

22nd June, 2020

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, 2020**

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, 2020, duly approved and taken on record by the Board of Directors of the Company at its meeting held today i.e. on Monday, 22nd June, 2020, along with the Audit Reports (with Un-modified opinion).

As per Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration signed by Mr. Vivek Thakur, General Manager – Finance and Acting CFO, stating that the said reports are with Un-modified opinion is also enclosed.

In accordance with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March, 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, issued by Securities and Exchange Board of India (SEBI), and considering the lockdown restrictions, the Company will not be publishing the Audited Financial Results for the said period in the newspapers.

The Board Meeting commenced at 4.00 p.m. and concluded at 7.55 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



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CIN : L24119PN1951PLC008409

PART I - STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) <small>(refer note 2 & 3)</small>	31.12.2019 (Unaudited) <small>(refer note 3)</small>	31.03.2019 (Audited) <small>(refer note 2 & 3)</small>	31.03.2020 (Audited) <small>(refer note 3)</small>	31.03.2019 (Audited) <small>(refer note 3)</small>
	Continuing Operations					
1	Income from operations					
	(a) Revenue from Operations	35,835.7	38,065.0	38,370.8	149,125.5	140,950.0
	(b) Other operating income (includes government grants)	693.4	714.9	481.9	2,701.3	2,336.1
	Total income from operations	36,529.1	38,779.9	38,852.7	151,826.8	143,286.1
2	Other income (net)	454.8	122.0	308.4	771.3	608.9
3	Total income (1 + 2)	36,983.9	38,901.9	39,161.1	152,598.1	143,895.0
4	Expenses					
	(a) Cost of materials consumed	25,399.3	22,626.3	22,729.5	94,312.9	89,586.0
	(b) Purchase of Stock-in-trade	11.8	13.6	-	41.7	28.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,353.4)	398.3	1,755.0	(5,843.2)	(3,321.6)
	(d) Employee benefits expense	2,557.2	2,295.6	2,144.8	9,728.4	9,076.1
	(e) Finance costs	248.2	323.0	418.1	1,168.5	1,384.7
	(f) Depreciation and amortisation expense	2,117.6	1,755.7	1,663.8	7,239.4	6,482.2
	(g) Other expenses (refer note 9)	8,813.4	7,350.0	6,325.5	29,870.3	27,710.9
	Total expenses (4)	33,794.1	34,762.5	35,036.7	136,518.0	130,947.0
5	Profit before tax and exceptional items from continuing operations (3 - 4)	3,189.8	4,139.4	4,124.4	16,080.1	12,948.0
6	Exceptional Items					
	- Profit / (loss) on sale of subsidiary / division	-	(216.3)	(7.2)	1,716.6	9,408.6
	- Impairment of investment in subsidiary	-	-	(1,072.8)	-	(1,072.8)
	Exceptional Items (Refer Note 3 and 4)	-	(216.3)	(1,080.0)	1,716.6	8,335.8
7	Profit before tax from continuing operations (5 + 6)	3,189.8	3,923.1	3,044.4	17,796.7	21,283.8
8	Tax expense					
	(a) Current Tax					
	- on Continuing Operations excluding exceptional items	53.5	1,187.4	1,288.0	3,478.8	4,151.5
	- on Exceptional Items	-	(50.4)	30.1	379.3	2,037.0
	(b) Deferred Tax	(242.5)	41.3	345.2	(989.3)	143.4
	Total Tax Expense (refer note 6 and 8)	(189.0)	1,178.3	1,663.3	2,868.8	6,331.9
9	Profit from continuing operations (7 - 8)	3,378.8	2,744.8	1,381.1	14,927.9	14,951.9
	Discontinued Operations					
10	Profit before tax from discontinued operations	-	-	(248.2)	(83.8)	313.4
11	Tax expense of discontinued operations	-	-	(85.0)	(29.3)	109.5
12	Profit after tax from discontinued operations (10 - 11)	-	-	(163.2)	(64.5)	203.9
13	Profit after tax (9 + 12)	3,378.8	2,744.8	1,217.9	14,873.4	15,155.8
14	Other comprehensive income					
	(a) Items that will not be reclassified to profit or loss					
	Re-measurement gains / (losses) on post employment benefits obligations	(143.7)	4.6	(250.5)	(320.0)	(313.7)
	Income tax relating to above	50.2	(1.6)	88.5	111.8	109.6
		(93.5)	3.0	(162.0)	(208.2)	(204.1)
	(b) Items that will be reclassified to profit or loss					
	Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(820.6)	(446.4)	397.6	(1,647.1)	773.4
	Income tax relating to above	286.8	156.0	(144.8)	575.6	(270.3)
		(533.8)	(290.4)	252.8	(1,071.5)	503.1
	Total Other comprehensive income (net of taxes) (14)	(627.3)	(287.4)	90.8	(1,279.7)	299.0
15	Total comprehensive income (13 + 14)	2,751.5	2,457.4	1,308.7	13,593.7	15,454.8
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	58,473.8
18	Earnings per share from continuing operations (Refer Note 4) * (of Rs. 2/- each)					
	Basic	4.9	4.0	2.0	21.6	21.6
	Diluted	4.9	4.0	2.0	21.6	21.6
19	Earnings per share from discontinued operations * (of Rs. 2/- each)					
	Basic	-	-	(0.2)	(0.1)	0.3
	Diluted	-	-	(0.2)	(0.1)	0.3
20	Earnings per share * (of Rs. 2/- each)					
	Basic	4.9	4.0	1.8	21.5	21.9
	Diluted	4.9	4.0	1.8	21.5	21.9

* Not annualised

PART II - STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Audited)	(Audited)
A ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	59,505.3	45,355.7
(b) Capital work-in-progress	4,402.6	1,818.9
(c) Other Intangible assets	1,847.1	1,073.8
(d) Intangible assets under development	395.6	577.0
(e) Investment in subsidiaries	4,275.6	2,394.0
(f) Financial assets		
i. Investments	88.8	1.0
ii. Loans	166.0	64.9
(g) Other non-current assets	6,338.5	2,962.6
(h) Non-current tax assets (net)	2,401.7	50.9
Total - Non-current Assets	79,421.2	54,298.8
2 Current Assets		
(a) Inventories	33,946.7	24,759.7
(b) Investment in subsidiary (held for sale)	-	1,816.5
(c) Financial assets		
i. Trade receivables	36,645.2	34,868.3
ii. Cash and cash equivalents	232.5	190.7
iii. Bank balances other than (ii) above	442.8	339.4
iv. Loans	-	300.0
v. Derivatives	460.4	718.4
vi. Other financial assets	1,399.5	2,560.4
(d) Other current assets	3,506.5	4,991.1
Total - Current Assets	76,633.6	70,544.5
Assets classified as held for sale / disposal	-	1,505.5
Total - Current Assets	76,633.6	72,050.0
TOTAL - ASSETS	156,054.8	126,348.8
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	1,384.5	1,384.5
(b) Other Equity	61,869.7	58,473.8
Total - Equity	63,254.2	59,858.3
2 Non-current Liabilities		
(a) Financial liabilities		
i. Borrowings	22,499.9	11,313.5
ii. Other financial liabilities	150.6	150.6
(b) Provisions	1,517.8	1,422.2
(c) Deferred tax liabilities (net)	4,423.6	5,412.9
Total - Non-current Liabilities	28,591.9	18,299.2
3 Current Liabilities		
(a) Financial Liabilities		
i. Borrowings	17,230.9	13,397.1
ii. Trade payables - Due of micro and small enterprise	203.5	319.1
ii. Trade payables - Others	35,176.3	23,338.2
iii. Derivatives	567.8	118.7
iv. Other financial liabilities	9,519.4	8,819.9
(b) Other current liabilities	824.3	382.0
(c) Provisions	651.5	282.2
(d) Current tax liabilities (net)	35.0	802.1
Total - Current Liabilities	64,208.7	47,459.3
Liabilities associated with group of assets classified as held for sale / disposal	-	732.0
Total - Current Liabilities	64,208.7	48,191.3
TOTAL - EQUITY AND LIABILITIES	156,054.8	126,348.8

PART III - STATEMENT OF STANDALONE CASH FLOW

(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2020 (Audited)	31.03.2019 (Audited)
Cash flow from operating activities		
Profit before tax and exceptional items from continuing operations	16,080.1	12,948.0
Adjustment for		
Depreciation / amortization	7,239.4	6,482.2
Unrealized foreign exchange Loss / (Gain)	972.8	(994.1)
Fair value (Gain) / Loss on derivatives	707.1	(398.2)
Provision for expected credit loss and bad debts	588.1	88.5
Finance costs	1,168.5	1,384.7
Interest income	(281.6)	(363.8)
Others	(94.4)	(156.9)
Operating profit before working capital changes	26,380.0	18,990.4
Working capital adjustments :		
Increase / (decrease) in liabilities and provisions	12,112.0	1,096.2
Decrease / (increase) in current and other non-current assets	(8,834.9)	(10,167.1)
Cash generated from operations	29,657.1	9,919.5
Income taxes paid (net of refunds)	(6,021.1)	(2,810.0)
Net cash flow from operating activities from continuing operations	23,636.0	7,109.5
Net cash flow (used in)/ from operating activities from discontinued operations	(54.5)	1,401.3
A Net cash flow from operating activities from continuing and discontinued operations	23,581.5	8,510.8
Cash flows from investing activities :		
Purchase of property, plant and equipments	(25,932.5)	(10,051.4)
Proceeds from sale of division and subsidiary, net of incidental expenses and taxes	3,214.8	7,141.3
Interest received	281.6	363.8
Others	(10.1)	75.3
Net cash flow (used in)/ from investing activities from continuing operations	(22,446.2)	(2,471.0)
Net cash flow (used in)/ from investing activities from discontinued operations	-	(15.2)
B Net cash flow (used in)/ from investing activities from continuing and discontinued operations	(22,446.2)	(2,486.2)
Cash flows from financing activities :		
Proceeds from long-term borrowings	13,775.5	648.2
Repayment of long-term borrowings	(7,403.8)	(6,955.9)
Dividend and tax thereon	(10,019.8)	(824.5)
Proceeds/ (Repayment) from short-term borrowings (net)	3,669.6	2,229.5
Finance costs paid	(1,168.8)	(1,384.7)
Others	53.5	62.2
Net cash flow (used in)/ from financing activities from continuing operations	(1,093.5)	(6,225.2)
Net cash flow (used in)/ from financing activities from discontinued operations	-	(88.0)
C Net cash flow (used in)/ from financing activities from continuing and discontinued operations	(1,093.5)	(6,313.2)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	41.8	(288.6)
Cash and cash equivalents at the beginning of the period	190.7	479.3
Cash and cash equivalents at the end of the period	232.5	190.7

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 22nd June, 2020. 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 figures for the quarter ended 31st March, 2020 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 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 current 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 current period and 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		
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	
Revenue						
Agro Chemicals	-	-	98.7	-	3,687.3	
Industrial Mixing Solution Division	-	-	928.9	36.2	3,230.9	
Total Revenue	-	-	1,027.6	36.2	6,918.2	
Profit Before Tax						
Agro Chemicals	-	-	(279.4)	-	(213.5)	
Industrial Mixing Solution Division	-	-	31.2	(83.8)	526.9	
Total Profit Before Tax	-	-	(248.2)	(83.8)	313.4	

- 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 during the previous year ended 31st March, 2019 and Industrial Mixing Solutions Division during the current year ended 31st March, 2020. (Refer Note 3 above)
Exceptional item also includes impairment loss on the Company's investment in its wholly owned subsidiary, RIECO Industries Limited. During the year ended 31st March, 2019, the Company assessed its investment in RIECO Industries Limited and consequently provided for impairment amounting to Rs. 1,072.8 Lakhs. The Company reviewed the performance of RIECO Industries Limited for the year ended 31st March, 2020, based on the review, there is no further impairment required.

Particulars	(Rs. in Lakhs)					
	Quarter Ended			Year Ended		
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	
Profit before tax and exceptional items from continuing operations	3,189.8	4,139.4	4,124.4	16,080.1	12,948.0	
Tax expense excluding tax on exceptional items	(189.0)	1,228.7	1,633.2	2,489.5	4,294.9	
Reversal of deferred tax expense (refer note 8 below)	989.7	232.3	-	2,305.5	-	
Profit from continuing operations excluding tax (refer note 8) and exceptional items (net of related tax)	2,389.1	2,678.4	2,491.2	11,285.1	8,653.1	
Basic and diluted Earnings per share from continuing operations excluding tax (refer note 8) and exceptional items (net of related tax) *	3.5	3.9	3.6	16.3	12.5	

* Not annualised

- Effective 1st April, 2019, the Company adopted Ind AS 116 - "Leases" using the modified retrospective approach. 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.
- The tax expense for the year ended 31st March 2019 is net of reversals pertaining to previous years amounting to Rs. 90 Lakhs.
- 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 in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/ conditions defined in the said section. The Company has evaluated and expects to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 in a subsequent financial year. Accordingly, the Company has estimated the reversal of the deferred tax asset / liabilities until the date of exercise of the option and sums that reverse subsequent to exercise of the option. The effect of this change has been recognised in tax expense for the year ended 31st March, 2020 on an effective tax basis. This has resulted in reversal of deferred tax expense of Rs. 989.7 Lakhs and Rs. 2,305.5 Lakhs, which has been recorded in quarter and year ended 31st March 2020 respectively on account of remeasurement of deferred tax liability.

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

Particulars	(Rs. in Lakhs)					
	Quarter Ended			Year Ended		
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	
Foreign Exchange (Gain)/ Loss	620.5	110.8	60.6	61.6	29.7	

- During the current year, the Company has incorporated a Wholly Owned Subsidiary viz., Sudarshan Japan Limited in Japan. Sudarshan Japan Limited would primarily be engaged in sales of pigments in Japan.
- The Group has evaluated the impact of this 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 financial results as at 31st March, 2020.
- 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: 2020.06.22 18:29:07 +05'30'

Mr. R. B. Rathi
Managing Director
Pune : 22nd June, 2020

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 2020, 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 2020.

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.

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

B S R & Associates (a partnership firm with
Registration No. BA092226) converted into B
S R & Associates LLP (a Limited Liability
Partnership with LLP Registration No. AAB-01923
with effect from October 14, 2012

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

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 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.

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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 2020 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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Adwait Morwekar
Partner

Membership Number: 110223
ICAI UDIN: 20110223AAAAAR7800

Place: Mumbai
Date: 22 June 2020

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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended		Year Ended	
		31.03.2020 (Audited) (Refer Note 3 & 7)	31.12.2019 (Unaudited) (Refer Note 3, 7 & 11)	31.03.2019 (Audited) (Refer Note 3, 7 & 11)	31.03.2020 (Audited) (Refer Note 3, 7 & 11)
	Continuing Operations				
1	Income from operations				
	(a) Revenue from Operations	44,200.9	41,628.2	42,454.2	168,091.0
	(b) Other operating income (includes government grants)	710.9	724.3	538.0	2,728.2
	Total income from operations	44,911.8	42,352.5	42,992.2	170,819.2
2	Other income (net)	98.9	139.2	383.0	468.1
3	Total Income (1 + 2)	45,010.7	42,491.7	43,375.2	171,287.3
4	Expenses				
	(a) Cost of materials consumed	27,825.9	23,993.1	23,363.8	100,019.9
	(b) Purchase of Stock-in-trade	1,105.0	567.8	1,071.0	2,764.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,819.0)	(438.6)	1,447.4	(5,168.4)
	(d) Employee benefits expense	4,114.1	3,526.6	2,657.4	14,574.7
	(e) Finance costs	303.0	377.6	513.9	1,422.6
	(f) Depreciation and amortisation expense	2,161.0	1,779.4	1,687.7	7,350.8
	(g) Other expenses (refer note 9)	10,286.0	8,410.2	7,912.2	33,997.1
	Total expenses (4)	41,976.0	38,216.1	38,653.4	154,961.4
5	Profit before tax and exceptional items from continuing operations (3 - 4)	3,034.7	4,275.6	4,721.8	16,325.9
6	Exceptional Items				
	- Profit / (loss) on sale of subsidiary / division	-	(216.3)	(7.2)	1,716.6
	Exceptional Items (Refer Note 3 and 4)	-	(216.3)	(7.2)	1,716.6
7	Profit before tax from continuing operations (5 + 6) (refer note 11)	3,034.7	4,059.3	4,714.6	18,042.5
8	Tax expense				
	(a) Current Tax				
	- on Continuing Operations excluding exceptional items	(40.2)	1,281.9	1,420.5	3,649.6
	- on Exceptional Items	-	(50.4)	30.3	379.3
	(b) Deferred Tax	344.3	(3.4)	519.1	(494.2)
	Total Tax Expense (refer note 6 and 8)	304.1	1,228.1	1,969.9	3,534.7
9	Profit from continuing operations (7 - 8)	2,730.6	2,831.2	2,744.7	14,507.8
	Discontinued Operations				
10	Profit before tax from discontinued operations (refer note 11)	-	-	(248.2)	(83.8)
11	Tax expense of discontinued operations	-	-	(85.1)	(29.3)
12	Profit after tax from discontinued operations (10 - 11)	-	-	(163.1)	(54.5)
13	Profit after tax (9 + 12)	2,730.6	2,831.2	2,581.6	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	(126.6)	4.6	(371.0)	(302.9)
	Income tax relating to above	45.9	(1.6)	119.8	107.5
		(80.7)	3.0	(251.2)	(195.4)
	(b) Items that will be reclassified to profit or loss				
	Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(820.6)	(446.4)	397.6	(1,647.1)
	Gain / (loss) on translation of foreign operations	74.8	32.4	(49.2)	318.8
	Income tax relating to above	286.8	156.0	(144.8)	575.6
		(459.0)	(258.0)	203.6	(762.7)
	Total Other comprehensive income (net of taxes) (14)	(539.7)	(255.0)	(47.6)	(948.1)
15	Total comprehensive income (13 + 14)	2,190.9	2,576.2	2,534.0	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
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	3.9	4.1	4.0	21.0
	Diluted	3.9	4.1	4.0	21.0
19	Earnings per share from discontinued operations * (of Rs. 2/- each)				
	Basic	-	-	(0.2)	(0.1)
	Diluted	-	-	(0.2)	(0.1)
20	Earnings per share * (of Rs. 2/- each)				
	Basic	3.9	4.1	3.7	20.9
	Diluted	3.9	4.1	3.7	20.9

* Not annualised

PART II - STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	(Audited)	(Audited)
A ASSETS		
1 Non-current Assets		
(a) Property, plant and equipment	59,883.2	45,422.3
(b) Right-of-Use-Assets	225.2	-
(c) Capital work-in-progress	4,402.6	1,818.9
(d) Goodwill	684.4	-
(e) Other Intangible assets	1,916.1	1,073.8
(f) Intangible assets under development	395.6	577.0
(g) Financial assets		
i. Investments	88.8	1.0
ii. Loans	87.6	74.0
(h) Deferred Tax Assets (net)	552.5	207.6
(i) Other non-current assets	5,735.5	2,962.6
(j) Non-current tax assets (net)	2,622.2	176.6
Total - Non-current Assets	76,593.7	52,313.8
2 Current Assets		
(a) Inventories	41,066.4	30,766.1
(b) Financial assets		
i. Trade receivables	36,406.2	34,614.5
ii. Cash and cash equivalents	818.2	474.7
iii. Bank balances other than (ii) above	744.0	339.4
iv. Derivatives	460.4	718.4
v. Other financial assets	1,840.4	2,543.9
(c) Other current assets	5,030.5	5,140.7
Total - Current Assets	86,366.1	74,597.7
Assets classified as held for sale / disposal	-	9,130.9
Total - Current Assets	86,366.1	83,728.6
TOTAL - ASSETS	162,959.8	136,042.4
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	1,384.5	1,384.5
(b) Other Equity	58,694.1	55,386.8
Total - Equity	60,078.6	56,771.3
2 Non-current Liabilities		
(a) Financial liabilities		
i. Borrowings	22,499.9	11,313.5
ii. Lease liability	207.0	-
iii. Other financial liabilities	150.6	150.6
(b) Provisions	1,574.1	1,422.2
(c) Deferred tax liabilities (net)	5,009.1	5,662.8
Total - Non-current Liabilities	29,440.7	18,549.1
3 Current Liabilities		
(a) Financial Liabilities		
i. Borrowings	22,621.3	18,993.1
ii. Trade payables - Due of micro and small enterprise	544.0	319.1
ii. Trade payables - Others	36,626.4	23,896.1
iii. Derivatives	567.8	118.7
iv. Other financial liabilities	9,823.1	8,839.1
(b) Other current liabilities	2,552.6	486.9
(c) Provisions	664.1	282.2
(d) Current tax liabilities (net)	41.2	870.0
Total - Current Liabilities	73,440.5	53,805.2
Liabilities associated with group of assets classified as held for sale / disposal	-	6,916.8
Total - Current Liabilities	73,440.5	60,722.0
TOTAL - EQUITY AND LIABILITIES	162,959.8	136,042.4

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

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Segment Revenue -					
	(a) Pigments	40,217.9	39,088.3	40,436.4	158,975.7	147,651.0
	(b) Others	4,693.9	3,264.2	2,555.8	11,843.5	11,653.8
	Total :	44,911.8	42,352.5	42,992.2	170,819.2	159,304.8
	Less : Inter-segment revenue	-	-	-	-	-
	Total Revenue from continuing operations	44,911.8	42,352.5	42,992.2	170,819.2	159,304.8
	Discontinued Operations	-	-	1,027.6	36.2	8,111.0
	Total Revenue	44,911.8	42,352.5	44,019.8	170,855.4	167,415.8
2	Segment Results -					
	Profit / (Loss) before tax and finance cost					
	(a) Pigments	2,754.8	4,178.7	5,294.3	16,515.7	15,159.7
	(c) Others	582.9	474.5	(58.6)	1,232.8	(609.6)
	Total :	3,337.7	4,653.2	5,235.7	17,748.5	14,550.1
	Less : (i) Finance cost	303.0	377.6	513.9	1,422.6	1,703.6
	Profit Before Tax from continuing operations:	3,034.7	4,275.6	4,721.8	16,325.9	12,846.5
	Profit Before Tax from discontinued operations	-	-	(248.2)	(83.8)	362.4
	Total Profit Before Tax	3,034.7	4,275.6	4,473.6	16,242.1	13,208.9
3	Capital Employed -					
	Segment Assets:					
	(a) Pigments	156,393.6	142,189.2	126,703.9	156,393.6	126,703.9
	(b) Discontinued Operations	-	-	1,505.5	-	1,505.5
	(c) Others	6,013.7	6,059.8	7,121.0	6,013.7	7,121.0
	Total Segment Assets :	162,407.3	148,249.0	135,330.4	162,407.3	135,330.4
	Segment Liabilities:					
	(a) Pigments	43,937.8	34,275.8	29,982.3	43,937.8	29,982.3
	(b) Discontinued Operations	-	-	732.0	-	732.0
	(c) Others	4,077.4	4,262.5	3,856.0	4,077.4	3,856.0
	Total Segment Liabilities :	48,015.2	38,538.3	34,570.3	48,015.2	34,570.3
	Total Capital Employed :	114,392.1	109,710.7	100,760.1	114,392.1	100,760.1

PART IV - STATEMENT OF CONSOLIDATED CASH FLOW

(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2020 (Audited)	31.03.2019 (Audited)
Cash flow from operating activities		
Profit before tax and exceptional items from continuing operations	16,325.9	12,846.5
Adjustment for		
Depreciation / amortization	7,350.8	6,557.4
Unrealized foreign exchange Loss / (Gain)	975.4	(996.7)
Fair value (Gain) / Loss on derivatives	707.1	(398.2)
Provision for expected credit loss and bad debts	931.5	379.3
Finance costs	1,422.6	1,703.6
Interest income	(272.3)	(329.4)
Others	(48.3)	(71.2)
Operating profit before working capital changes	27,392.7	19,691.3
Working capital adjustments :		
Increase / (decrease) in liabilities and provisions	11,987.0	(769.4)
Decrease / (increase) in current and other non-current assets	(6,905.0)	(9,531.4)
Cash generated from operations	32,474.7	9,390.5
Income taxes paid (net of refunds)	(6,160.0)	(3,165.0)
Net cash flow from operating activities from continuing operations	26,314.7	6,225.5
Net cash flow (used in)/ from operating activities from discontinued operations	(54.5)	876.7
A Net cash flow from operating activities from continuing and discontinued operations	26,260.2	7,102.2
Cash flows from investing activities :		
Purchase of property, plant and equipments	(25,536.1)	(10,230.4)
Proceeds from sale of division and subsidiary, net of incidental expenses and taxes	3,214.8	7,141.3
Investment in mutual funds/ gain on mutual funds	-	51.4
Interest received	272.3	329.4
Others	67.8	27.4
Net cash flow (used in)/ from investing activities from continuing operations	(21,981.2)	(2,680.9)
Net cash flow (used in)/ from investing activities from discontinued operations	-	27.1
B Net cash flow (used in)/ from investing activities from continuing and discontinued operations	(21,981.2)	(2,653.8)
Cash flows from financing activities :		
Proceeds from long-term borrowings	13,775.5	648.2
Repayment of long-term borrowings	(7,403.8)	(6,955.9)
Dividend and tax thereon	(10,019.8)	(824.5)
Proceeds/ (Repayment) from short-term borrowings (net)	1,133.4	3,570.8
Finance costs paid	(1,422.6)	(1,761.3)
Net cash flow (used in)/ from financing activities from continuing operations	(3,937.3)	(5,322.7)
Net cash flow (used in)/ from financing activities from discontinued operations	-	559.1
C Net cash flow (used in)/ from financing activities from continuing and discontinued operations	(3,937.3)	(4,763.6)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	341.7	(315.2)
Cash and cash equivalents at the beginning of the period	476.5	791.7
Cash and cash equivalents at the end of the period	818.2	476.5

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 22nd June, 2020. 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 (upto the date of divestment), 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 current 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 current period and 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	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Revenue					
Agro Chemicals	-	-	98.7	-	3,687.3
Industrial Mixing Solution Division	-	-	928.9	36.2	3,230.9
Prescient Color Limited	-	-	-	-	1,192.8
Total Revenue	-	-	1,027.6	36.2	8,111.0
Profit Before Tax					
Agro Chemicals	-	-	(279.4)	-	(213.5)
Industrial Mixing Solution Division	-	-	31.2	(83.8)	526.9
Prescient Color Limited	-	-	-	-	49.0
Total Profit Before Tax	-	-	(248.2)	(83.8)	362.4

- Exceptional item pertains to the gain (adjusted for the costs directly related to the transaction) from divestment of the Group's holdings in its wholly owned subsidiary, Prescient Color Limited and the sale of its Agro Formulation Branding Business during the previous year ended 31st March 2019 and Industrial Mixing Solutions Division during the current year ended 31st March 2020. (Refer Note 3 above).

Particulars	(Rs. in Lakhs)				
	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Profit before tax and exceptional items from continuing operations	3,034.7	4,275.6	4,721.8	16,325.9	12,846.5
Tax expense excluding tax on exceptional items	304.1	1,278.5	1,939.6	3,155.4	4,761.5
Reversal of deferred tax expense (refer note 8 below)	989.7	232.3	-	2,305.5	-
Profit from continuing operations excluding tax (refer note 8) and exceptional items (net of related tax)	1,740.9	2,764.8	2,782.2	10,865.0	8,085.0
Basic and diluted Earnings per share from continuing operations excluding tax (refer note 8) and exceptional items (net of related tax)*	2.5	4.0	4.0	15.7	11.7

* Not annualised

- Effective 1st April, 2019, the Group adopted Ind AS 116 - "Leases" using the modified retrospective approach. Accordingly, the comparative information is not restated. The adoption of the standard did not have any material impact on the financial results of the Group.
- The tax expense for the year ended 31st March 2019 is net of reversals pertaining to previous years amounting to Rs. 90 Lakhs.
- The figures for the quarter ended 31st March, 2020 and the corresponding quarter in the previous period, 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 financial year 2019-20. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

As per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018, this is the first year when the Group has prepared quarterly consolidated results. As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the comparative results for the corresponding quarter ended 31st March 2019 are the balancing figures between audited figures in respect of the full financial year 2018-19 and the published year to date figures upto the end of the third quarter of FY 2018-19. Results published upto the end of the third quarter of FY 2018-19 were prepared by the management and the management exercised the necessary due diligence to ensure that the results provide true and fair view of the Group's affairs. These were not been subjected to review / audit.

- The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/ conditions defined in the said section. The Group has evaluated and expects to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 in a subsequent financial year. Accordingly, the Group has estimated the reversal of the deferred tax asset / liabilities until the date of exercise of the option and sums that reverse subsequent to exercise of the option. The effect of this change has been recognised in tax expense for the year ended 31st March, 2020 on an effective tax basis. This has resulted in reversal of deferred tax expense of Rs. 989.7 Lakhs and Rs. 2,305.5 Lakhs, which has been recorded in quarter and year ended 31st March 2020 respectively on account of remeasurement of deferred tax liability.
- Other expenses includes foreign exchange (gain)/ loss for the period.

Particulars	(Rs. in Lakhs)				
	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Foreign Exchange (Gain)/ Loss	624.5	172.3	184.1	140.5	60.5

- During the current year, the Company has incorporated a Wholly Owned Subsidiary viz., Sudarshan Japan Limited, in Japan. Sudarshan Japan Limited would primarily be engaged in sales of pigments in Japan.
- During the current period, the Group has re-classified the operations of its wholly owned Subsidiary RIECO Industries Limited to continuing operations from earlier classified as discontinued operations as per Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", since the mandate given for sale is withdrawn. Accordingly the results presented for earlier periods have been restated to include the operations of RIECO Industries Limited.
- The Group has evaluated the impact of this 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 financial results as at 31st March, 2020.
- The aforesaid Audited 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

Rajesh
Balkrishna Rathi

Digitally signed by Rajesh Balkrishna Rathi
Date: 2020.06.22 18:27:43 +05'30'

Mr. R. B. Rathi
Managing Director
Pune : 22nd June, 2020

B S R & Associates LLP

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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 2020, 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 -
 - a. Sudarshan Chemical Industries Limited - Holding Company

Subsidiary companies -

- b. Rieco Industries Limited
 - c. Sudarshan Europe B.V.
 - d. Sudarshan North America Inc.
 - e. Sudarshan (Shanghai) Trading Company Limited
 - f. Sudarshan Mexico S. de R.L. de CV.
 - g. 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 2020.

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 Matters

The consolidated annual financial results include the results for the quarter ended 31 March 2020 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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19:09:37 +05'30'

Adwait Morwekar
Partner
Membership Number: 110223
ICAI UDIN: 20110223AAAAAS1618

Place: Mumbai
Date: 22 June 2020

22nd June, 2020

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, 2020.

Kindly take the same on record.

Thanking You,
Yours Faithfully,

For SUDARSHAN CHEMICAL INDUSTRIES LIMITED


VIVEK THAKUR
GENERAL MANAGER – FINANCE AND ACTING CFO



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