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Sunshield Chemicals Limited

**30th ANNUAL REPORT
2016-17**

Performance Summary

(₹ In Lacs)

Particulars	Percentage of Growth in comparison to Previous Year	2016-17	2015-16	2014-15	2013-14	2012-13
Volume Sales (M.T)	28	13323	10446	8765	9703	8146
Revenue						
Gross Sales	10	17,508.72	15,647.37	12,586.46	13,914.09	11,017.78
Net Sales	10	16,522.79	15,022.79	11,900.55	13,365.25	10,530.08
Other Income	(93)	21.77	304.14	68.52	37.48	20.08
Cost						
Material Consumed	13	11,357.56	10,059.94	8,627.28	9,594.32	7,559.29
Employee benefits expense	-	664.65	667.44	629.50	498.58	468.36
Finance costs	(12)	945.98	1,079.66	349.17	357.00	509.76
Depreciation and amortization expense	9	598.44	548.36	326.56	230.13	248.17
Other expenses	10	3,661.44	3,314.68	2,428.04	2,183.89	1,661.54
Profit / Loss before Tax	99	(683.51)	(343.15)	(391.48)	538.81	103.04
Profit / Loss after Tax	544	(544.08)	(84.55)	(318.34)	(40.46)	84.23
Earning Per Share	543	(7.40)	(1.15)	(4.33)	(0.55)	1.15

DIRECTORS

R L Shenoy	Chairman
Manoj Khullar	Managing Director
Ajit Shah	
Valdirene Licht	
Ian Brown	
Satish Kelkar	
Sze Wee Ong	(Alt. Guo Lin)
Chidananda Bhagwat	(w.e.f 26 th May 2017)
Aruna Soman	(w.e.f 1 st June 2017)
Arun Roy	(upto 31 st May 2017)
Sanjeev Mukerjee	(upto 31 st May 2017)

AUDIT COMMITTEE

Ajit Shah	Chairman
Aruna Soman	
R L Shenoy	
Manoj Khullar	
Satish Kelkar	
Sanjeev Mukerjee	(upto 31 st May 2017)

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

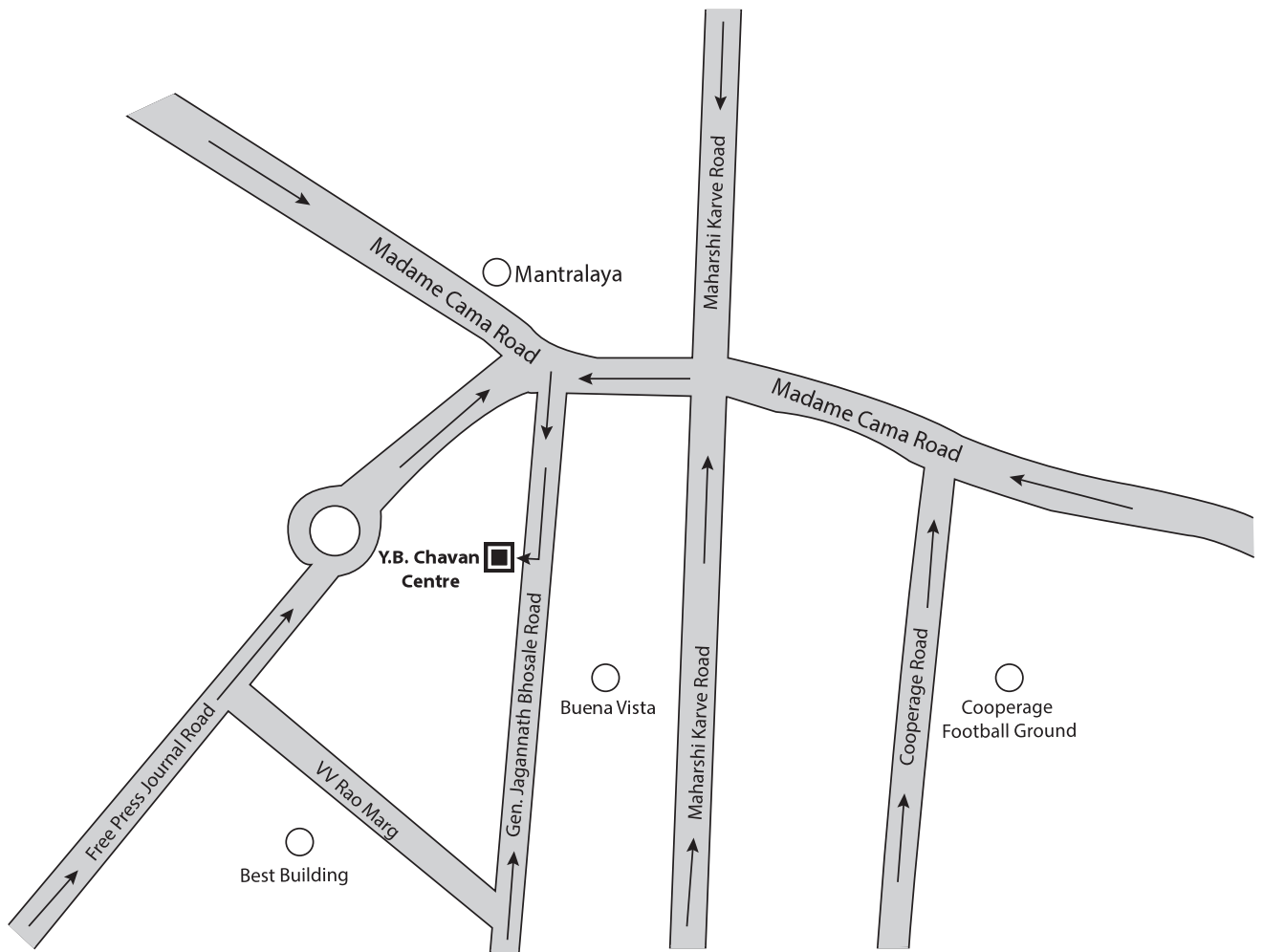
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Route Map to the venue of the AGM

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



NOTICE

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting (“AGM”) of the Members of **Sunshield Chemicals Limited** will be held on **Wednesday, 6th September 2017** 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 2017, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satish Kelkar (DIN-01307387), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Valdirene Licht (DIN-07405104), 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 Annual General Meeting of the Company to be held in the year 2018, at such remuneration plus applicable 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), 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 2018, be paid remuneration of ₹ 2,10,000/- (Rupees Two Lacs Ten thousand only) plus applicable 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.”

6. 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, Mrs. Aruna Soman (DIN - 03622209) who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of 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 31st May 2022.”

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

“RESOLVED THAT Mr. Mr. Chidananda Bhagwat, be and is hereby appointed as a Director of the Company;

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 161, 196, 197, and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, Mr. Chidananda Bhagwat (DIN-07804785) be and is hereby appointed as Director of the Company for a period of three years with effect from 26th May 2017 on following terms and conditions:

- i) Basic Salary: ₹ 102,564/- (Rupees One Lac Two Thousand Five Hundred Sixty Four only) p.m.
- ii) House Rent Allowance: ₹ 102,564/- (Rupees One Lac Two Thousand Five Hundred Sixty Four only) p.m.
- iii) Education Allowance: ₹ 200/- (Rupees Two Hundred only) p.m.
- iv) Medical Expense Reimbursement: ₹ 1,250/- (Rupees One Thousand Two Hundred Fifty only) p.m.
- v) Leave Travel Allowance: For travel in India and according to terms and conditions of the payment shall be as per the Company's policy. ₹ 102,564/- (Rupees One Lac Two Thousand Five Hundred Sixty Four only) p.a.
- vi) Supplementary Allowance: ₹ 1,39,530/- (Rupees One Lac Thirty Nine Thousand Five Hundred Thirty only) p.m.
- vii) Variable Remuneration: Subject to Solvay Policy. ₹ 7,66,056/- (Rupees Seven Lacs Sixty Six Thousand Fifty Six only) p.a.
- viii) Petrol and Maintenance Reimbursement: Company will reimburse Petrol and Maintenance of ₹ 1,35,000/- (Rupees One Lac Thirty Five Thousand only) p.a.

- ix) Vehicle Loan Subsidy: Subject to Solvay Policy. ₹ 59,964/- (Rupees Fifty Nine Thousand Nine Hundred Sixty Four only) p.a.
- x) All the contributions to the statutory dues like Provident Fund Contribution, and Gratuity, would be adjusted accordingly.

The remuneration shall be revised / increased by the Board of Directors during the currency of the period of appointment subject to an overall limit of ₹ 84,00,000/- (Rupees Eighty Four Lacs only) per annum.

RESOLVED FURTHER THAT pursuant to the Articles of Association of the Company, Mr. Chidananda Bhagwat shall not retire by rotation;

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Chidananda Bhagwat, the remuneration by way of salary, bonus and other allowances not exceeding the limits specified under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration;

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

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

**Amit Kumashi
Company Secretary**

Mumbai, 2nd June 2017
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. Shareholders are requested to notify change of address, if any, and details of their bank account to the Registrar/ Depository Participants.
3. 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.
4. 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.
5. 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.
6. 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.
7. The Notice of the AGM along with the Annual Report 2016-17 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.
8. Members may also note that the Annual Report for 2016-17 will be available on the Company's website www.solvayindia.in.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar/ Depositories.
10. In compliance with provisions of Section 108 of the Companies Act, 2013, 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 (SS 2) 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.

11. Mr. Alwyn D'Souza, Practicing Company Secretary (Membership No. FCS 5559) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

12. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

13. Members can opt for only one mode of voting, i.e., either 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.

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

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- i. Open email and open PDF file viz; "Sunshield remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iii. Click on Shareholder – Login.
- iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters

or a combination of both. Please take utmost care to keep your password confidential.

- vi. Home page of remote e-voting opens. Click on e-voting: Active Voting Cycles.
 - vii. Select "EVEN" of Sunshield Chemicals Limited. Now you are ready for e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once the vote on the resolution is cast, the member will not be allowed to change it subsequently.
 - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer.sunshield@gmail.com 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.

Note: Shareholders who forgot the user details/ password can use "Forgot User Details/Password?" or "Physical User Password" option available on www.evoting.nsdl.com

In case shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID)

In case shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No.)

C. Other Instructions:

- i. The e-voting period commences on 3rd September 2017 (9:00 am) and ends on 5th September 2017 (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 30th August 2017, 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 30th August 2017. 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. 30th August 2017, 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 end of 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

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 2017-18.

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 of ₹ 2,10,000/- (Rupees Two Lacs only) plus applicable tax and reimbursement of out-of-pocket expenses payable to the Cost Auditors, for the year 2017-18 as set out at item no. 5 of the notice.

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

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

Item No. 6

Mrs. Aruna Soman was appointed as an Additional Director to hold office as an Independent Director of the Company with effect from 1st June 2017.

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 Mrs. Soman for the office of Director of the Company.

Mrs. Soman 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.

Mrs. Aruna Soman is a qualified Cost Accountant and a Law Graduate. She has 29 years of work experience in a German Pharmaceutical multinational company, in the

areas of Costing, MIS, Taxation, RBI and Legal matters. She is the first woman central council member of the Institute of Cost Accountants of India. Mrs. Soman is associated with Social organization and NGO working in area of citizen welfare and helping cancer patients.

Mrs. Soman is holding directorship in the following Indian Company:

Sr. No.	Name of Company	Position Held	Committee Membership
1.	Shrenuj and Company	Director	Nil

Mrs. Soman does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Company has received a declaration from Mrs. Soman that she 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, Mrs. Soman fulfills the conditions for her appointment as an Independent Director as specified in the Act.

Copy of the draft letter for appointment of Mrs. Soman 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 Mrs. Soman. The Board, therefore, recommends her appointment as a Director of the Company.

Except Mrs. Soman, 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 Nomination and Remuneration Committee at their meeting held on 26th May 2017 have, in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in the AGM and that of the Central Government, if required under the provisions of Companies Act, 2013 ("the Act"), sought to appoint Mr. Chidananda Bhagwat as Director, for a period of 3 (Three) years, effective from 26th May 2017. The Company has entered into an agreement with Mr. Chidananda Bhagwat.