

28th May, 2021

DCS – Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code - 506655

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Scrip Symbol - SUDARSCHEM

Dear Sir,

**Sub : Statement of Audited Financial Results (Standalone and Consolidated)
for the quarter and year ended 31st March, 2021**

Pursuant to the provisions of Regulation 30 (read with Part A of Schedule III) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2021, duly approved and taken on record by the Board of Directors of the Company at its meeting held today i.e. on Friday, 28th May, 2021, along with the Audit Reports (with Un-modified opinion).

Also, as per Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration signed by Mr. Nilkanth Natu, Chief Financial Officer, stating that the said reports are with Un-modified opinion is also enclosed.

The Board of Directors have also recommended a Final Dividend of Rs. 6.00/- per Equity Share of Rs. 2/- each (i.e. 300%) for the Financial Year 2020-21, subject to the deduction of tax at source, as applicable. The Final Dividend, if approved by the shareholders at the ensuing 70th Annual General Meeting of the Company, shall be paid / dispatched to the shareholders within 30 days of declaration thereat.

The Board Meeting commenced at 4.30 P.m. and concluded at 8.15 P.m.

Kindly take the same on record.

Thanking You,
Yours Faithfully,

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED


MANDAR VELANKAR
DGM – LEGAL & COMPANY SECRETARY



Encl : As above

Sudarshan Chemical Industries Limited
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Tel: +91 20 260 58 888 Fax: +91 20 260 58 222
Email : contact@sudarshan.com
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SUDARSHAN CHEMICAL INDUSTRIES LIMITED

REGD.OFFICE / GLOBAL HEAD OFFICE : 162 WELLESLEY ROAD, PUNE - 411 001

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CIN : L24119PN1951PLC008409

PART I - STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited) Refer Note 8	31.12.2020 (Unaudited)	31.03.2020 (Audited) Refer Note 8	31.03.2021 (Audited)	31.03.2020 (Audited) Refer Note 2
	Continuing Operations					
1	Income from operations					
	(a) Revenue from Operations	51,671.7	45,678.7	35,835.7	1,68,906.1	1,49,125.5
	(b) Other operating income	282.3	479.4	693.4	1,944.0	2,701.3
	Total income from operations	51,954.0	46,158.1	36,529.1	1,70,850.1	1,51,826.8
2	Other income (net)	266.3	252.3	454.8	592.2	771.3
3	Total Income (1 + 2)	52,220.3	46,410.4	36,983.9	1,71,442.3	1,52,598.1
4	Expenses					
	(a) Cost of materials consumed	30,325.5	26,024.5	25,399.3	96,776.1	94,312.9
	(b) Purchase of Stock-in-trade	-	-	11.8	-	41.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,049.9	992.0	(5,353.4)	3,982.8	(5,843.2)
	(d) Employee benefits expense (net)	2,837.5	3,062.0	2,557.2	10,872.6	9,728.4
	(e) Finance costs (net)	406.8	426.1	248.2	1,640.0	1,168.5
	(f) Depreciation and amortisation expense	2,095.3	2,133.1	2,117.6	8,514.5	7,239.4
	(g) Other expenses (refer note 6) (net)	10,911.0	8,465.7	8,813.4	32,604.7	29,870.3
	Total expenses (4)	47,626.0	41,103.4	33,794.1	1,54,390.7	1,36,518.0
5	Profit before tax and exceptional items from continuing operations (3 - 4)	4,594.3	5,307.0	3,189.8	17,051.6	16,080.1
6	Exceptional Items (Refer Note 2)					
	- Profit / (loss) on sale of subsidiary / division	-	-	-	-	1,716.6
	- Reversal of Impairment of investment in subsidiary	-	1,072.8	-	1,072.8	-
	Exceptional Items	-	1,072.8	-	1,072.8	1,716.6
7	Profit before tax from continuing operations (5 + 6)	4,594.3	6,379.8	3,189.8	18,124.4	17,796.7
8	Tax expense					
	(a) Current Tax					
	- on Continuing Operations excluding exceptional items	825.1	1,166.8	53.5	3,828.0	3,478.8
	- on Exceptional Items	-	-	-	-	379.3
	(b) Deferred Tax					
	- on Continuing Operations excluding exceptional items	348.7	(7.4)	(242.5)	525.9	(989.3)
	- on Exceptional Items	-	249.9	-	249.9	-
	(c) Tax adjustment related to earlier year (net) (Refer Note 5)	(533.7)	430.9	-	(102.8)	-
	Total Tax Expense	640.1	1,840.2	(189.0)	4,501.0	2,868.8
9	Profit from continuing operations (7 - 8)	3,954.2	4,539.6	3,378.8	13,623.4	14,927.9
	Discontinued Operations					
10	Loss before tax from discontinued operations	-	-	-	-	(83.8)
11	Tax (expense)/ credit	-	-	-	-	29.3
12	Profit/ (loss) from discontinued operations (10 - 11) (Refer Note 2)	-	-	-	-	(54.5)
13	Profit after tax (9 + 12)	3,954.2	4,539.6	3,378.8	13,623.4	14,873.4
14	Other comprehensive income					
	(a) Items that will not be reclassified to profit or loss					
	Re-measurement gains / (losses) on post employment benefits obligations	(0.3)	(112.1)	(143.7)	(103.2)	(320.0)
	Income tax relating to above	0.1	28.3	50.2	26.0	111.8
		(0.2)	(83.8)	(93.5)	(77.2)	(208.2)
	(b) Items that will be reclassified to profit or loss					
	Effective portion of gains / (losses) on hedging instruments in cash flow hedges	501.7	33.7	(820.6)	166.9	(1,647.1)
	Income tax related to gain/ (loss) on hedging instruments in cash flow hedges	(126.3)	(10.3)	286.8	(42.0)	575.6
		375.4	23.4	(533.8)	124.9	(1,071.5)
	Total Other comprehensive income (net of taxes) (14)	375.2	(60.4)	(627.3)	47.7	(1,279.7)
15	Total comprehensive income (13 + 14)	4,329.4	4,479.2	2,751.5	13,671.1	13,593.7
16	Paid-up equity share capital (Face Value Rs. 2/- per share)	1,384.5	1,384.5	1,384.5	1,384.5	1,384.5
17	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	61,869.7
18	Earnings per share from continuing operations (Refer Note 3) * (of Rs. 2/- each)					
	Basic	5.7	6.6	4.9	19.7	21.6
	Diluted	5.7	6.5	4.9	19.7	21.6
19	Earnings/ (Loss) per share from discontinued operations * (of Rs. 2/- each)					
	Basic	-	-	-	-	(0.1)
	Diluted	-	-	-	-	(0.1)
20	Earnings per share (for continuing and discontinued operations) * (of Rs. 2/- each)					
	Basic	5.7	6.6	4.9	19.7	21.5
	Diluted	5.7	6.5	4.9	19.7	21.5

* Not annualised

SUDARSHAN CHEMICAL INDUSTRIES LIMITED
REGD.OFFICE / GLOBAL HEAD OFFICE : 162 WELLESLEY ROAD, PUNE - 411 001

PART II - STATEMENT OF AUDITED STANDALONE ASSETS AND LIABILITIES

(Rs. in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
A	ASSETS	(Audited)	(Audited)
1	Non-current Assets		
	(a) Property, plant and equipment	57,148.7	59,505.3
	(b) Capital work-in-progress	26,857.6	4,402.6
	(c) Other Intangible assets	2,449.5	1,847.1
	(d) Intangible assets under development	950.6	395.6
	(e) Right-of-use assets	176.8	-
	(f) Investment in subsidiaries	5,348.4	4,275.6
	(g) Financial assets		
	i. Investments	127.6	88.8
	ii. Loans	72.1	166.0
	(h) Other non-current assets	5,197.9	6,338.5
	(i) Non-current tax assets (net)	1,769.8	2,401.7
	Total - Non-current Assets	1,00,099.0	79,421.2
2	Current Assets		
	(a) Inventories	32,186.0	33,946.7
	(b) Financial assets		
	i. Trade receivables	49,024.8	36,645.2
	ii. Cash and cash equivalents	1,002.4	232.5
	iii. Bank balances other than (ii) above	410.1	442.8
	iv. Loans	502.8	-
	v. Derivative assets	473.0	460.4
	vi. Other financial assets	2,624.4	1,399.5
	(c) Other current assets	5,982.3	3,506.5
	Total - Current Assets	92,205.8	76,633.6
	TOTAL - ASSETS	1,92,304.8	1,56,054.8
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	1,384.5	1,384.5
	(b) Other Equity	75,666.9	61,869.7
	Total - Equity	77,051.4	63,254.2
2	Non-current Liabilities		
	(a) Financial liabilities		
	i. Borrowings	30,588.0	22,499.9
	ii. Lease liabilities	35.5	-
	iii. Other financial liabilities	170.1	150.6
	(b) Provisions	2,272.2	1,517.8
	(c) Deferred tax liabilities (net)	4,669.6	4,423.6
	(d) Other non current liabilities	1,006.8	-
	Total - Non-current Liabilities	38,742.2	28,591.9
3	Current Liabilities		
	(a) Financial Liabilities		
	i. Borrowings	13,054.6	17,230.9
	ii. Lease liabilities	19.8	-
	iii. Trade payables - Due to micro and small enterprises	755.6	203.5
	iv. Trade payables - Other than (iii) above	41,044.1	35,176.3
	v. Derivative liabilities	314.9	567.8
	vi. Other financial liabilities	20,217.7	9,519.4
	(b) Other current liabilities	872.6	824.3
	(c) Provisions	217.3	651.5
	(d) Current tax liabilities (net)	14.6	35.0
	Total - Current Liabilities	76,511.2	64,208.7
	TOTAL - EQUITY AND LIABILITIES	1,92,304.8	1,56,054.8

PART III - STATEMENT OF AUDITED STANDALONE CASH FLOWS

(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
Cash flow from operating activities		
Profit before tax and exceptional items from continuing operations	17,051.6	16,080.1
Adjustment for		
Depreciation / amortization	8,514.5	7,239.4
Unrealized foreign exchange (Gain)/ Loss	(425.4)	972.8
Fair value (Gain) / Loss on derivatives	(265.4)	707.1
Provision for expected credit loss (reversed)/ established	(170.9)	588.1
Finance costs	1,640.0	1,168.5
Interest income	(190.6)	(281.6)
Provision for Inventory Obsolescence	763.6	76.9
Others	(25.5)	(94.4)
Operating profit before working capital changes	26,891.9	26,456.9
Working capital adjustments :		
Changes in liabilities and provisions	7,886.2	12,112.0
Changes in current and other non-current assets	(15,602.0)	(8,911.8)
Cash generated from operations	19,176.1	29,657.1
Income taxes paid (net of refunds)	(3,659.5)	(6,021.1)
Net cash flow from operating activities from continuing operations	15,516.6	23,636.0
Net cash flow (used in)/ from operating activities from discontinued operations (refer note 2)	-	(54.5)
A Net cash flow from operating activities from continuing and discontinued operations	15,516.6	23,581.5
Cash flows from investing activities :		
Purchases of property, plant and equipment, intangible assets, intangible assets under development (including net movement in CWIP, capital advances and capital liabilities)	(26,022.2)	(25,932.5)
Proceeds from sale of division and subsidiary, net of incidental expenses and taxes	-	3,214.8
Interest received	190.6	281.6
Loans given to subsidiaries	(401.5)	-
Others	180.3	(10.1)
B Net cash flows (used in) investing activities	(26,052.8)	(22,446.2)
Cash flows from financing activities :		
Proceeds from long-term borrowings	22,753.5	13,775.5
Repayment of long-term borrowings	(5,615.4)	(7,403.8)
Dividend and tax thereon	-	(10,019.8)
(Repayments of)/ proceeds from short-term borrowings (net)	(4,176.3)	3,669.6
Finance costs paid	(1,628.3)	(1,168.5)
Lease payments	(27.4)	-
Others	-	53.5
C Net cash flow from financing activities	11,306.1	(1,093.5)
Net increase in cash and cash equivalents (A + B + C)	769.9	41.8
Cash and cash equivalents at the beginning of the year	232.5	190.7
Cash and cash equivalents at the end of the year	1,002.4	232.5

NOTES :

- The above audited Standalone Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th May, 2021. These audited Standalone Financial Results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the provisions of the Companies Act, 2013.
- The Company entered into a Business Transfer Agreement dated 12th April, 2019 for transfer of its Industrial Mixing Solutions Division on a going concern basis. The resultant gain of Rs. 1,716.6 Lakhs is recognised under "Exceptional Items" in the previous year. According to the requirements of Ind AS 105 – "Non current assets held for sale and discontinued operations", the operations related to the Industrial Mixing Solution Division have been classified as held for sale / discontinued operations. The results (profit / (loss)) of this business have been presented separately in the results for the comparative periods. The table below provides the details of revenue and profit before tax for the discontinued business.

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Lakhs)				
Revenue					
Industrial Mixing Solution Division	-	-	-	-	36.2
Total Revenue	-	-	-	-	36.2
Profit Before Tax					
Industrial Mixing Solution Division	-	-	-	-	(83.8)
Total Profit Before Tax	-	-	-	-	(83.8)

Exceptional item also includes reversal of impairment on the Company's investment in its wholly owned subsidiary, RIECO Industries Limited. The Company assessed its investment in RIECO Industries Limited and consequently reversed impairment amounting to Rs. 1,072.8 Lakhs during the quarter ended 31st December, 2020.

- The table below provides basic earnings per share from continuing operations after excluding the exceptional items. (Refer Note 2 above) and tax on exceptional items and tax related to earlier years. (Refer Note 5 below)

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Lakhs)				
Profit before tax and exceptional items from continuing operations	4,594.3	5,307.0	3,189.8	17,051.6	16,080.1
Tax expense excluding tax on exceptional items and tax related to earlier year	1,173.8	1,159.4	(189.0)	4,353.9	2,489.5
Reversal/ (Charge) of deferred tax expense (refer note 5 below)	-	-	989.7	-	2,305.5
Profit from continuing operations excluding exceptional items (net of related tax) and tax related to earlier year	3,420.5	4,147.6	2,389.1	12,697.7	11,285.1
Basic Earnings per share from continuing operations excluding exceptional items (net of related tax) and tax related to earlier year *	4.9	6.0	3.5	18.3	16.3
	* Not annualised				

- Segment disclosure is presented in the consolidated results of the Group.
- The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA ('New Tax Regime') in the Income Tax Act, 1961, which provided an option to the Company to pay income taxes at reduced tax rates (25.17%, inclusive of surcharge and cess). The amendment stipulated that the option to adopt the New Tax Regime was to be exercised in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income. Based on an initial estimation, the Company estimated that the old tax regime was more beneficial in view of various tax deductions available under this regime and accordingly established provision for income tax @ 34.94% (inclusive of surcharge and Cess) at the time of finalizing the financial statements for year ended 31st March, 2020. During the quarter ended 31st December, 2020, while finalizing the tax return, Management re-assessed the option of old tax regime versus New Tax Regime. Management concluded that the New Tax Regime is beneficial for the year 19-20 considering various recent developments and uncertainties associated with tax deductions under old regime. Hence, Management opted for the New Tax Regime for the year 19-20. The effect of this change in accounting estimate, amounting to Rs. 960.7 Lakhs on current tax expense (increase) and reversal of deferred tax amounting to Rs 529.8 Lakhs (net tax impact of Rs 430.9 Lakhs) was recorded in quarter ended 31st December, 2020. During current quarter, the Company has reversed excess provisions for income tax of Rs. 533.7 Lakhs arising from completion of tax assessments and receipt of tax refunds. The net impact of the above of Rs 102.8 Lakhs, is presented as "Tax adjustment related to earlier year" in the standalone financial results.
- Other expenses includes foreign exchange (gain)/ loss for the period.

Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	(Rs. in Lakhs)				
Foreign Exchange (Gain)/ Loss	11.8	(222.5)	620.5	(773.0)	61.6

- The Company has evaluated the impact of resurgence of COVID pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions, no material adjustment is considered necessary to its audited standalone financial results as at 31st March, 2021.
- The figures for the quarter ended 31st March, 2021 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on 13th November, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- The Board of Directors has recommended a dividend of Rs. 6 /- per share on Face value of Rs.2/- per share (i.e. 300%) for the year 2020-21, which is subject to approval of shareholders at the 70th Annual General Meeting of the Company.
- The aforesaid Audited Standalone Financial Results will be uploaded on the Company's website www.sudarshan.com and will also be available on the websites of BSE Limited www.bseindia.com and The National Stock Exchange of India Limited www.nseindia.com for the benefit of shareholders and investors.
- The previous period's numbers have been regrouped wherever necessary to meet current period's classification.

For and on behalf of the Board of Directors

Rajesh
Balkrishna Rathi

Digitally signed by
Rajesh Balkrishna Rathi
Date: 2021.05.28
19:48:37 +05'30'

R. B. RATHI
MANAGING DIRECTOR
DIN: 00018628

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Sudarshan Chemical Industries Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021 ('standalone annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

Principal Office:

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results (Continued)

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.

B S R & Associates LLP

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (Continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.- 116231W/W-100024

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SHRIKRISHNA
DESAI

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SHRIKRISHNA DESAI
Date: 2021.05.28
20:00:06 +05'30'

Raajnish Desai

Partner

Membership Number: 101190

UDIN: 21101190AAAABL5739

Place: Pune

Date: 28 May 2021

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

REGD.OFFICE / GLOBAL HEAD OFFICE : 162 WELLESLEY ROAD, PUNE - 411 001

Tel. : +91 20 68281200 Fax : +91 20 26058222 Email : investorrelations@sudarshan.com Website : www.sudarshan.com
CIN : L24119PN1951PLC008409

PART I - STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2021

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited) Refer Note 8	31.12.2020 (Unaudited)	31.03.2020 (Audited) Refer Note 8	31.03.2021 (Audited)	31.03.2020 (Audited) Refer Note 3
	Continuing Operations					
1	Income from operations					
	(a) Revenue from Operations	57,338.1	50,158.3	44,200.9	1,84,433.6	1,68,091.0
	(b) Other operating income	315.9	479.4	710.9	1,977.6	2,728.2
	Total income from operations	57,654.0	50,637.7	44,911.8	1,86,411.2	1,70,819.2
2	Other income (net)	234.1	255.4	98.9	701.5	468.1
3	Total income (1 + 2)	57,888.1	50,893.1	45,010.7	1,87,112.7	1,71,287.3
4	Expenses					
	(a) Cost of materials consumed	32,281.0	27,398.4	27,825.9	1,02,057.5	1,00,019.9
	(b) Purchase of Stock-in-trade	372.8	963.1	1,105.0	1,980.8	2,764.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	761.9	611.3	(3,819.0)	2,007.5	(5,168.4)
	(d) Employee benefits expense (net)	3,949.0	4,286.2	4,114.1	15,566.2	14,574.7
	(e) Finance costs (net)	423.6	459.4	303.0	1,787.3	1,422.6
	(f) Depreciation and amortisation expense	2,136.7	2,167.2	2,161.0	8,650.9	7,350.8
	(g) Other expenses (refer note 6) (net)	11,542.8	9,415.0	10,286.0	36,023.7	33,997.1
	Total expenses (4)	51,467.8	45,300.6	41,976.0	1,68,073.9	1,54,961.4
5	Profit before tax and exceptional items from continuing operations (3 - 4)	6,420.3	5,592.5	3,034.7	19,038.8	16,325.9
6	Exceptional Items					
	- Profit / (loss) on sale of subsidiary / division	-	-	-	-	1,716.6
	Exceptional Items (Refer Note 3)	-	-	-	-	1,716.6
7	Profit before tax from continuing operations (5 + 6)	6,420.3	5,592.5	3,034.7	19,038.8	18,042.5
8	Tax expense					
	(a) Current Tax					
	- on Continuing Operations excluding exceptional items	877.3	1,255.0	(40.2)	4,057.1	3,649.6
	- on Exceptional Items	-	-	-	-	379.3
	(b) Deferred Tax					
	- on Continuing Operations	734.6	(9.3)	344.3	973.4	(494.2)
	(c) Tax adjustment related to earlier year (net) (Refer Note 5)	(533.7)	430.9	-	(102.8)	-
	Total Tax Expense	1,078.2	1,676.6	304.1	4,927.7	3,534.7
9	Profit from continuing operations (7 - 8)	5,342.1	3,915.9	2,730.6	14,111.1	14,507.8
	Discontinued Operations					
10	Loss before tax from discontinued operations	-	-	-	-	(83.8)
11	Tax (expense)/ credit	-	-	-	-	29.3
12	Profit/ (loss) after tax from discontinued operations (10 - 11) (Refer Note 3)	-	-	-	-	(54.5)
13	Profit after tax (9 + 12)	5,342.1	3,915.9	2,730.6	14,111.1	14,453.3
14	Other comprehensive income					
	(a) Items that will not be reclassified to profit or loss					
	Re-measurement gains / (losses) on post employment benefits obligations	(29.9)	(112.1)	(126.6)	(132.8)	(302.9)
	Income tax relating to above	7.6	28.3	45.9	33.5	107.5
		(22.3)	(83.8)	(80.7)	(99.3)	(195.4)
	(b) Items that will be reclassified to profit or loss					
	Effective portion of gains / (losses) on hedging instruments in cash flow hedges	501.7	33.7	(820.6)	166.9	(1,647.1)
	Gain / (loss) on translation of foreign operations	(118.1)	68.6	74.8	16.3	318.8
	Income tax related to gain/ (loss) on hedging instruments in cash flow hedges	(126.3)	(10.3)	286.8	(42.0)	575.6
		257.3	92.0	(459.0)	141.2	(752.7)
	Total Other comprehensive income (net of taxes) (14)	235.0	8.2	(539.7)	41.9	(948.1)
15	Total comprehensive income (13 + 14)	5,577.1	3,924.1	2,190.9	14,153.0	13,505.2
16	Paid-up equity share capital (Face Value Rs. 2/- per share)	1,384.5	1,384.5	1,384.5	1,384.5	1,384.5
17	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	58,694.1
18	Earnings per share from continuing operations (Refer Note 4) *					
	(of Rs. 2/- each)					
	Basic	7.7	5.7	3.9	20.4	21.0
	Diluted	7.7	5.6	3.9	20.4	21.0
19	Earnings/ (Loss) per share from discontinued operations *					
	(of Rs. 2/- each)					
	Basic	-	-	-	-	(0.1)
	Diluted	-	-	-	-	(0.1)
20	Earnings per share (for continuing and discontinued operations) *					
	(of Rs. 2/- each)					
	Basic	7.7	5.7	3.9	20.4	20.9
	Diluted	7.7	5.6	3.9	20.4	20.9

* Not annualised

SUDARSHAN CHEMICAL INDUSTRIES LIMITED
REGD.OFFICE / GLOBAL HEAD OFFICE : 162 WELLESLEY ROAD, PUNE - 411 001

PART II - STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
A ASSETS	(Audited)	(Audited)
1 Non-current Assets		
(a) Property, plant and equipment	57,682.5	59,883.2
(b) Right-of-Use-Assets	517.1	225.2
(c) Capital work-in-progress	26,857.6	4,402.6
(d) Goodwill	684.4	684.4
(e) Other Intangible assets	2,601.3	1,916.1
(f) Intangible assets under development	977.3	395.6
(g) Financial assets		
i. Investments	127.6	88.8
ii. Loans	96.5	87.6
(h) Deferred Tax Assets (net)	388.7	552.5
(i) Other non-current assets	5,232.8	5,735.5
(j) Non-current tax assets (net)	2,015.0	2,622.2
Total - Non-current Assets	97,180.8	76,593.7
2 Current Assets		
(a) Inventories	41,157.0	41,066.4
(b) Financial assets		
i. Trade receivables	48,468.7	36,406.2
ii. Cash and cash equivalents	1,597.7	818.2
iii. Bank balances other than (ii) above	786.6	744.0
iv. Derivative assets	473.0	460.4
v. Other financial assets	3,884.8	1,840.4
(c) Other current assets	6,791.9	5,030.5
Total - Current Assets	1,03,159.7	86,366.1
TOTAL - ASSETS	2,00,340.5	1,62,959.8
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	1,384.5	1,384.5
(b) Other Equity	72,973.1	58,694.1
Total - Equity	74,357.6	60,078.6
2 Non-current Liabilities		
(a) Financial liabilities		
i. Borrowings	30,813.9	22,499.9
ii. Lease liabilities	377.3	207.0
iii. Other financial liabilities	170.1	150.6
(b) Provisions	2,391.3	1,574.1
(c) Deferred tax liabilities (net)	5,288.8	5,009.1
(d) Other non current liabilities	1,006.8	-
Total - Non-current Liabilities	40,048.2	29,440.7
3 Current Liabilities		
(a) Financial Liabilities		
i. Borrowings	17,902.5	22,621.3
ii. Lease liabilities	46.6	23.1
iii. Trade payables - Due to micro and small enterprises	1,133.8	544.0
iv. Trade payables - Other than (iii) above	42,981.1	36,603.3
v. Derivatives liabilities	314.9	567.8
vi. Other financial liabilities	20,441.9	9,823.1
(b) Other current liabilities	2,837.5	2,552.6
(c) Provisions	230.3	664.1
(d) Current tax liabilities (net)	46.1	41.2
Total - Current Liabilities	85,934.7	73,440.5
TOTAL - EQUITY AND LIABILITIES	2,00,340.5	1,62,959.8

SUDARSHAN CHEMICAL INDUSTRIES LIMITED
REGD.OFFICE / GLOBAL HEAD OFFICE : 162 WELLESLEY ROAD, PUNE - 411 001

PART III - SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited) Refer Note 8	31.12.2020 (Unaudited)	31.03.2020 (Audited) Refer Note 8	31.03.2021 (Audited)	31.03.2020 (Audited) Refer Note 3
1	Segment Revenue -					
	(a) Pigments	53,255.9	47,707.9	40,217.9	1,75,295.6	1,58,975.7
	(b) Others *	4,398.1	2,929.8	4,693.9	11,115.6	11,843.5
	Total :	57,654.0	50,637.7	44,911.8	1,86,411.2	1,70,819.2
	Less : Inter-segment revenue	-	-	-	-	-
	Total Revenue from continuing operations	57,654.0	50,637.7	44,911.8	1,86,411.2	1,70,819.2
	Discontinued Operations	-	-	-	-	36.2
	Total Revenue	57,654.0	50,637.7	44,911.8	1,86,411.2	1,70,855.4
2	Segment Results -					
	Profit / (Loss) before tax and finance cost					
	(a) Pigments	6,500.6	5,899.4	2,754.8	20,101.0	16,515.7
	(c) Others *	343.3	152.5	582.9	725.1	1,232.8
	Total :	6,843.9	6,051.9	3,337.7	20,826.1	17,748.5
	Less : (i) Finance cost	423.6	459.4	303.0	1,787.3	1,422.6
	Profit Before Tax from continuing operations:	6,420.3	5,592.5	3,034.7	19,038.8	16,325.9
	Profit Before Tax from discontinued operations	-	-	-	-	(83.8)
	Total Profit Before Tax	6,420.3	5,592.5	3,034.7	19,038.8	16,242.1
3	Capital Employed -					
	Segment Assets:					
	(a) Pigments	1,92,898.3	1,74,704.3	1,56,393.6	1,92,898.3	1,56,393.6
	(b) Others *	7,053.5	5,716.7	6,013.7	7,053.5	6,013.7
	Total Segment Assets :	1,99,951.8	1,80,421.0	1,62,407.3	1,99,951.8	1,62,407.3
	Segment Liabilities:					
	(a) Pigments	54,078.5	45,604.5	43,937.8	54,078.5	43,937.8
	(b) Others *	5,205.3	3,210.8	4,077.4	5,205.3	4,077.4
	Total Segment Liabilities :	59,283.8	48,815.3	48,015.2	59,283.8	48,015.2
	Total Capital Employed :	1,40,668.0	1,31,605.7	1,14,392.1	1,40,668.0	1,14,392.1

*Others - Comprises of Engineering business (Manufacturer of clean air solution, grinding solution and conveying solution.)

PART IV - STATEMENT OF AUDITED CONSOLIDATED CASH FLOWS

(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
Cash flow from operating activities		
Profit before tax and exceptional items from continuing operations	19,038.8	16,325.9
Adjustment for		
Depreciation / amortization	8,650.9	7,350.8
Unrealized foreign exchange (Gain)/ Loss	(425.4)	975.4
Fair value (Gain) / Loss on derivatives	(265.4)	707.1
Provision for expected credit loss (reversed)/ established and bad debts	(195.5)	931.5
Finance costs	1,787.3	1,422.6
Interest income	(193.2)	(272.3)
Provision for Inventory Obsolescence	888.6	76.9
Others	183.0	(48.3)
Operating profit before working capital changes	29,469.1	27,469.6
Working capital adjustments :		
Changes in liabilities and provisions	8,537.1	11,987.0
Changes in current and other non-current assets	(17,609.0)	(6,981.9)
Cash generated from operations	20,397.2	32,474.7
Income taxes paid (net of refunds)	(3,880.5)	(6,160.0)
Net cash flow from operating activities from continuing operations	16,516.7	26,314.7
Net cash flow (used in)/ from operating activities from discontinued operations (refer note 2)	-	(54.5)
A Net cash flow from operating activities from continuing and discontinued operations	16,516.7	26,260.2
Cash flows from investing activities :		
Purchases of property, plant and equipment, intangible assets, intangible assets under development (including net movement in CWIP, capital advances and capital liabilities)	(26,957.2)	(25,536.1)
Proceeds from sale of division and subsidiary, net of incidental expenses and taxes	-	3,214.8
Interest received	193.2	272.3
Others	179.7	67.8
B Net cash flows (used in) investing activities	(26,584.3)	(21,981.2)
Cash flows from financing activities :		
Proceeds from long-term borrowings	22,857.3	13,775.5
Repayment of long-term borrowings	(5,448.5)	(7,403.8)
Dividend and tax thereon	(37.6)	(10,019.8)
(Repayments of)/ proceeds from short-term borrowings (net)	(4,718.7)	1,133.4
Finance costs paid	(1,740.7)	(1,422.6)
Payment of lease liabilities	(64.7)	-
C Net cash flow from/ (used in) financing activities	10,847.1	(3,937.3)
Net increase in cash and cash equivalents (A + B + C)	779.5	341.7
Cash and cash equivalents at the beginning of the year	818.2	476.5
Cash and cash equivalents at the end of the year	1,597.7	818.2

NOTES :

- The above audited Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th May, 2021. These audited Consolidated Financial Results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the provisions of the Companies Act, 2013.
- The audited Consolidated Financial Results include the Financial Results of the wholly owned subsidiaries viz. RIECO Industries Limited, Sudarshan Europe B.V. (The Netherlands), Sudarshan (Shanghai) Trading Company Limited (China); Sudarshan Japan Limited; and the step-down subsidiaries viz. Sudarshan North America Inc. (U.S.A.), and Sudarshan Mexico S de R.L.de CV (Mexico) (Hereinafter referred as "Group")
- The Holding Company entered into a Business Transfer Agreement dated 12th April, 2019 for transfer of its Industrial Mixing Solutions Division on a going concern basis. The resultant gain of Rs.1,716.6 Lakhs is recognised under "Exceptional Items" in the previous year. According to the requirements of Ind AS 105 – "Non current assets held for sale and discontinued operations", the operations related to the Industrial Mixing Solution Division have been classified as held for sale / discontinued operations. The results (profit / (loss)) of this business have been presented separately in the results for the comparative periods. The table below provides the details of revenue and profit before tax for the discontinued businesses.

Particulars	(Rs. in Lakhs)				
	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Revenue					
Industrial Mixing Solution Division	-	-	-	-	36.2
Total Revenue	-	-	-	-	36.2
Profit Before Tax					
Industrial Mixing Solution Division	-	-	-	-	(83.8)
Total Profit Before Tax	-	-	-	-	(83.8)

- The table below provides basic earnings per share from continuing operations after excluding the exceptional items. (Refer Note 3 above) and tax on exceptional items and tax related to earlier years. (Refer note 5 below)

Particulars	(Rs. in Lakhs)				
	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Profit before tax and exceptional items from continuing operations	6,420.3	5,592.5	3,034.7	19,038.8	16,325.9
Tax expense excluding tax on exceptional items and tax related to earlier year	1,611.9	1,245.7	304.1	5,030.5	3,155.4
Reversal/ (Charge) of deferred tax expense (refer note 5 below)	-	-	989.7	-	2,305.5
Profit from continuing operations excluding exceptional items (net of related tax) and tax related to earlier year	4,808.4	4,346.8	1,740.9	14,008.3	10,865.0
Basic Earnings per share from continuing operations excluding exceptional items (net of related tax) and tax related to earlier year *	6.9	6.3	2.5	20.2	15.7
	* Not annualised				

- The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA ('New Tax Regime') in the Income Tax Act, 1961, which provided an option to the holding Company to pay income taxes at reduced tax rates (25.17%, inclusive of surcharge and cess). The amendment stipulated that the option to adopt the New Tax Regime was to be exercised in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income. Based on an initial estimation, the holding Company estimated that the old tax regime was more beneficial in view of various tax deductions available under this regime and accordingly established provision for income tax @ 34.94% (inclusive of surcharge and Cess) at the time of finalizing the financial statements for year ended 31st March, 2020. During the quarter ended 31st December, 2020, while finalizing the tax return, Management re-assessed the option of old tax regime versus New Tax Regime. Management concluded that the New Tax Regime is beneficial for the year 19-20 considering various recent developments and uncertainties associated with tax deductions under old regime. Hence, Management opted for the New Tax Regime for the year 19-20. The effect of this change in accounting estimate, amounting to Rs. 960.7 Lakhs on current tax expense (increase) and reversal of deferred tax amounting to Rs 529.8 Lakhs (net tax impact of Rs 430.9 Lakhs) was recorded in quarter ended 31st December, 2020. During current quarter, the holding Company has reversed excess provisions for income tax of Rs. 533.7 Lakhs arising from completion of tax assessments and receipt of tax refunds. The net impact of the above of Rs 102.8 Lakhs, is presented as "Tax adjustment related to earlier year" in the consolidated financial results.

- Other expenses includes foreign exchange (gain)/ loss for the period.

Particulars	(Rs. in Lakhs)				
	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Foreign Exchange (Gain)/ Loss	(41.2)	(262.2)	624.5	(807.0)	140.5

- The Group has evaluated the impact of resurgence of COVID pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions, no material adjustment is considered necessary to its audited consolidated financial results as at 31st March, 2021.
- The figures for the quarter ended 31st March, 2021 and the corresponding quarter ended in the previous year as reported in these Consolidated Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post – employment benefits has received the Presidential assent in September 2020. The Ministry of Labour and Employment had released draft rules for the Code on 13th November, 2020, and had invited suggestions from stakeholders which are under active consideration by the Ministry. However, the effective date from which the changes are applicable is yet to be notified. The Company will evaluate and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.
- The Board of Directors has recommended a dividend of Rs. 6 /- per share on Face value of Rs.2/- per share (i.e. 300%) for the year 2020-21, which is subject to approval of shareholders at the 70th Annual General Meeting of the Company.
- The aforesaid Unaudited Consolidated Financial Results will be uploaded on the Company's website www.sudarshan.com and will also be available on the websites of BSE Limited www.bseindia.com and The National Stock Exchange of India Limited www.nseindia.com for the benefit of shareholders and investors.
- The previous period's numbers have been regrouped wherever necessary to meet current period's classification.

For and on behalf of the Board of Directors

Rajesh
Balkrishna Rathi

Digitally signed by Rajesh
Balkrishna Rathi
Date: 2021.05.28 19:49:45
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R. B. RATHI
MANAGING DIRECTOR
DIN: 00018628

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Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Sudarshan Chemical Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2021 ('consolidated annual financial results'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities

Sudarshan Chemical Industries Limited (the 'Holding Company'); and

Subsidiary companies:

1. Ricco Industries Limited
2. Sudarshan Europe B.V.
3. Sudarshan North America Inc.
4. Sudarshan (Shanghai) Trading Company Limited
5. Sudarshan Mexico S. de R.L. de CV.
6. Sudarshan Japan Limited

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

Principal Office:

B S R & Associates LLP

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

B S R & Associates LLP

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

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

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

B S R & Associates LLP

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (continued)

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matter

The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.-116231W/W-100024

RAAJNISH

SHRIKRISHNA

DESAI

Digitally signed by
RAAJNISH
SHRIKRISHNA DESAI
Date: 2021.05.28
20:00:59 +05'30'

Raajnish Desai

Partner

Membership Number: 101190

UDIN: 21101190AAAABM5295

Place: Pune

Date: 28 May 2021

28th May, 2021

DCS – Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code - 506655

Scrip Symbol - SUDARSCHEM

Dear Sir,

Sub : Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm and declare that the Statutory Auditors of the Company, M/s. B S R & Associates LLP, Chartered Accountants, Pune, have issued the Audit Report with Unmodified opinion for the Audited Financial Results (Standalone and Consolidated) of the Company, for the Financial Year ended 31st March, 2021.

Kindly take the same on record.

Thanking You,
Yours Faithfully,

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

NILKANTH NATU
CHIEF FINANCIAL OFFICER



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