profit / (Loss) attributable to equity shareholders	₹ In Lacs	(84.55)	(318.34)
(d) Earnings per share (basic and diluted)	₹	(1.15)	(4.33)

Note 26.12 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 25) represents the difference between the excise duty included in the closing stock and that in the opening stock of manufactured finished goods ₹ 127.61 lacs (previous year ₹ 76.74 lacs)

Note 26.13 Foreign Currency Exposures:

(a) Outstanding Currency Swaps entered into by the company as on 31st March 2016

Particulars	Currency	Amount in Foreign Currency	Equivalent Amount in Indian Currency (₹ in Lacs)
External Commercial Borrowings (ECB)	USD	6,264,683 (-)	4,177.83 (-)

(b) The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Particulars	Currency	Amount in Foreign Currency	Equivalent Amount in Indian Currency (₹ in Lacs)
Trade & Other payables	USD	599,073 (843,999)	396.91 (527.74)
	Euro	268,156 (31,505)	202.27 (21.19)
External Commercial Borrowings (ECB)	USD	- (3,868,994)	- (2,419.47)
Interest accrued and due on ECB	USD	126,794	84.01
Interest accrued but not due on ECB	USD	62,316 (62,869)	41.29 (39.31)
Buyers' Credit	USD	- (1,498,716)	- (937.12)
Interest accrued but not due on buyer's credit	USD	- (4,937)	- (3.09)
Packing Credit	USD	- (728,110)	- (455.27)
	Euro	- (1,068,525)	- (718.89)
Trade Receivable and other receivables	USD	950,771 (75,417)	629.92 (47.16)
	Euro	869,380 (783,578)	655.77 (527.14)

Figures in bracket are for the previous year ended 31st March, 2015

Note 26.14

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 had 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.

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

Note 26.15

Capital work in progress includes interest Capitalised of ₹ Nil Lacs (previous year ₹ 39.31 Lacs).

Note 26.16

During the year the Company sold its asset valued at ₹ 427.50 lacs which was held for sale in the form of the office premise in the building at Dadar, Mumbai.

Note 26.17

The company is required to spend ₹ 2.52 Lacs on CSR expenditure. (Previous Year ₹ NIL) The company had spent ₹ 0.35 Lacs for plantation of trees and ₹ 0.08 Lacs for promotion of education.

Note 26.18

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
(DIN No.0074761)

Ajit Shah
Director
(DIN No.02396765)

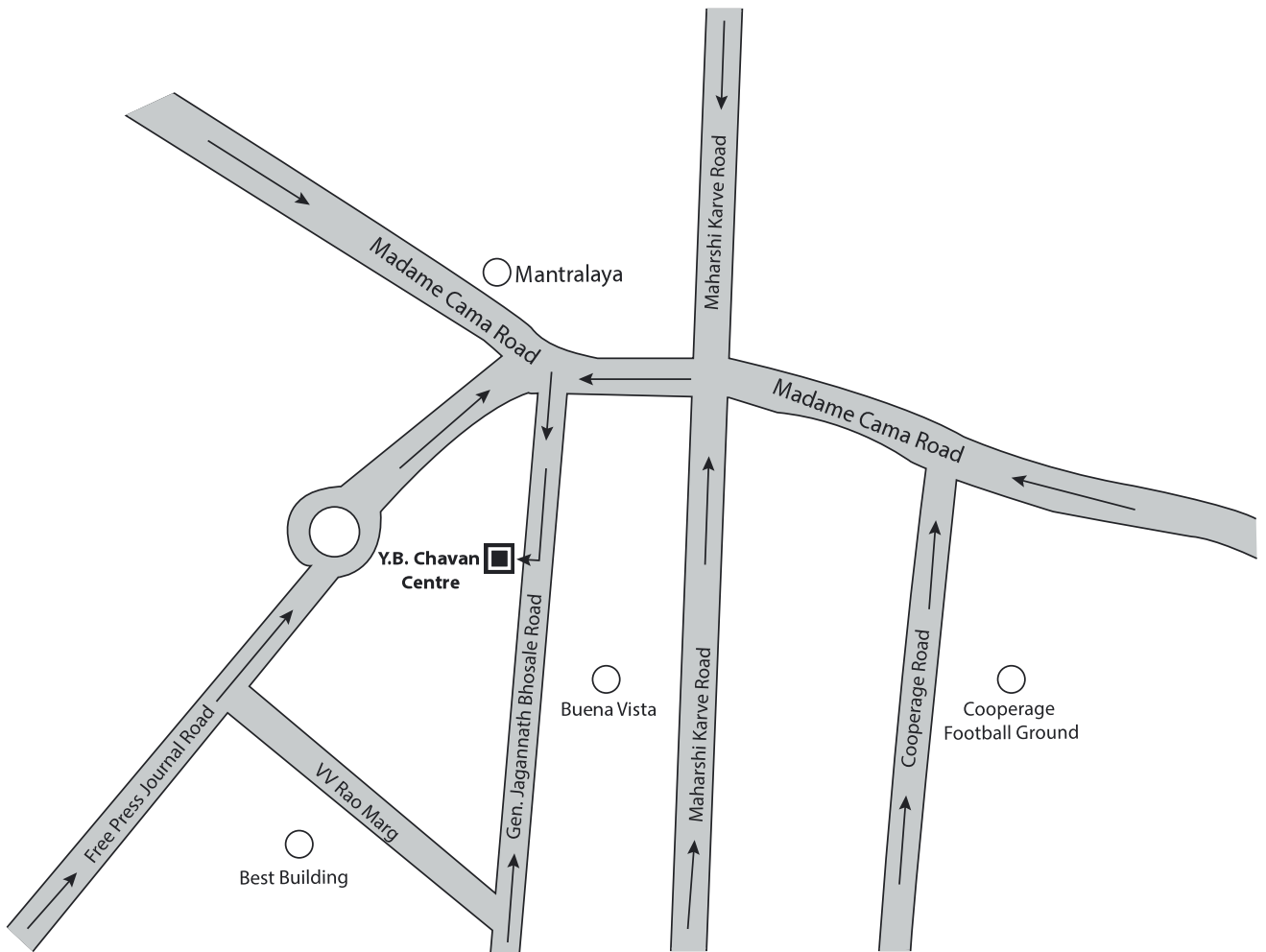
Manoj Khullar
Managing Director
(DIN No.06415392)

Rajeev Gupte
Chief Financial Officer

Amit Kumashi
Company Secretary

Route Map to the venue of the AGM

■ Convention Hall,
Y. B. Chavan Centre,
Gen. Jagannath Bhosale Marg,
Nariman Point, Mumbai 400 021





NOTES

If undelivered, please return to :
Sunshield Chemicals Limited
Phoenix House, 'A Wing, 4th Floor,
462, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013. India.