

**SUDARSHAN CHEMICAL INDUSTRIES LIMITED**

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**PART I - STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone					Consolidated for the Year Ended	
		Quarter Ended		Year Ended				
		31.03.2019 (Audited) (Refer Note 4 & 12)	31.12.2018 (Unaudited) (Refer Note 4)	31.03.2018 (Audited) (Refer Note 4 & 12)	31.03.2019 (Audited) (Refer Note 4)	31.03.2018 (Audited) (Refer Note 4)	31.03.2019 (Audited) (Refer Note 4)	31.03.2018 (Audited) (Refer Note 4)
	<b>Continuing Operations</b>							
1	<b>Income from operations</b>							
	(a) Revenue from Operations (Refer Note 5 and 6)	38,370.8	33,315.3	37,060.2	140,950.0	130,449.5	145,314.9	132,809.9
	(b) Other operating income (includes government grants)	481.9	647.0	625.1	2,336.1	2,385.4	2,336.1	2,385.5
	<b>Total income from operations</b>	<b>38,852.7</b>	<b>33,962.3</b>	<b>37,685.3</b>	<b>143,286.1</b>	<b>132,834.9</b>	<b>147,651.0</b>	<b>135,195.4</b>
2	Other income (net) (Refer Note 7 and 8)	247.8	91.0	(373.1)	579.2	1,078.8	567.0	917.2
3	<b>Total Income (1 + 2)</b>	<b>39,100.5</b>	<b>34,053.3</b>	<b>37,312.2</b>	<b>143,865.3</b>	<b>133,913.7</b>	<b>148,218.0</b>	<b>136,112.6</b>
4	<b>Expenses</b>							
	(a) Cost of materials consumed	22,729.5	19,800.2	21,065.9	89,586.0	76,238.6	87,223.8	76,069.8
	(b) Purchase of Stock-in-trade	-	28.5	12.7	28.7	18.0	3,229.1	1,123.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (Refer Note 6)	1,755.0	933.6	1,617.0	(3,321.6)	385.3	(4,455.4)	(879.7)
	(d) Excise duty on sale of goods	-	-	-	-	2,254.2	-	2,254.2
	(e) Employee benefits expense	2,284.5	2,614.2	1,980.5	9,482.6	7,701.5	11,305.9	9,443.2
	(f) Finance costs	418.1	366.4	555.6	1,384.7	2,330.7	1,516.8	2,342.8
	(g) Depreciation and amortisation expense	1,663.8	1,652.5	1,495.3	6,482.2	5,769.1	6,489.7	5,774.0
	(h) Other expenses (Refer Note 6)	6,125.2	7,092.6	7,690.8	27,274.7	26,709.3	29,265.2	28,456.5
	<b>Total expenses (4)</b>	<b>34,976.1</b>	<b>32,488.0</b>	<b>34,417.8</b>	<b>130,917.3</b>	<b>121,406.7</b>	<b>134,575.1</b>	<b>124,584.7</b>
5	<b>Profit before tax and exceptional items from continuing operations (3 - 4)</b>	<b>4,124.4</b>	<b>1,565.3</b>	<b>2,894.4</b>	<b>12,948.0</b>	<b>12,507.0</b>	<b>13,642.9</b>	<b>11,527.9</b>
6	<b>Exceptional Items</b>							
	- Profit / (loss) on sale of subsidiary / division	(7.2)	(4.8)	-	9,408.6	-	7,227.0	-
	- Impairment of investment in subsidiary	(1,072.8)	-	-	(1,072.8)	-	-	-
	<b>Exceptional Items (Refer Note 3 and 4)</b>	<b>(1,080.0)</b>	<b>(4.8)</b>	<b>-</b>	<b>8,335.8</b>	<b>-</b>	<b>7,227.0</b>	<b>-</b>
7	<b>Profit before tax from continuing operations (5 + 6)</b>	<b>3,044.4</b>	<b>1,560.5</b>	<b>2,894.4</b>	<b>21,283.8</b>	<b>12,507.0</b>	<b>20,869.9</b>	<b>11,527.9</b>
8	<b>Tax expense</b>							
	(a) Current Tax							
	- on Continuing Operations excluding exceptional items	1,288.0	995.8	958.4	4,151.5	3,303.7	4,344.9	3,443.8
	- on Exceptional Items	30.1	-	-	2,037.0	-	2,037.0	-
	(b) Deferred Tax	345.2	(740.8)	(201.3)	143.4	720.3	513.6	392.6
	<b>Total Tax Expense</b>	<b>1,663.3</b>	<b>255.0</b>	<b>757.1</b>	<b>6,331.9</b>	<b>4,024.0</b>	<b>6,895.5</b>	<b>3,836.4</b>
9	<b>Profit from continuing operations (7 - 8)</b>	<b>1,381.1</b>	<b>1,305.5</b>	<b>2,137.3</b>	<b>14,951.9</b>	<b>8,483.0</b>	<b>13,974.4</b>	<b>7,691.5</b>
	<b>Discontinued Operations</b>							
10	Profit before tax from discontinued operations	(248.2)	220.0	171.3	313.4	488.9	(434.0)	1,146.2
11	Tax expense of discontinued operations	(85.0)	76.2	59.2	109.5	169.2	30.5	365.2
12	<b>Profit after tax from discontinued operations (10 - 11)</b>	<b>(163.2)</b>	<b>143.8</b>	<b>112.1</b>	<b>203.9</b>	<b>319.7</b>	<b>(464.5)</b>	<b>781.0</b>
13	<b>Profit after tax (9 + 12)</b>	<b>1,217.9</b>	<b>1,449.3</b>	<b>2,249.4</b>	<b>15,155.8</b>	<b>8,802.7</b>	<b>13,509.9</b>	<b>8,472.5</b>
14	<b>Other comprehensive income</b>							
	(a) Items that will not be reclassified to profit or loss							
	Re-measurement gains / (losses) on post employment benefits obligations	(250.5)	(20.0)	(34.0)	(313.7)	(91.2)	(434.2)	(9.4)
	Income tax relating to above	88.5	9.7	11.8	109.6	31.6	140.9	10.3
		<b>(162.0)</b>	<b>(10.3)</b>	<b>(22.2)</b>	<b>(204.1)</b>	<b>(59.6)</b>	<b>(293.3)</b>	<b>0.9</b>
	(b) Items that will be reclassified to profit or loss							
	Effective portion of gains / (losses) on hedging instruments in cash flow hedges (Refer Note 7)	397.6	1,273.2	-	773.4	-	773.4	-
	Gain / (loss) on translation of foreign operations	-	-	-	-	-	34.0	333.9
	Income tax relating to above	(144.8)	(423.0)	-	(270.3)	-	(270.3)	-
		<b>252.8</b>	<b>850.2</b>	<b>-</b>	<b>503.1</b>	<b>-</b>	<b>537.1</b>	<b>333.9</b>
	<b>Total Other comprehensive income (net of taxes) (14)</b>	<b>90.8</b>	<b>839.9</b>	<b>(22.2)</b>	<b>299.0</b>	<b>(59.6)</b>	<b>243.8</b>	<b>334.8</b>
15	<b>Total comprehensive income (13 + 14)</b>	<b>1,308.7</b>	<b>2,289.2</b>	<b>2,227.2</b>	<b>15,454.8</b>	<b>8,743.1</b>	<b>13,753.7</b>	<b>8,807.3</b>
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	1,384.5	1,384.5
17	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year				58,473.8	43,853.6	55,386.8	42,612.2
18	<b>Earnings per share from continuing operations (Refer Note 3) *</b>							
	(of Rs. 2/- each)							
	Basic	2.0	1.9	3.1	21.6	12.3	20.2	11.1
	Diluted	2.0	1.9	3.1	21.6	12.3	20.2	11.1
19	<b>Earnings per share from discontinued operations *</b>							
	(of Rs. 2/- each)							
	Basic	(0.2)	0.2	0.2	0.3	0.5	(0.7)	1.1
	Diluted	(0.2)	0.2	0.2	0.3	0.5	(0.7)	1.1
20	<b>Earnings per share *</b>							
	(of Rs. 2/- each)							
	Basic	1.8	2.1	3.2	21.9	12.7	19.5	12.2
	Diluted	1.8	2.1	3.2	21.9	12.7	19.5	12.2

\* Not annualised

## PART II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>A ASSETS</b>				
<b>1 Non-current Assets</b>				
(a) Property, plant and equipment	45,355.7	44,953.1	45,422.3	45,269.6
(b) Capital work-in-progress	1,818.9	556.7	1,818.9	556.7
(c) Goodwill	-	287.7	-	972.1
(d) Other Intangible assets	1,073.8	1,272.0	1,073.8	1,295.7
(e) Intangible assets under development	577.0	-	577.0	-
(f) Investment in subsidiaries	2,394.0	5,283.3	-	-
(g) Financial assets				
i. Investments	1.0	48.9	1.0	48.9
ii. Loans	64.9	85.5	74.0	93.9
iii. Other financial assets	-	-	-	-
(h) Deferred Tax Assets (net)	-	-	207.6	703.9
(g) Other non-current assets	2,962.6	2,119.8	2,962.6	2,119.9
(i) Non-current tax assets (net)	50.9	981.9	176.6	1,049.0
<b>Total - Non-current Assets</b>	<b>54,298.8</b>	<b>55,588.9</b>	<b>52,313.8</b>	<b>52,109.7</b>
<b>2 Current Assets</b>				
(a) Inventories	24,759.7	19,552.9	30,766.1	27,291.7
(b) Investment in subsidiary (held for sale)	1,816.5	634.1	-	-
(c) Financial assets				
i. Trade receivables	34,868.3	29,986.2	34,614.5	33,329.9
ii. Cash and cash equivalents	190.7	382.2	474.7	666.1
iii. Bank balances other than (ii) above	339.4	753.1	339.4	753.1
iv. Loans	300.0	300.0	-	-
v. Derivatives	718.4	3.7	718.4	3.7
vi. Other financial assets	2,560.4	1,469.2	2,543.9	2,173.2
(d) Other current assets	4,991.1	5,693.7	5,140.7	7,059.2
	70,544.5	58,775.1	74,597.7	71,276.9
Assets classified as held for sale / disposal	1,505.5	2,252.4	9,130.9	7,684.0
<b>Total - Current Assets</b>	<b>72,050.0</b>	<b>61,027.5</b>	<b>83,728.6</b>	<b>78,960.9</b>
<b>TOTAL - ASSETS</b>	<b>126,348.8</b>	<b>116,616.4</b>	<b>136,042.4</b>	<b>131,070.6</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	1,384.5	1,384.5	1,384.5	1,384.5
(b) Other Equity	58,473.8	43,853.6	55,386.8	42,612.2
<b>Total - Equity</b>	<b>59,858.3</b>	<b>45,238.1</b>	<b>56,771.3</b>	<b>43,996.7</b>
<b>2 Non-current Liabilities</b>				
(a) Financial liabilities				
i. Borrowings	11,313.5	18,198.1	11,313.5	18,198.5
ii. Other financial liabilities	150.6	173.2	150.6	183.0
(b) Provisions	1,422.2	1,627.1	1,422.2	1,742.7
(c) Deferred tax liabilities (net)	5,412.9	5,179.5	5,662.8	5,179.5
<b>Total - Non-current Liabilities</b>	<b>18,299.2</b>	<b>25,177.9</b>	<b>18,549.1</b>	<b>25,303.7</b>
<b>3 Current Liabilities</b>				
(a) Financial Liabilities				
i. Borrowings	13,397.1	11,331.7	18,993.1	17,915.3
ii. Trade payables	23,657.3	22,492.2	24,215.2	26,441.1
iii. Derivatives	118.7	184.8	118.7	184.8
iv. Other financial liabilities	8,819.9	9,572.2	8,839.1	9,929.8
(b) Other current liabilities	382.0	586.5	486.9	2,570.1
(c) Provisions	282.2	265.6	282.2	293.4
(d) Current tax liabilities (net)	802.1	372.0	870.0	403.3
	47,459.3	44,805.0	53,805.2	57,737.8
Liabilities associated with group of assets classified as held for sale / disposal	732.0	1,395.4	6,916.8	4,032.4
<b>Total - Current Liabilities</b>	<b>48,191.3</b>	<b>46,200.4</b>	<b>60,722.0</b>	<b>61,770.2</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>126,348.8</b>	<b>116,616.4</b>	<b>136,042.4</b>	<b>131,070.6</b>

**NOTES :**

- The above Audited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 24<sup>th</sup> May, 2019. These audited 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 consolidated financial results include the Financial Results of the wholly owned subsidiaries viz. Prescient Color Limited, RIECO Industries Limited, Sudarshan Europe B.V. (The Netherlands), Sudarshan (Shanghai) Trading Company Limited (China); and the step-down subsidiaries viz. Sudarshan North America Inc. (U.S.A.), and Sudarshan Mexico S de R.L.de CV (Mexico).
- Exceptional item pertains to the gain (adjusted for the costs directly related to the transaction) from divestment of the Company's holdings in its wholly owned subsidiary, Prescient Color Limited and the sale of its Agro Formulation Branding Business (Refer Note 4 below). Exceptional item also includes impairment loss on the Company's investment in its wholly owned subsidiary, RIECO Industries Limited. The Company assessed its investment in RIECO Industries Limited and consequently provided for impairment amounting to Rs. 1,072.8 Lakhs for the year ended 31<sup>st</sup> March, 2019 (Refer Note 4 below). The table below explains the impact of this transaction on the profit and earnings per share:

Particulars	Standalone					Consolidated for the Year Ended	
	Quarter ended			Year Ended		Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Profit before tax and exceptional items from continuing operations	4,124.4	1,565.3	2,894.4	12,948.0	12,507.0	13,642.9	11,527.9
Tax expense excluding tax on exceptional items	1,633.2	255.0	757.1	4,294.9	4,024.0	4,858.5	3,836.4
Profit from continuing operations excluding exceptional items	2,491.2	1,310.3	2,137.3	8,653.1	8,483.0	8,784.4	7,691.5
Basic and diluted Earnings per share from continuing operations (excluding exceptional items)	3.6	1.9	3.1	12.5	12.3	12.7	11.1
	Not annualised						

- The Company entered into a Business Transfer Agreement dated 16<sup>th</sup> July, 2018 for transfer of its Agro Formulation Brand Business on a going concern basis. The transaction was completed on 20<sup>th</sup> September, 2018. Profit for the period upto 20<sup>th</sup> September, 2018 has been classified under profit from discontinued operations.

The Company entered into a Business Transfer Agreement dated 12<sup>th</sup> April, 2019 for transfer of its Industrial Mixing Solutions Division on a going concern basis. 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 current period and comparative periods.

Pursuant to its objective of focusing on its core business i.e. Pigment, the Company is actively looking to divest its holdings in its wholly owned subsidiary, RIECO Industries Limited, on a going concern basis. Pursuant to the requirements of Ind AS 105 – "Non current assets held for sale and discontinued operations", the operations of this subsidiary has been classified as held for sale / discontinued operations. The results (profit / (loss)) of this business have been presented separately in the consolidated results for the current period and comparative periods.

Particulars	Standalone					Consolidated for the Year Ended	
	Quarter ended			Year Ended		Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Revenue</b>							
Agro Chemicals	98.7	97.0	2,124.6	3,687.3	11,676.6	3,687.3	11,676.6
Industrial Mixing Solution Division	928.9	807.4	669.1	3,230.9	1,735.1	3,230.9	1,735.1
Prescient Color Limited	-	-	-	-	-	1,192.8	7,934.4
RIECO Industries Limited	-	-	-	-	-	11,653.8	10,885.5
<b>Total Revenue</b>	<b>1,027.6</b>	<b>904.4</b>	<b>2,793.7</b>	<b>6,918.2</b>	<b>13,411.7</b>	<b>19,764.8</b>	<b>32,231.6</b>
<b>Profit Before Tax</b>							
Agro Chemicals	(279.4)	39.4	(57.5)	(213.5)	336.0	(213.5)	336.0
Industrial Mixing Solution Division	31.2	180.6	228.8	526.9	152.9	526.9	152.9
Prescient Color Limited	-	-	-	-	-	49.0	564.3
RIECO Industries Limited	-	-	-	-	-	(796.4)	93.0
<b>Total Profit Before Tax</b>	<b>(248.2)</b>	<b>220.0</b>	<b>171.3</b>	<b>313.4</b>	<b>488.9</b>	<b>(434.0)</b>	<b>1,146.2</b>

- Effective 1<sup>st</sup> April, 2018, the Company adopted Ind AS 115 - "Revenue from Contracts with Customers" (which replaces the earlier revenue recognition standards) using the cumulative effect method which is applied to contracts that were not completed as of 1<sup>st</sup> April, 2018. Accordingly, the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Company.
- In accordance with the requirements of Ind AS, revenue for all periods is net of Goods and Service Tax (GST). However, revenue for the year ended 31<sup>st</sup> March, 2018 is inclusive of excise duty. The revenue from operations for the year ended 31<sup>st</sup> March, 2019 is therefore not comparable with the year ended 31<sup>st</sup> March, 2018. Following additional information is being provided to facilitate such comparison:

Particulars	Standalone					Consolidated for the Year Ended	
	Quarter ended			Year Ended		Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue from Operations (as published)	38,370.8	33,315.3	37,060.2	140,950.0	130,449.5	145,314.9	132,809.9
Less: Excise duty	-	-	-	-	2,254.2	-	2,254.2
<b>Comparable Revenue from Operations</b>	<b>38,370.8</b>	<b>33,315.3</b>	<b>37,060.2</b>	<b>140,950.0</b>	<b>128,195.3</b>	<b>145,314.9</b>	<b>130,555.7</b>

Similarly, post applicability of GST, the inventory of finished goods as at each period end and the Changes in inventories of finished goods, work-in-progress and stock-in-trade and Other expenses for the quarter/year ended on these dates do not include provision for excise duty. The Cost of goods sold and Other Expenses (net of excise duty provision) are as follows:

Particulars	Standalone					Consolidated for the Year Ended	
	Quarter ended			Year Ended		Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Cost of materials consumed	22,729.5	19,800.2	21,065.9	89,586.0	76,238.6	87,223.8	76,069.8
Purchase of Stock-in-trade	-	28.5	12.7	28.7	18.0	3,229.1	1,123.9
Changes in inventories	1,755.0	933.6	1,617.0	(3,321.6)	385.3	(4,455.4)	(879.7)
Cost of goods sold (as published)	24,484.5	20,762.3	22,695.6	86,293.1	76,641.9	85,997.5	76,314.0
Less: Increase / (decrease) in Excise duty provision on finished goods	-	-	-	-	(662.3)	-	(662.3)
<b>Comparable cost of goods sold</b>	<b>24,484.5</b>	<b>20,762.3</b>	<b>22,695.6</b>	<b>86,293.1</b>	<b>75,979.6</b>	<b>85,997.5</b>	<b>75,651.7</b>
Other Expenses (as published)	6,125.2	7,092.6	7,690.8	27,274.7	26,709.3	29,265.2	28,456.5
Less: Increase / (decrease) in Excise duty provision on finished goods	-	-	-	-	662.3	-	662.3
<b>Comparable other expenses</b>	<b>6,125.2</b>	<b>7,092.6</b>	<b>7,690.8</b>	<b>27,274.7</b>	<b>27,371.6</b>	<b>29,265.2</b>	<b>29,118.8</b>

7. As permitted under "Ind AS 109 Financial Instruments", the Company has voluntarily adopted Hedge Accounting with effect from 1<sup>st</sup> July, 2018. This represents a change in accounting policy as compared to the previous periods presented in these results. Pursuant to this change the effective portion of the hedges have been accumulated in the Other Comprehensive Income as follows.

Particulars	(Rs. in Lakhs)					Consolidated for the	
	Standalone				Year Ended		Year Ended
	Quarter ended		31.03.2018	Year Ended		31.03.2019	
31.03.2019	31.12.2018	31.03.2019		31.03.2018	31.03.2019		31.03.2018
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	397.6	1,273.2	-	773.4	-	773.4	-

8. The Other Income for the quarter and year ended 31<sup>st</sup> March 2019 and all comparable periods, is net of loss on translation of foreign currency monetary items.
9. The tax expense for the quarter ended 31<sup>st</sup> December 2018 and year ended 31<sup>st</sup> March 2019 is net of reversals pertaining to previous years amounting to Rs. 157 Lakhs and Rs. 90 Lakhs respectively.
10. The principal business of the Company is of manufacturing and sale of Pigment. The Board of Directors of the Company evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. Accordingly it is concluded that there is only one operating reportable segment as defined by Ind AS 108, i.e. Pigment.
11. The Board has recommended Final Dividend at Rs. 3.50/- per share (175%) on the face value of Rs. 2.00/- per share for the Financial Year 2018-19 subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board has also recommended Special Dividend at Rs. 2.50/- per share (125%) on the face value of Rs. 2.00/- per share for the Financial Year 2018-19 subject to the approval of the shareholders in the ensuing Annual General Meeting. Together, the total dividend for the Financial Year 2018-19 amounts to Rs. 6.00/- per share (300%) on the face value of Rs. 2.00/- per share.
12. The figures for the quarter ended 31<sup>st</sup> March, 2019 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.
13. The aforesaid Audited Financial Results will be uploaded on the Company's website [www.sudarshan.com](http://www.sudarshan.com) and will also be available on the websites of BSE Limited [www.bseindia.com](http://www.bseindia.com) and The National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com) for the benefit of shareholders and investors.

For and on behalf of the Board of Directors

Pune : 24<sup>th</sup> May, 2019

R.B.RATHI  
MANAGING DIRECTOR