

Sudarshan Chemical Industries Limited

Note on impact of Excise duty accounting on financial results.

In accordance with the requirements of Ind AS, revenue for the quarter ended 30th September 2017 is net of Goods and Service Tax (GST). However, revenue for the quarter ended 30th June 2017, quarter and six months ended 30th September 2016 and year ended 31st March 2017 is inclusive of excise duty. Hence revenue for the quarter is not comparable with the corresponding figures for previous periods.

Comparable Revenue (net of excise duty and GST) is as follows:

(Rs. In Lakhs)

Particulars	Quarter Ended			6 Months Ended		Year Ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
Revenue from Operations (as published)	34,648.4	35,449.5	35,430.3	70,097.9	70,797.6	133,292.5
Less: Excise duty collected on revenue	-	2,560.9	2,534.9	2,560.9	5,207.3	9,765.4
Comparable Revenue from Operations	34,648.4	32,888.6	32,895.4	67,537.0	65,590.3	123,527.1

Similarly, due to non-provision of Excise Duty post applicability of GST, changes in inventories of finished goods, work-in-progress and stock-in-trade as well as other expenses for the quarter ended 30th September 2017 are not comparable with the corresponding figures for previous periods.

Comparable Change in Inventories and Other Expenses (net of excise duty provision) is as follows:

(Rs. In Lakhs)

Particulars	Quarter Ended			6 Months Ended		Year Ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
Cost of materials consumed	19,766.8	21,283.0	18,910.1	41,049.8	37,349.6	71,648.5
Purchase of Stock-in-trade	722.9	1,486.0	1,652.2	2,208.9	3,355.9	4,911.1
Changes in inventories	1,521.9	(3,704.8)	(886.5)	(2,182.9)	(1,725.5)	(1,557.4)
Cost of goods sold (as published)	22,011.6	19,064.2	19,675.8	41,075.8	38,980.0	75,002.2
Less: Excise duty provision on change in inventories	1,141.9	(325.0)	(28.2)	816.9	15.2	160.7
Comparable cost of goods sold	20,869.7	19,389.2	19,704.0	40,258.9	38,964.8	74,841.5
Gross margin on revenue	39.77%	41.05%	40.10%	40.39%	40.59%	39.41%
Other Expenses (as published)	5,811.2	7,672.6	6,744.1	13,483.8	12,740.4	26,528.3
Less: Excise duty provision on change in inventories	(1,141.9)	325.0	28.2	(816.9)	(15.2)	(160.7)
Comparable other expenses	6,953.1	7,347.6	6,715.9	14,300.7	12,755.6	26,689.0