



*Ushanti*  
Colour Chem Limited (UCL)  
(CIN: L24231GJ1993PLC019444)

## 27TH ANNUAL REPORT 2019-20

...making the world more colourful  
...Leadership through Phthalocyanine Dyestuff & Pigments.



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Members are requested to bring their copies of Annual Report to the Annual General Meeting.



### Corporate Information

<b>Name of Company</b>	Ushanti Colour Chem Limited
<b>CIN</b>	L24231GJ1993PLC019444
<b>Financial Year</b>	2019-2020
<b>Registered Office</b>	88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India.
<b>Phone No.</b>	079-25833315, 079-25894903
<b>Fax No.</b>	Not Available
<b>Email ID</b>	admin@ushanti.com, csucl@ushanti.com
<b>Website</b>	www.ushanti.com

### Board of Directors

Sr. No.	Name of Director	DIN	Designation
1.	Shantilal Bhailal Gandhi	00118509	Chairman and Director (Up to May 30, 2020)
2.	Minku Shantilal Gandhi	00118617	Chairman and Joint Managing Director
3.	Maunal Shantilal Gandhi	00118559	Joint Managing Director
4.	Shailesh Indradaman Patwari	00411439	Independent Director
5.	Purvi Tapan Trivedi	08064080	Independent Director
6.	Hanisha Jinish Patel	07190911	Independent Director

### Board Committees

#### **Audit Committee**

Name of Directors	Designation in Committee	Nature of Directorship
Shailesh Indradaman Patwari	Chairman	Independent Director
Hanisha Jinish Patel	Member	Independent Director
Maunal Shantilal Gandhi	Member	Joint Managing Director

#### **Nomination and Remuneration Committee**

Name of Directors	Designation in Committee	Nature of Directorship
Hanisha Jinish Patel	Chairman	Independent Director
Shailesh Indradaman Patwari	Member	Independent Director
Purvi Tapan Trivedi	Member	Independent Director

#### **Stakeholders Relationship Committee**

Name of Directors	Designation in Committee	Nature of Directorship
Purvi Tapan Trivedi	Chairman	Independent Director
Shailesh Indradaman Patwari	Member	Independent Director
Hanisha Jinish Patel	Member	Independent Director

<b>Company Secretary &amp; Compliance Officer</b>	Archita Jitendrakumar Shah Email ID: csucl@ushanti.com
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<b>Chief Financial Officer</b>	Pradip Bhadrilal Parikh Email ID: cfo@ushanti.com
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<b>Internal Auditor</b>	Mital Dipeshbhai Shah
	Email ID: accounts@ushanti.com

<b>Statutory Auditors</b>	M/s. DJNV & Co Chartered Accountants (Firm Registration No. 115145W)
	Address: 2nd Floor, H.N. House, Opp. Muktajivan Colour Lab, Stadium Circle, Navrangpura, Ahmedabad-380009, Gujarat, India
	Email ID: info@djnv.in

<b>Secretarial Auditors</b>	M/s. Hudda and Associates Company Secretaries LLP Practicing Company Secretary Firm
	Address: E-812, Titanium City Center, Anandnagar-Prahladnagar Road, Satellite, Ahmedabad - 380015, Gujarat, India
	Email ID: bunty.hudda@yahoo.com

<b>Bankers</b>	The Kalupur Commercial Co-operative Bank Limited
	ICICI Bank
	Bank of Baroda

<b>Registrar &amp; Transfer Agent</b>	M/s. Bigshare Services Private Limited (CIN: U99999MH1994PTC076534)
	Address: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059, Maharashtra, India
	Email ID: ipo@bigshareonline.com



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## Letter from the Chairman

**Dear Stakeholders of Ushanti,**

It is my honoured to share with you all operational activity of the Company for the FY 19-20. Company had performed well during 11 month but due to Coronavirus Pandemic (CoVID-19), performance of the last month of the Company has been affected. The CoVID-19 has impacted not only the human but also economy of the nation whole. In this critical phase, well-being of employees and workers were utmost priority of the Company and for that Company had adopted work from home policy for the urgent work of the Company and kept aside the growth of the Company.

Company has partial resumed its operation from April 25, 2020 after taking care of all the safety measures and guidelines issued by Government strictly and receiving approval from concerned authority so that, Company is able to ramp-up its sales by 70-80% and production to 60-70% of normal level and recover its losses rapidly.

There is a belief that every problem teaches something new to us, so let's take it in a positive way and recognise that, now onwards people are thinking and taking care of themselves and their family members first. They are focusing on their health and are maintaining hygiene and cleanliness at all places.

Company is manufacturing Dyes and Intermediates and sell in the local market as well as export the same. During the FY 19-20, Company has generated revenue from sale of its product of Rs. 45.17 Crore, growing to 14.70% over the prior FY 18-19 and also increased the profit of the Company to 5.80% over the prior FY 18-19. At this juncture, I would like to point out that due to COVID 19, the prices of raw material had shot up in December 2019 and due to lockdown we were stuck up with some raw materials which devalued by around 40 lacs on 31<sup>st</sup> March 2020. The same has also been taken into account in our P & L account.

During the FY 19-20, Company had declared and paid Interim Dividend of Rs. 0.20/- per Equity share, of Face Value Rs. 10 each to the members of the Company and transferred the profit ratio towards members of the Company.

Company has initially formed UC Colours and Intermediates Private Limited as wholly owned subsidiary of Ushanti Colour Chem Limited, which is now become subsidiary w.e.f. December 26, 2019. During the FY 19-20, Company has altered its object as mentioned in the Initial Public Offer (IPO) and now the altered object will be implemented by the Subsidiary of the Company. Company assures that, Members of the Company will avails ultimate benefit of the altered object to the issue.

Due to CoVID-19, the next few months will be difficult for the Company and also to the whole market but with the help of trustworthy and having strongest relational stakeholders, Company will ramp up its production gradually and will stabilise its position in the market in a short span.

Ushanti deeply appreciates the work of management team and is thankful to all its employees and workers who are always with ushanti and continue do work for the upliftment of the Company.

On behalf of the Board of Directors of Ushanti, I want to thank you to all stakeholders for showing your trust, confidence and support.

At the end of my speech I urge all the members to please stay safe, healthy and maintain hygiene and cleanliness at your place.

Thanks again my wonderful team Ushanti for being with Ushanti.

Keep believes on us!

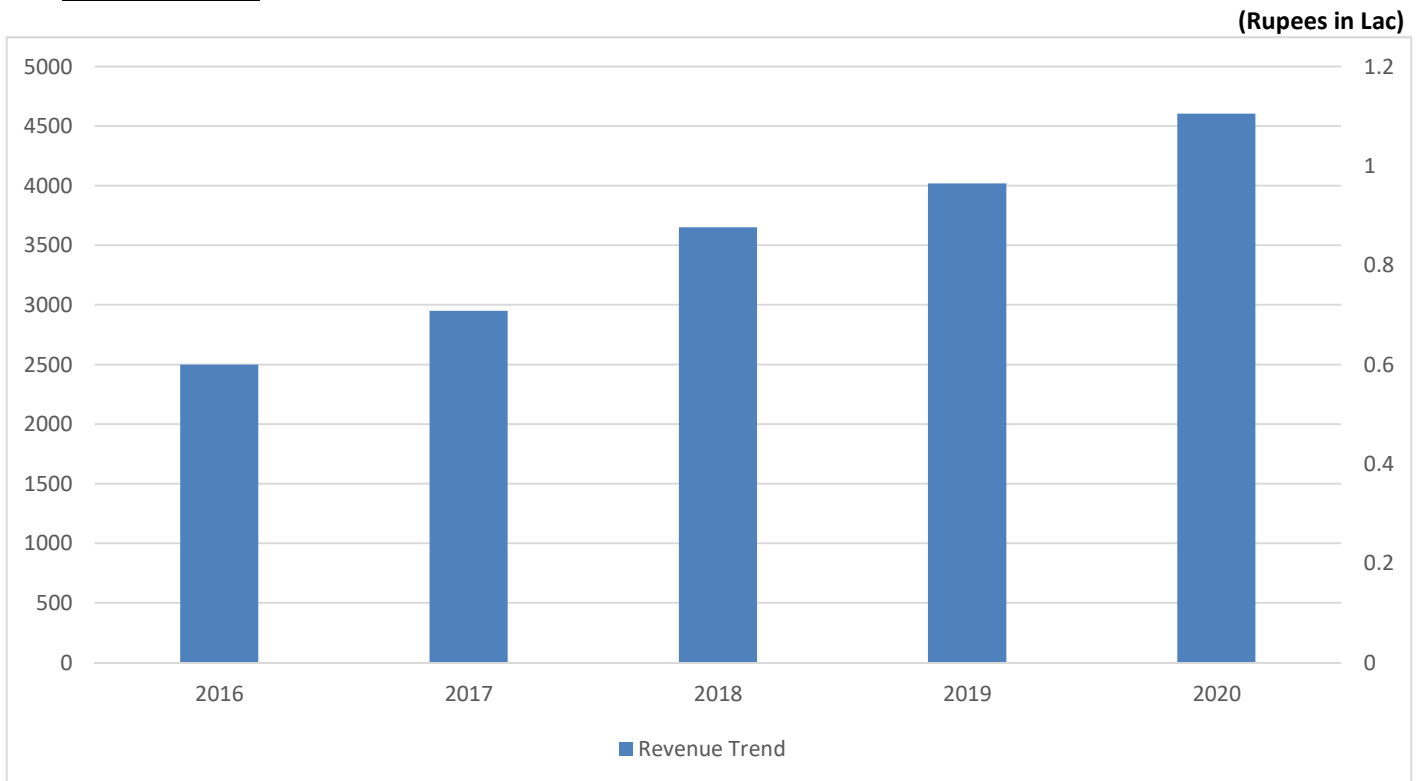
Warm regards

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

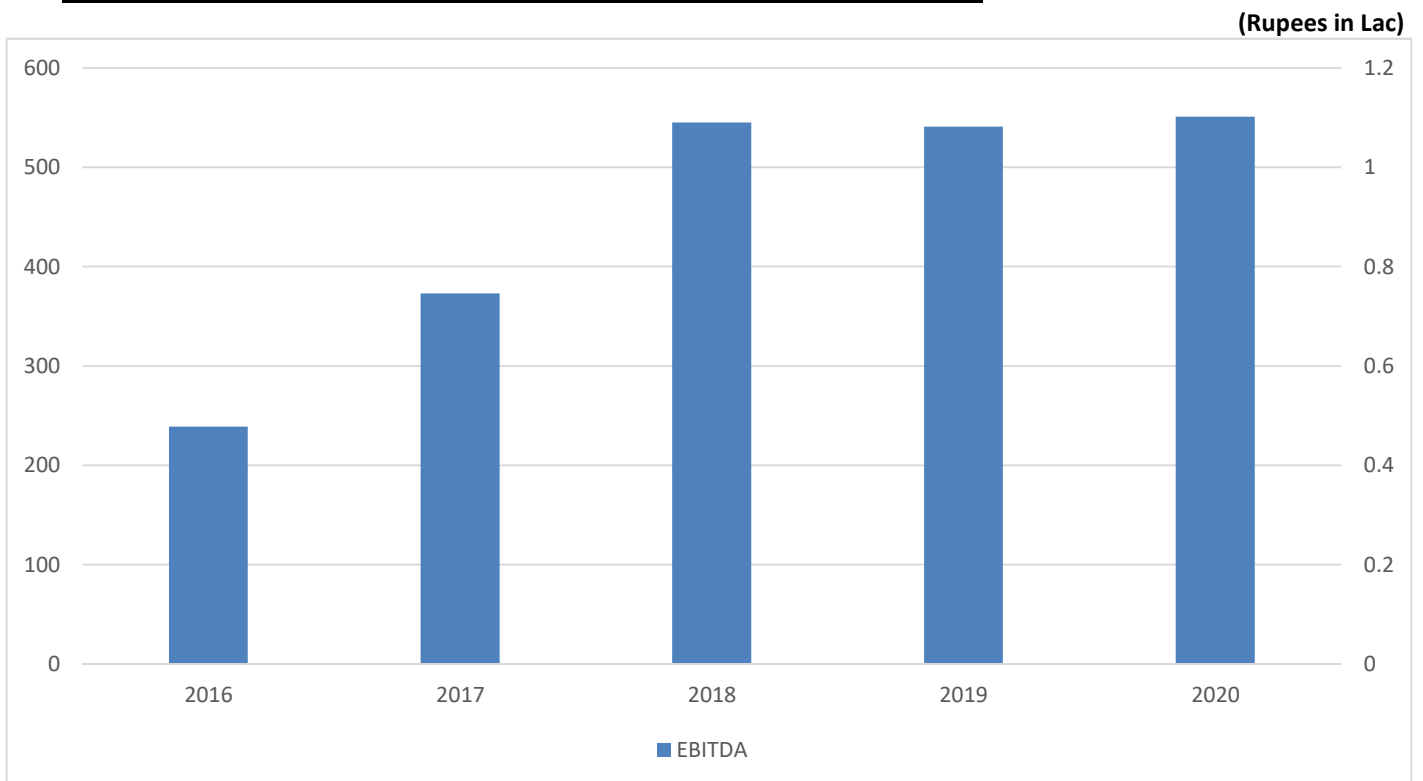


**Ushanti Colour Chem Limited ("UCL")**  
**Performance Highlights**

● **Revenue Trend**

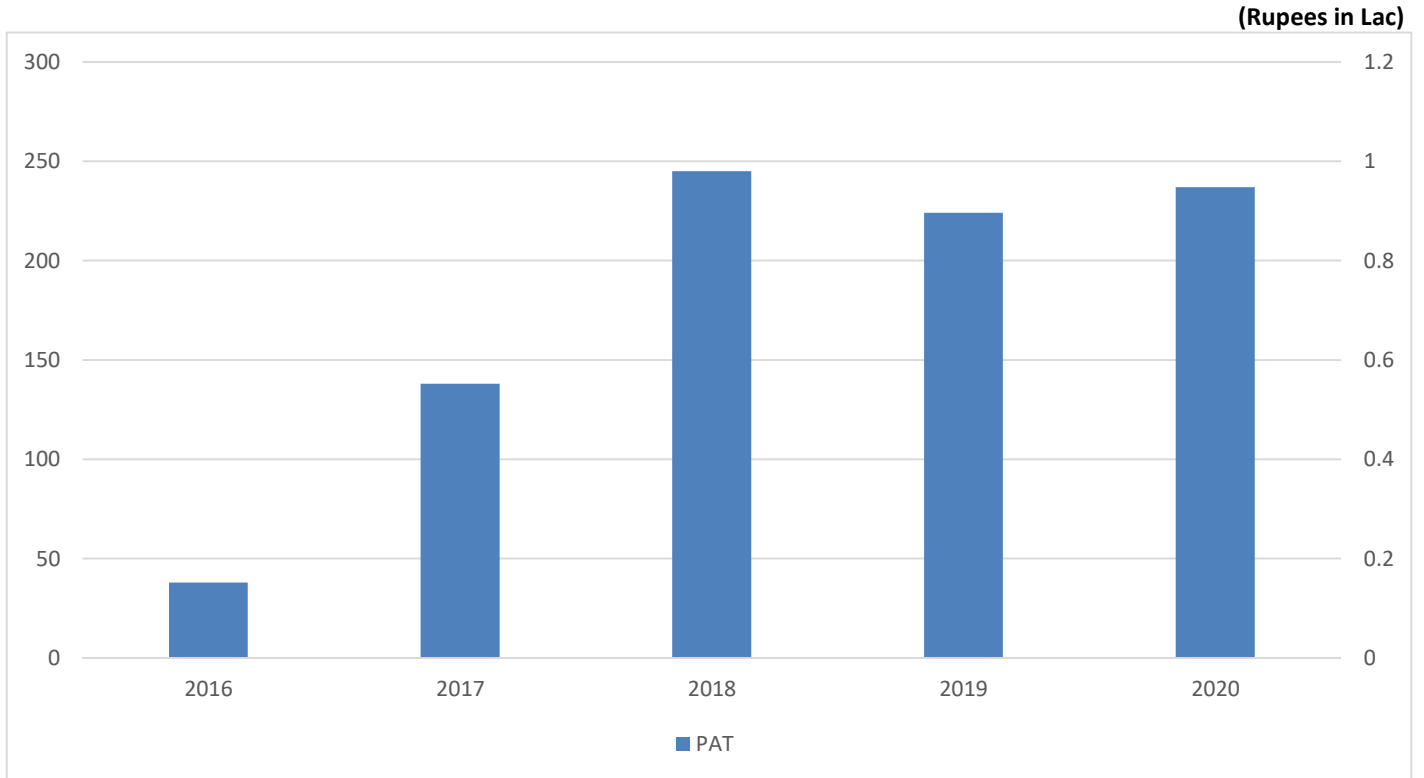


● **Earnings before interest, tax, depreciation and amortization (EBITDA)**





● **Profit after Tax (PAT)**



With the best wishes to all,

Minku Shantilal Gandhi  
Chairman and Joint Managing Director  
(DIN: 00118617)



**USHANTI COLOUR CHEM LIMITED**

**CIN: L24231GJ1993PLC019444**

**Registered Office:** 88/8, G I D C, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India

Tel. No.: 079-25833315/94903

Email Id: csucl@ushanti.com, Website: www.ushanti.com

**Notice of the Twenty Seventh Annual General Meeting**

**NOTICE** is hereby given that the 27th Annual General Meeting of the Members of M/s. Ushanti Colour Chem Limited (CIN: L24231GJ1993PLC019444) will be held on **Thursday, 20th day of August, 2020 at 05.30 p.m. at the Registered Office of the Company situated at 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India** to transact the following businesses:-

**Ordinary Business:**

**1. To receive, consider and adopt:**

a) the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2020 and Reports of Board of Directors and Report of Auditors thereon.

**"RESOLVED THAT** audited standalone financial statements of the company for the financial year ended March 31, 2020 and the reports of the board of directors and auditors' thereon laid before this meeting, be and are hereby considered and adopted."

b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2020 and Report of Auditors thereon.

**"RESOLVED THAT** audited Consolidated financial statements of the company for the financial year ended March 31, 2020 and the reports of auditors' thereon laid before this meeting, be and are hereby considered and adopted."

**2. To confirm the payment of interim dividend made during the financial year 2019-20.**

**3. To appoint a Director in place of Mr. Minku Shantilal Gandhi (DIN 00118617), who retires by Rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Minku Shantilal Gandhi (DIN 00118617), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**4. To take note of name change of Statutory Auditor Firm from M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) to M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) due to its merger into M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W):**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby granted to approve and take note of the change of name of statutory auditor firm of the company from M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) to M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) pursuant to its merger with M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) on the same terms and conditions including remuneration and tenure on which M/s. ANA & Associates was appointed by the shareholders and board of directors of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorised to do all such acts, deeds and things as are necessary to give effect to this resolution."





**Special Business:**

5. To authorize the Board of Directors to sell, lease or otherwise dispose of, to mortgage/create charges on the properties of the Company.

To consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution:**

**"RESOLVED THAT** in super session to all other resolution passed earlier by the Shareholders in its extra ordinary general meeting in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to sell, lease, mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the whole or substantially the whole of the undertaking(s) of the Company, where undertaking (both present and future) shall have the meaning as stated in explanation to Clause (a) of Sub-Section (1) of Section 180 of the Companies Act, 2013, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the affairs of the Company, provided that the total amount for which such sell, lease, charge, mortgage and/or hypothecations are being made, created to secure the borrowings shall not at any time exceed Rs.100 Crores;

**RESOLVED FURTHER THAT** in connection with afore-stated Resolution, the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets and/or undertakings of the Company in certain events, to banks/financial institutions, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans, foreign currency loans and/or the issue of debentures whether partly or fully convertible or non-convertible and/or securities linked to equity shares and/or rupee / foreign currency convertible bonds and/or bonds with share warrants attached thereto;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

6. To authorize the Board of Directors to borrow money over and above the paid up capital, free reserves and securities premium of the Company.

To consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution:**

**"RESOLVED THAT** in super session to all other resolution passed earlier by the Shareholders in its extra ordinary general meeting in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow from time to time in one or more tranches, any sum or sums of money so borrowed together with money, if any, already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital, free reserves and securities premium of the Company provided that the total amount so borrowed shall not at any time exceed Rs. 100 Crores;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate with the lending entities and to finalize and execute the documents and deeds as may be applicable for creating the appropriate mortgages and/or charges on such of the immovable and/or moveable properties of the Company on such terms and conditions as may be decided by the Board and to perform all such acts, deeds and things as may be necessary in this regard;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."



**7. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.**

Consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 185 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for making of loan(s) including loan represented by way of Book Debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by any person in whom any of the directors of the Company is interested as defined under Section 185 of the Act provided that the aggregate amount of loan and guarantee given and security provided pursuant to this resolution shall not at any time exceed Rs. 100 Crores;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

**8. To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.**

Consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of company's paid up capital and its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total loans or investments made, guarantees given, securities provided and acquire any security shall not at any time exceed Rs. 100 Crores;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans or guarantees or securities and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

**9. Approval of terms and conditions for payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company.**

Consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company for the further period of 3 years w.e.f. February 15, 2021, as per the terms set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit with the mutual consent, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** any of the Director of Company be and is hereby severally authorized to submit the necessary application(s) with Registrar of Companies and such other authorities as may be required and to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution."



**10.** Approval of terms and conditions for payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the Company.

Consider and if thought fit, to pass with or without modification, the following resolutions as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the Company for the further period of 3 years w.e.f. February 15, 2021, as per the terms set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit with the mutual consent, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** any of the Director of Company be and is hereby severally authorized to submit the necessary application(s) with Registrar of Companies and such other authorities as may be required and to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution."

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020

**Place:** Ahmedabad

Archita Jitendrakumar Shah  
**Company Secretary**

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than ten (10) per cent of the total share capital of the Company. In case proxy proposed to be appointed by a Member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e. by 5.30 p.m. on Tuesday, 18th August, 2020. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. Every Shareholder entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

3. The Proxy holder shall prove his/her identity at the time of attending the Meeting.

4. When a member appoints a proxy and both the Member and the Proxy attend the Meeting, the Proxy stands automatically revoked.



5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf.

6. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days during business hours up to the date of the Meeting.

8. Members are requested to contact Registrar and Transfer Agent (RTA) namely Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059, Maharashtra, India for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company.

9. In terms of Section 152 of the Companies Act, 2013, Mr. Minku Shantilal Gandhi (DIN 00118617), Joint Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.

Brief Resume of Director seeking re-appointment at the 27th Annual General Meeting  
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Minku Shantilal Gandhi
DIN	00118617
Date of Birth and age	February 21, 1970 and 50 years
Qualification	Bachelor of Commerce from Gujarat University
Expertise in specific Professional area	Having more than 20 years of experience in Chemical industry, mainly involved in production and purchase department.
Date of Appointment	Appointed as Director on May 12, 1993, Change in Designation made on February 15, 2018 as Joint Managing Director for the period of 5 years w.e.f. February 15, 2018. In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the meeting and being eligible for himself for re-appointment.
List of Companies in which Directorship held	02
Chairman/ Member of the Committee of Board other Companies	Chairman- M/s. UC Colours and Intermediates Private Limited
Number of Shares held in the Company as on 31 <sup>st</sup> March, 2019	1359427
Relationship between Directors inter se	He is Brother of Mr. Maunal Shantilal Gandhi, Joint Managing Director of the Company.

10. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.

11. Notice of the AGM along with attendance slip, proxy form and annual report is being sent to all the members whose name appears in the Register of Members as on Friday, July 24, 2020.

The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 14, 2020 to Thursday, August 20, 2020 (both days inclusive) and same will be re-opened from Friday, August 21, 2020 onwards.

12. Members are requested to bring their copies of Annual Report at the meeting.

13. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.

14. The Notice of the Annual General Meeting, Audited Financial Statements for 2019-20 along with Directors' Report and Auditors Report are also available on the website of the Company [www.ushanti.com](http://www.ushanti.com).



15. Members, who have multiple accounts in identical names or joint names in same order, are requested to intimate **M/s. Bigshare Services Private Limited**, the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.

16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

17. Members desiring any information concerning the accounts are requested to address their questions in writing to the Company at its registered office at 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India, at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.

18. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the security market. The Members are therefore requested to submit their PAN to their depository participant(s).

19. A route map along with prominent landmark for easy reach to the venue of Annual General Meeting is attached in the Annual Report.

#### 20. Voting Through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and **the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or <https://www.ushanti.com/annualreport.html>.

The e-voting period commences on Monday, August 17, 2020 at 9:00 a.m. (IST) and will end at 5:00 p.m. (IST) on Wednesday, August 19, 2020. During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, August 13, 2020. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, August 13, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@ushanti.com](mailto:investor@ushanti.com).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

#### **Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>

either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

#### Details on Step 2 are mentioned below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.



5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bunty.hudda@yahoo.com](mailto:bunty.hudda@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.



*Ushanti*

**Colour Chem Limited**

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting on the resolutions set out in this notice:**

Demat Holding	Please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id).
Physical Holding	Please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (Company email id).

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**Date:** 21/07/2020

**Place:** Ahmedabad

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

Archita Jitendrakumar Shah  
**Company Secretary**





**EXPLANATORY STATEMENT FOR ITEM NOS. 3 to 10 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item no. 3**

Director, Mr. Minku Shantilal Gandhi (DIN 00118617), retires by rotation and being eligible, seeks re-appointment. Your Directors recommend the resolution for approval of members.

Except Mr. Minku Shantilal Gandhi and Mr. Maunal Shantilal Gandhi and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed item no. 3.

**Item no. 4**

The Members of the Company, in their 26th Annual General Meeting held on September 28, 2019, have appointed M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) as Statutory Auditor of the Company for a term of 5 years i.e. from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting.

M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) has been merged with the firm M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) with effect from December 4, 2019 and the letter to that effect was received by the Company on December 05, 2019. Accordingly, the Audit Committee and Board of Directors of the company, in their meeting held on January 13, 2020 took note of the same and recommended for noting and approval of the shareholders of the company for the Change in the name of Statutory Auditor Firm due to merger and appointment of M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) on the same terms and conditions including remuneration for the remaining tenure for which M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) was appointed by the shareholders of the Company.

The Board of Directors recommend the noting and approval of Shareholders by way of Ordinary Resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in the proposed item no. 4.

**Item no. 5**

Pursuant to the provisions of section 180 (1)(A), the Board of Directors of the Company to create mortgage, hypothecation, pledge and/or charge the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of your Company to secure its borrowings of the Company apart from temporary loans obtained from the company's bankers in the ordinary course of business. The Company is on stage of expansion. The company is in need of more funds for progress. In view it is required to increase the limit upto Rs. 100 Crores.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend to pass the resolution as special resolution.

Directors their relatives and Key Managerial Personnel and who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

**Item no. 6**

Pursuant to the provisions of section 180 (1)(c), the Board of Directors of the Company borrow money, where the money to be borrowed by the company will exceed aggregate of its paid up capital, free reserves and securities premium of the Company, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The Company is on stage of expansion. The company is in need of more funds for progress. In view, it is required to increase the borrowing limit upto Rs. 100 Crores. In cases where the borrowing is in excess of aggregate of its paid up capital, free reserves and securities premium of the Company approval of the Members/ Shareholders is required.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend to pass the resolution as special resolution.



Directors their relatives and Key Managerial Personnel and who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

**Item no. 7**

As per the provisions of the Section 185 of the Companies Act, 2013 (as amended), approval of the shareholders by way of special resolution is required by the Company for giving loan to any person as specified therein or giving guarantee or providing securities to any bank or financial institution in respect of loan availed by to any person in whom any of the directors of the Company is interested as defined under Section 185 of the Act.

The Company may has to give loan to any person as specified therein or giving guarantee or providing securities to any bank or financial institution in respect of loan availed by to any person as aforesaid.

Where such giving loan to any person as specified therein or giving guarantee or providing securities to any bank or financial institution in respect of loan availed by to any person as specified therein, under Section 185 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend to pass the resolution as special resolution.

Directors their relatives and Key Managerial Personnel and who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

**Item no. 8**

The Company makes investments in and gives loans to the subsidiary companies as and when needed. The Company also provides corporate guarantees to the banks/financial institutions for the financial assistance provided by them.

The requirements of loans to be given / investments to be made / guarantees to be provided by the Company to meet the financial requirement, It is required to increase the borrowing limit upto Rs. 100 Crores. The consent and approval of the Shareholders is therefore, sought in accordance with the provisions of Section 186 of the Companies Act, 2013 for the said limits.

As per the provisions of Section 186 of the Companies Act, 2013, No company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified, under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend to pass the resolution as special resolution.

Directors their relatives and Key Managerial Personnel and who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

**Item no. 9**

Kindly recall, at the Board Meeting and Extra Ordinary General Meeting (AGM) held on February 15, 2018 and February 19, 2018, respectively, the Board and Members had approved appointment of Mr. Minku Shantilal Gandhi (DIN: 00118617) as Joint Managing Director of the Company for a term of 5 (five) years w.e.f February 15, 2018. At the said BM and EOGM, approval was also accorded for terms and conditions for payment of remuneration to him for the period of 3 years w.e.f. February 15, 2018, said terms and conditions for payment of remuneration was subsequently changed on BM and EOGM dated May 9, 2018 and



May 18, 2018, respectively and gave superseded effect to the said matter. However, as per Schedule V of the Act, consent of the members required for approval of payment of remuneration to Key Managerial Personnel for further period of three years w.e.f. February 15, 2021.

Pursuant to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with schedule V to the Companies Act, 2013 the remuneration proposed to be paid to Mr. Minku Shantilal Gandhi (DIN: 00118617) as a Joint Managing Director of the Company and the perquisites proposed to be provided to him are set out below:

<b>Salary:</b>								
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount Up to Rs. (Per Year)</b>						
1.	Basic Salary: Salary given to Joint Managing Director which is eligible for revision on a date to be determined by the Board of Directors of the company.	Rs. 60,00,000/-						
<b>Perquisites:</b> The Joint Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;								
2.	Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.	-						
3.	Gratuity: Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.	-						
4.	Insurance Policy: Company has taken few Keyman Insurance policies for its Key employees. As per the agreement between the company and those employees, the company intends to surrender its claim on the policy on 2020 or to the subsequent years at the surrender value of its policies.  Surrender value of the policies is considered as perquisites and includes in computation of managerial remuneration of the joint managing director of the Company.  The Company had paid the premium on above-mentioned policies. The remaining said policy will be surrendered on FY 21-22. <table border="1" data-bbox="183 1339 970 1460"><thead><tr><th>Financial Year</th><th>Employee Name</th><th>Surrender value</th></tr></thead><tbody><tr><td>2021-2022</td><td>Minku Shantibhai Gandhi - Joint Managing Director</td><td>Rs. 9,31,908.55/-</td></tr></tbody></table>	Financial Year	Employee Name	Surrender value	2021-2022	Minku Shantibhai Gandhi - Joint Managing Director	Rs. 9,31,908.55/-	Rs. 9,31,908.55/-
Financial Year	Employee Name	Surrender value						
2021-2022	Minku Shantibhai Gandhi - Joint Managing Director	Rs. 9,31,908.55/-						
5.	Wi-Fi Facility: Company provides Wi-Fi facility at the employee's house for doing office work.	Rs. 50,000/-						
<b>Total (Salary + Perquisites)</b>		<b>Up to Rs. 69,81,908.55/- per year</b>						

The overall remuneration referred to above shall not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**(A) The relevant details as required under Schedule V to the Companies Act, 2013 are provided hereunder;**

#### **I. General Information**

**1. Nature of Industry:** Company is in the Business of Manufacturing and selling various types of Chemicals, Dyes and Intermediates etc.

**2. Date of Commencement of Commercial Production:** 12/05/1993



**3. In Case of New Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.**

**4. Financial performance based on given indicator:** Financial Performance for the period of 01/04/2019 to 31/03/2020 is as under:

Sr. No.	Particulars	Amount (In Rs.)		
		Financial Year 2019-20	Financial Year 2018-19	Financial Year 2017-18
1.	Total Revenue	Rs. 46,54,86,270/-	Rs. 40,98,09,952/-	Rs. 36,79,25,504/-
2.	Earnings before interest, tax, depreciation and amortization	Rs. 5,51,08,175/-	Rs. 5,41,21,246/-	Rs. 5,45,38,851/-
3.	Financial Cost	Rs. 82,85,592/-	Rs. 91,47,112/-	Rs. 97,72,692/-
4.	Depreciation and amortization	Rs. 1,60,41,059/-	Rs. 1,58,81,506/-	Rs. 1,17,20,674/-
5.	Profit Before Tax	Rs. 3,21,00,920/-	Rs. 3,03,30,893/-	Rs. 3,41,37,761/-
6.	Current Tax	Rs. 90,03,679/-	Rs. 82,00,000/-	Rs. 97,52,833/-
7.	Deferred Tax	Rs. 6,46,000/-	Rs. 2,61,000/-	Rs. 76,000/-
8.	Net Profit	Rs. 2,37,43,241/-	Rs. 2,23,91,893/-	Rs. 2,44,60,928/-

**5. Foreign investments and collaborations, if any: N.A.**

**II Information about the appointee:**

**1) Mr. Minku Shantilal Gandhi:**

**A) Background Details:**

Mr. Minku Gandhi, 50 Years of age, is a Bachelor of Commerce from Gujarat University. He was appointed as First Director of the Company in May 12, 1993. He is one of the promoters of the Company. Mr. Minku Gandhi's expertise lies in Manufacturing & Production.

Due to his tremendous efforts, growth of the Company increase day by day. His best efforts will be fruitful in the future of the Company.

**B) Past Remuneration:**

Rs. 5,00,000/- (Rs. Five Lakh Only) per month and perquisites as approved by the members of the Company.

**C) Recognition or awards:**

Not Applicable

**D) Job Profile and his suitability:**

Mr. Minku Gandhi is expert in Manufacturing & Production. From Incorporation he works for the Company in the Manufacturing & Production Unit and also authorised/responsible/in-charge for matter relates to labour, civil, mechanical, production, pollution and environment. So, his proficiency in the area of Manufacturing & Production is good for the future of the Company.

**E) Remuneration Proposed:**

Salary Up to Rs. 5,00,000/- per month and perquisites as mentioned in the note.

**F) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Minku Shantilal Gandhi, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid



to similar senior level incumbents, in other Companies.

**G) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Beside the remuneration proposed, Mr. Minku Shantilal Gandhi, does not have any pecuniary relationship with the Company.

**III Other Information:**

**A) Reasons of loss or inadequate profits:**

The Company is engaged in the business of manufacturing and selling various types of Chemicals, Dyes and Intermediates etc. During the Year 19-20, the Company made Profit after Tax of Rs. 2.37 Crores.

The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

**B) Steps taken or proposed to be taken for improvement:**

All economic measures are being adopted to maintain profitability.

**C) Expected increase in productivity and profits in measurable terms:**

Continuous efforts are made to expand marketing and economy in Operation.

**IV Disclosures:**

The disclosures in respect of remuneration package and other details of all the Directors are given at appropriate places in the Directors' Report.

**(B) Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;**

**I Financial and operating performance of the Company during the three preceding financial years**

Details provided in para A (I) (4) above.

**II the remuneration or commission drawn by the individual concerned in any other capacity**

No Managerial Personnel has drawn remuneration or commission in any other capacity from the Company.

**III the remuneration or commission drawn by him from any other company**

No Managerial Personnel has drawn remuneration or commission in any other capacity from other Company.

**IV professional qualifications and experience of the individual concerned**

Please refer Para A (II) (1) above.

**V the relationship between remuneration and performance**

Mr. Minku Shantilal Gandhi is working for the Company since its incorporation. He is mainly involved in Manufacturing & Production Unit and also authorised/responsible/in-charge for matter relates to labour, civil, mechanical, production, pollution and environment. Based on the above duty Company has decided to give remuneration as mentioned in the note.

**VI the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company**

The said remuneration has been firstly decided by Nomination and Remuneration Committee as per the Remuneration Policy of



the Company and based on his performance during the year then after considering all point, NRC recommended to the Board for giving remuneration to the Key Managerial Personnel. Every employee including executives of the Company receives the salary based on their performance only.

**VII whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference**

The Company has a clearly laid out Board-approved Remuneration Policy. This policy includes, inter-alia, separate remuneration parameters for –

- i. Managing Director / Whole-time Director
- ii. KMP and Senior Management
- iii. Non- Executive / Independent Directors and
- iv. Other Employees.

The perspective that governs remuneration of Directors goes beyond the Company and the Industry, especially in terms of benchmarks. The philosophy of reward for performance however, is applicable to all four domains.

**VIII the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year**

Mr. Minku Shantilal Gandhi holds 1359427 Equity Shares of the Company of Rs. 10 each. There are no any shares pledged as at the end of the financial year 2019-20.

Further, Mr. Minku Shantilal Gandhi is Brother of our Joint Managing Director, Mr. Maunal Shantilal Gandhi.

In Compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms specified of remuneration above are now being placed before the members for their approval. Further, the approval of Members for the remuneration proposed herein above shall be valid for 3 years w.e.f. February 15, 2021. The Board recommends this special resolution for the, approval of the Shareholders.

Except Mr. Minku Shantilal Gandhi and Mr. Maunal Shantilal Gandhi himself and his relatives to the extent of their shareholding in the Company, None of the Directors or key managerial personnel or any relative thereof, in anyway, concerned or interested in the special resolution as set out in Item no. 9 except to the extent of their shareholding in the Company.

***Note:** Here the Policy will be surrendered up to FY 21-22, Afterwards the actual remuneration that Company will pay is only Basic+ EPF+ Gratuity+ Wi-Fi Facility. So, As per above, in FY 21-22 Remuneration will be paid of Rs. 69,81,908.55/- and EPF+ Gratuity per year and afterwards Remuneration will be paid Rs. 60,50,000/- and EPF+ Gratuity per year Only.*

**Item no. 10**

Kindly recall, at the Board Meeting and Extra Ordinary General Meeting (AGM) held on February 15, 2018 and February 19, 2018, respectively, the Board and Members had approved appointment of Mr. Maunal Shantilal Gandhi (DIN: 00118559) as Joint Managing Director of the Company for a term of 5 (five) years w.e.f February 15, 2018. At the said BM and EOGM, approval was also accorded for terms and conditions for payment of remuneration to him for the period of 3 years w.e.f. February 15, 2018, said terms and conditions for payment of remuneration was subsequently changed on BM and EOGM dated May 9, 2018 and May 18, 2018, respectively and gave superseded effect to the said matter. However, as per Schedule V of the Act, consent of the members required for approval of payment of remuneration to Key Managerial Personnel for further period of three years w.e.f. February 15, 2021.

Pursuant to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with schedule V to the Companies Act, 2013 the remuneration proposed to be paid to Mr. Maunal Shantilal Gandhi (DIN: 00118559) as a Joint Managing Director of the Company and the perquisites proposed to be provided to him are set out below:



<b>Salary:</b>								
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount Up to Rs. (Per Year)</b>						
1.	Basic Salary: Salary given to Joint Managing Director which is eligible for revision on a date to be determined by the Board of Directors of the company.	Rs. 60,00,000/-						
<b>Perquisites:</b> The Joint Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;								
2.	Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.	-						
3.	Gratuity: Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.	-						
4.	<p>Insurance Policy: Company has taken few Keyman Insurance policies for its Key employees. As per the agreement between the company and those employees, the company intends to surrender its claim on the policy on 2020 or to the subsequent years at the surrender value of its policies.</p> <p>Surrender value of the policies is considered as perquisites and includes in computation of managerial remuneration of the joint managing director of the Company.</p> <p>The Company had paid the premium on above-mentioned policies. The remaining said policy will be surrendered on FY 21-22.</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th>Financial Year</th> <th>Employee Name</th> <th>Surrender value</th> </tr> </thead> <tbody> <tr> <td>2021-2022</td> <td>Maunal Shantibhai Gandhi – Joint Managing Director</td> <td>Rs. 9,31,908.55/-</td> </tr> </tbody> </table>	Financial Year	Employee Name	Surrender value	2021-2022	Maunal Shantibhai Gandhi – Joint Managing Director	Rs. 9,31,908.55/-	Rs. 9,31,908.55/-
Financial Year	Employee Name	Surrender value						
2021-2022	Maunal Shantibhai Gandhi – Joint Managing Director	Rs. 9,31,908.55/-						
5.	Wi-Fi Facility: Company provides Wi-Fi facility at the employee's house for doing office work.	Rs. 50,000/-						
<b>Total (Salary + Perquisites)</b>		<b>Up to Rs. 69,81,908.55/- per year</b>						

The overall remuneration referred to above shall not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**(A) The relevant details as required under Schedule V to the Companies Act, 2013 are provided hereunder;**

**I. General Information**

**1. Nature of Industry:** Company is in the Business of Manufacturing and selling various types of Chemicals, Dyes and Intermediates etc.

**2. Date of Commencement of Commercial Production:** 12/05/1993

**3. In Case of New Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.

**4. Financial performance based on given indicator:** Financial Performance for the period of 01/04/2019 to 31/03/2020 is as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (In Rs.)</b>		
		<b>Financial Year 2019-20</b>	<b>Financial Year 2018-19</b>	<b>Financial Year 2017-18</b>
1.	Total Revenue	Rs. 46,54,86,270/-	Rs. 40,98,09,952/-	Rs. 36,79,25,504/-



2.	Earnings before interest, tax, depreciation and amortization	Rs. 5,51,08,175/-	Rs. 5,41,21,246/-	Rs. 5,45,38,851/-
3.	Financial Cost	Rs. 82,85,592/-	Rs. 91,47,112/-	Rs. 97,72,692/-
4.	Depreciation and amortization	Rs. 1,60,41,059/-	Rs. 1,58,81,506/-	Rs. 1,17,20,674/-
5.	Profit Before Tax	Rs. 3,21,00,920/-	Rs. 3,03,30,893/-	Rs. 3,41,37,761/-
6.	Current Tax	Rs. 90,03,679/-	Rs. 82,00,000/-	Rs. 97,52,833/-
7.	Deferred Tax	Rs. 6,46,000/-	Rs. 2,61,000/-	Rs. 76,000/-
8.	Net Profit	Rs. 2,37,43,241/-	Rs. 2,23,91,893/-	Rs. 2,44,60,928/-

**5. Foreign investments and collaborations, if any: N.A.**

**II Information about the appointee:**

**1) Mr. Maunal Shantilal Gandhi:**

**A) Background Details:**

Mr. Maunal Gandhi, 50 Years of age, is an MBA Finance from USA and Bachelor of Commerce from Gujarat University. He was appointed as Director of the Company in December 15, 1993. He is one of the promoters of the Company. Mr. Maunal Gandhi's expertise lies in sales & marketing.

Due to his tremendous efforts, growth of the Company increase day by day. His best efforts will prove to be fruitful in the future of the Company.

**B) Past Remuneration:**

Rs. 5,00,000/- (Rs. Five Lakh Only) per month and perquisites as approved by the members of the Company.

**C) Recognition or awards:**

Not Applicable

**D) Job Profile and his suitability:**

Mr. Maunal Gandhi is expert in sales & marketing. From joining as Director he works for the Company in the sales & marketing Division and also looks into administration, financial and foreign trade matter. So, his proficiency in the area of sales & marketing is good for the future of the Company.

**E) Remuneration Proposed:**

Salary Up to Rs. 5,00,000/- per month and perquisites as mentioned in the note.

**F) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Maunal Shantilal Gandhi, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other Companies.

**G) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Beside the remuneration proposed, Mr. Maunal Shantilal Gandhi, does not have any pecuniary relationship with the Company.





### **III Other Information:**

#### **A) Reasons of loss or inadequate profits:**

The Company is engaged in the business of manufacturing and selling various types of Chemicals, Dyes and Intermediates etc. During the Year 19-20, the Company made Profit after Tax of Rs. 2.37 Crores.

The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

#### **B) Steps taken or proposed to be taken for improvement:**

All economic measures are being adopted to maintain profitability.

#### **C) Expected increase in productivity and profits in measurable terms:**

Continuous efforts are made to expand marketing and economy in Operation.

### **IV Disclosures:**

The disclosures in respect of remuneration package and other details of all the Directors are given at appropriate places in the Directors' Report.

### **(B) Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;**

#### **I Financial and operating performance of the Company during the three preceding financial years**

Details provided in para A (I) (4) above.

#### **II the remuneration or commission drawn by the individual concerned in any other capacity**

No Managerial Personnel has drawn remuneration or commission in any other capacity from the Company.

#### **III the remuneration or commission drawn by him from any other company**

No Managerial Personnel has drawn remuneration or commission in any other capacity from other Company.

#### **IV professional qualifications and experience of the individual concerned**

Please refer Para A (II) (1) above.

#### **V the relationship between remuneration and performance**

Mr. Maunal Shantilal Gandhi is working for the Company since 1995. He is mainly involved in sales & marketing division and also looks into administration, financial and foreign trade matter. Based on the above duty Company has decided to give remuneration as mentioned in the note.

#### **VI the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company**

The said remuneration has been firstly decided by Nomination and Remuneration Committee as per the Remuneration Policy of the Company and based on his performance during the year then after considering all point, NRC recommended to the Board for giving remuneration to the Key Managerial Personnel. Every employee including executives of the Company receives the salary based on their performance only.



**VII whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference**

The Company has a clearly laid out Board-approved Remuneration Policy. This policy includes, inter-alia, separate remuneration parameters for –

- i. Managing Director / Whole-time Director
- ii. KMP and Senior Management
- iii. Non- Executive / Independent Directors
- iv. Other Employees.

The perspective that governs remuneration of Directors goes beyond the Company and the Industry, especially in terms of benchmarks. The philosophy of reward for performance however, is applicable to all four domains.

**VIII the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year**

Mr. Maunal Shantilal Gandhi holds 1355427 Equity Shares of the Company of Rs. 10 each. There are no any shares pledged as at the end of the financial year 2019-20.

Further, Mr. Maunal Shantilal Gandhi is Brother of our Joint Managing Director, Mr. Minku Shantilal Gandhi.

In Compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms specified of remuneration above are now being placed before the members for their approval. Further, the approval of Members for the remuneration proposed herein above shall be valid for 3 years w.e.f. February 15, 2021. The Board recommends this special resolution for the, approval of the Shareholders.

Except Mr. Maunal Shantilal Gandhi and Mr. Minku Shantilal Gandhi themselves and his relatives to the extent of their shareholding in the Company, None of the Directors or key managerial personnel or any relative thereof, in anyway, concerned or interested in the special resolution as set out in Item no. 10 except to the extent of their shareholding in the Company.

***Note:** Here the Policy will be surrendered up to FY 21-22, Afterwards the actual remuneration that Company will pay is only Basic+ EPF+ Gratuity+ Wi-Fi Facility. So, As per above, in FY 21-22 Remuneration will be paid of Rs. 69,81,908.55/- and EPF+ Gratuity per year and afterwards Remuneration will be paid Rs. 60,50,000/- and EPF+ Gratuity per year Only.*

**Registered Office:**  
88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board**  
**Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Archita Jitendrakumar Shah  
**Company Secretary**



## Boards' Report

To the Members,

Your Directors are pleased to present the 27th Annual Report of the Company along with Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2020.

## Financial Results

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

(Rs. In Rs.)

Financial Highlights	Standalone		Consolidated
	Financial Year 2019-20 (FY 2020)	Financial Year 2018-19 (FY 2019)	Financial Year 2019-20 (FY 2020)
Revenue from Operations	460326941	402034129	460326941
Other Income	5159329	7775822	5159329
<b>Total Income</b>	<b>465486270</b>	<b>409809951</b>	<b>465486270</b>
<b>Total Expenses</b>	<b>433385350</b>	<b>379479058</b>	<b>433385350</b>
<b>Profit before Exceptional and Extra Ordinary items and Taxation</b>	<b>32100920</b>	<b>30330893</b>	<b>32100920</b>
Less: Exceptional items	0	0	0
<b>Profit before Extra -Ordinary items and Taxation</b>	<b>32100920</b>	<b>30330893</b>	<b>32100920</b>
Less: Extra -Ordinary items	0	0	0
<b>Profit before Taxation</b>	<b>32100920</b>	<b>30330893</b>	<b>32100920</b>
Less: Provision for Tax - Current Tax	9003679	8200000	9003679
Add: Provision for Tax - Deferred Tax (Net)	646000	261000	646000
<b>Profit for the year</b>	<b>23743241</b>	<b>22391893</b>	<b>23743241</b>

## Performance / Highlights of the Company

During the year under review, your company has achieved Revenue from Operation of Rs. 4603.27 lacs as against Rs. 4020.34 lacs which recorded a growth of 14.50%.

Other Income during FY 2019-20 was Rs. 51.59 lacs as against Rs. 77.76 lacs which recorded a reduction of 33.65%.

The Company recorded Profit before Tax of Rs. 321.01 lacs as against Rs. 303.31 lacs which recorded a growth of 5.84%.

## COVID-19

The COVID 19- Coronavirus Pandemic impacted not only our Company but the whole nation. To reduce the spread of COVID 19, Government of India first asked a day's lockdown, through Janata Curfew on March 22, 2020, the Government of Gujarat announced a lockdown from March 23-25, 2020 and then Government of India announced a nationwide lockdown on March 25, 2020. However, before the said announcement various safety measures had been taken by the Company like using mask, gloves, social distancing, sanitizing and washing hands etc. But after announcement the Company had to shut down its business and obey all the guidelines issued by the Government.

Due to lockdown, Company had to shut down its plant and operation activity, due to which the Company was unable to supply its products to its clients. It badly impacted on the financial position of the company as Company did not reach its desired expectations. In the last week of April, 2020, after getting approval from the concerned authority Company resumed its partial operations along with all safety measures to stabilize its operation at certain level. Due the fact that this was a pandemic which affected all the countries, including India, many orders of our company were cancelled/ postponed.

Now, as off today, Company is operating at 40-50% capacity after taking care of all the safety measures and guidelines issued by Government strictly so that, Company is able to ramp-up its production up to 80-90% of normal level.



## Business Outlook

In China, due to increasing environmental norms and strict governmental regulations w.r.t operating a chemical industry, there have been shutdowns of many facilities and because of this Dye industry in India has huge opportunity to expand business, which positively impacting the dye industry in India consequently growth in Dye prices.

With the adoption of Goods and Service Tax (GST), Indian Markets will witness new era of business. This will lead to more organized and growth oriented economy.

Due to COVID-19 pandemic and having nationwide lockdown, growth of the Company has been affected. Considering the opportunities, threats and strengths of your Company, management continuously works for increasing the productivity of the Company and meet the demand of clients so that Company can gradually stable its position in the market. The management is of the view that future prospects and growth of your Company will depend on the overall economic scenario. However, all necessary activities have been initiated which would give us the lead in future.

## Change in the Nature of Business

There was no Change in the nature of the business of the Company done during the year.

## Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form MGT-9 and is appended to this Report as 'Annexure I'.

## Board Meetings conducted during the year under review

During the Financial year 2019-20, 14 (Fourteen) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Meetings were conducted on 03rd April, 2019, 27th May, 2019, 30th May, 2019, 27th June, 2019, 29th July, 2019, 27th August, 2019, 03rd October, 2019, 23rd October, 2019, 12th November, 2019, 19th December, 2019, 23rd December, 2019, 13th January, 2020, 06th February, 2020, 21st March, 2020.

The detail of attendance at the aforesaid meeting is as follows:

Name of Directors	Designation	No. of Meetings	
		Held during their respective tenures	Attended
Mr. Maunal Shantilal Gandhi	Joint Managing Director	14	14
Mr. Minku Shantibhai Gandhi	Joint Managing Director	14	14
Mr. Shantilal Bhailal Gandhi	Chairman and Executive Director	14	14
Mr. Shailesh Indradaman Patwari	Independent Director	14	09
Mrs. Hanisha Jinish Patel	Independent Director	14	10
Mrs. Purvi Tapan Trivedi	Independent Director	14	10

## Annual General Meeting and Extra Ordinary General Meeting

The 26<sup>th</sup> Annual General Meeting (AGM) of the Company was held on September 28, 2019.

During the Financial year 2019-20, Company has convened and held general meeting by means of postal ballot from October 29, 2019 to November 27, 2019.

## Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, Your Directors state that:



- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards had been followed and there are no material departures from the same,
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date,
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- d) The Directors had prepared the annual accounts on a going concern basis,
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Comment on Auditor's Report**

The Auditors Report is annexed with the Annual Report of the Company. The observation made by Auditors in their Report, your Directors wish to state that the report is self - explanatory and do not require any further clarification from the Board.

#### **Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

The details of loans, guarantees, securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the financial statement.

#### **Particulars of Contracts or Arrangements made with Related Parties**

The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Particulars of Contracts entered into with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 is attached as an '**Annexure II**' to this Report.

#### **The State of Company's Affairs**

During the year Company served its reputed clients best of its services and ensure that in future also will do the same. Company is thankful towards stakeholders for being associate with it because without them growth of the Company is not easily possible.

**Incorporation of Company:** During the year company has incorporated its Wholly Owned Subsidiary Company in the name of M/s. UC Colours and Intermediates Private Limited which is now become a Subsidiary of the Company.

**Change of Object of the IPO Proceeds:** During the year company has changed its object of the issue of Initial Public Offer (IPO) from "To finance setting up of Dyestuff Pigment and Intermediates manufacturing facility at GIDC Saykha Industrial Estate, Bharuch" to "To finance setting up of Dyestuff, Pigment, Chemical and Intermediates manufacturing facility in Gujarat either by UCL or by Special Purpose Vehicle ("SPV")".

Main Reasons for variation in objects to the issue are;

1. Tax Benefits- Recently Union Finance Minister ("UFM") has announced lower Income Tax rate and No MAT for new Companies incorporating after October 01, 2019, which make sense for establishment of new Company rather than investment in Ushanti Colour Chem Limited.



2. Cost- The Project Cost is quite high and there is a requirement of additional capital which will be fulfilled by SPV.

3. Subsidy- The Industrial Subsidy Policy of the Government of Gujarat (GoG) ensures reimbursement of subsidy through net SGST to be paid to GoG. Most of the sale is to be done in Gujarat based companies including M/s. Ushanti Colour Chem Limited. Hence if the project is in the name of Ushanti Colour Chem Limited then net SGST would not be available for intra-company transfer.

pursuant to Regulation 14 of Listing Regulation, the Annual Listing fees for the year 2020-21 have been paid within due date. The bills for annual custodian fees to NSDL & CDSL have been paid by the Company for the Securities of the Company held in dematerialized mode with them for year 2020-21.

### Share Capital

During the year under review, there is no any change made in share capital of the Company.

### Electronic Voting

Your Company has entered into an agreement with NSDL for providing facility of e-voting to its shareholders, Now Shareholders can avail the facility of remote e-voting to its shareholders for casting their vote electronically, if required.

### Internal Financial Control and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

### Corporate Governance

The Equity Shares of the Company are listed on the SME platform (NSE-merge) of NSE Limited. Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company listed on the SME platform (NSE-merge) of NSE. Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Reserve

The Company has a Closing Balance of Rs. 17,56,48,712/- (Rupees Seventeen Crore Fifty Six Lac Forty Eight Thousand Seven Hundred Twelve Only) as Reserve and Surplus as on 31/03/2019.

The Closing Balance of Reserves and Surplus is bifurcated as follows:

Sr. No.	Particulars	Amount (In Rs.)
1.	Balance at the beginning of the year	15,36,71,869/-
2.	Current Year's Profit	2,37,43,242/-
3.	Addition of Amount of Securities Premium during period/year	-
4.	Interim Dividend Paid	17,66,399/-
	<b>Total</b>	<b>17,56,48,712/-</b>

### Dividend

For Financial Year 2019-20, based on the Company's performance, the Directors have declared and paid interim dividends of Rs. 0.20 per equity share, of Face Value Rs. 10 each to the members of the Company. The amount of total dividend on equity shares including dividend tax for Financial Year 2019-20 would aggregate Rs. 17,66,399/- resulting in a dividend pay-out of 100% of the unconsolidated profits of the Company. Company confirmed that, Company has paid dividend to all members of the Company.



**Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the Report:**

No material changes and commitments, affecting the financial position of the Company have been occurred between the end of the financial year to which this financial statement relate and the date of the report except COVID-19 pandemic mentioned above in the Board Report.

**Transfer to Investor Education and Protection Fund**

Pursuant to Section 125(2) of the Companies Act, 2013, it is required to transfer the amount of dividend remaining unpaid or unclaimed for a period of seven years to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend amount having in the "Unpaid Dividend Account" for a period of 7 years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

**Conservation of energy, Technology absorption, Foreign exchange earnings and outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given as an 'Annexure III' to this Report.

**Statement concerning development and implementation of Risk Management Policy of the Company**

The Company has in place, a mechanism to identify, access, monitor and mitigate various risks towards the key business objectives of the Company. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

**Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable on your Company for the financial year ended March 31, 2020 as per Section 135(1) of the Companies Act, 2013 and rules made there-under.

**Directors and Key Managerial Personnel**

In accordance with the provision of Section 152 of the Companies Act, 2013, at the ensuing Annual General Meeting (AGM) Mr. Minku Shantilal Gandhi (DIN: 00118617), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director.

There was no change in the Directors and Key Managerial Personnel of the Company during the financial year 2019-20.

The Board Comprise of the following:

Sr. No.	Name of Director	Designation	DIN
1.	Shantilal Bhailal Gandhi	Chairman and Executive Director	00118509
2.	Minku Shantibhai Gandhi	Joint Managing Director	00118617
3.	Maunal Shantilal Gandhi	Joint Managing Director	00118559
4.	Shailesh Indradaman Patwari	Independent Director	00411439
5.	Purvi Tapan Trivedi	Independent Director	08064080
6.	Hanisha Jinish Patel	Independent Director	07190911
7.	Pradip Bhadrilal Parikh	Chief Financial Officer	-
8.	Archita Jitendrakumar Shah	Company Secretary	-

However, after the closure of the Financial year 2019-20, Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509) gave his resignation from the post of Chairman and Director, due to his advancing age, with effect from close of business hours of May 30, 2020.



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### **Declaration by Independent Directors**

The following directors have been appointed as independent directors in terms of Section 149(6) of the Act;

1. Mr. Shailesh Indradaman Patwari
2. Mrs. Purvi Tapan Trivedi
3. Mrs. Hanisha Jinish Patel

The Company has received requisite declarations/ confirmations from all the above Directors confirming their independence.

### **Annual Evaluation by the Board**

Pursuant to the provision of Companies Act, 2013, Rules made thereunder and as per policy of the Company, Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Evaluation of the performance of the board, its committees and individual directors has been carried out after taking into consideration attendance, contribution, remuneration and other criteria as recommended by the Nomination and Remuneration Committee of the Company and reviewed by the Nomination and Remuneration Committee too.

All Directors of the company were satisfied with the evaluation process and its outcome.

### **Subsidiaries, Joint Ventures and Associate Companies**

The Company has 01 subsidiary as on March 31, 2020. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

On October 23, 2019, Company has incorporated its wholly owned subsidiary with the name and style of M/s. UC Colours and Intermediates Private Limited. As on December 26, 2019, Due to sale and transfer of its 10% shares, it becomes subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is given as an '**Annexure IV**' to this Report.

Financial accounts of subsidiary company for the financial year 2019-20 are available for inspection by any Member at the Registered Office of your Company, during normal business hours on all working days, up to the date of the Annual General Meeting of the Company, a copy of which can also be sought by any Member on making a written request to the Secretarial Department of your Company in this regard.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statement in respect of subsidiary, is available on the website of the Company [www.ushanti.com](http://www.ushanti.com).

### **Performance / Highlights of the Subsidiary Company**

Directors of the Company glad to inform you that company will commence its operation soon.

### **Deposits**

Your Company has neither accepted nor renewed any deposits during the year within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Pursuant to the provisions of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 Company has accepted Rs. 8,17,84,285/- during the FY 19-20 from the Directors of the Company.





## Auditor and Auditor's Report

### Statutory Auditors

On 26th Annual General Meeting held on September 28, 2019, M/s. ANA & Associates, Chartered Accountants, Ahmedabad has been appointed as Statutory Auditors of your Company for five years from the conclusion of the 26th Annual General Meeting held on September 28, 2019 till the conclusion of the 31st Annual General Meeting.

On December 04, 2019, M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) has been merged with the firm M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) and the said letter to that effect was received by the Company on December 05, 2019. Accordingly, the Audit Committee and Board of Directors of the company, in their meeting held on January 13, 2020 took note of the same and recommended for noting and approval of the shareholders of the company for the Change in the name of Statutory Auditor Firm due to merger and appointment of M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) on the same terms and conditions including remuneration for the remaining tenure for which M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) was appointed by the shareholders of the Company. The resolution for taking note of name change of Statutory Auditor Firm has been included in the Notice of Annual General Meeting.

### Cost Auditors

Provision of Cost Audit is not applicable on your Company. Accordingly, your Company is not required to conduct the cost audit for the financial year ended March 31, 2020.

### Secretarial Auditors

The Board appointed M/s. Hudda and Associates Company Secretaries LLP, Ahmedabad to conduct Secretarial Audit of the company for the financial year 2019-20, The Report pertains to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as an '**Annexure V**' to this Report.

The Auditors Report is annexed with the Annual Report of the Company. The observation made by Auditors in their Report, your Directors wish to state that the report is self - explanatory and do not require any further clarification from the Board.

### Internal Auditors

During the year under the preview, As per section 138 of the Companies Act, 2013 & Rules framed thereunder and based on recommendation of the Audit Committee of your Company, the Board of Directors of your Company has appointed Mrs. Mital Dipeshbhai Shah as Internal Auditor of the Company for the financial year 2019-20.

### Committees of the Board

As Company is listed on EMERGE Platform of National Stock Exchange of India Limited, Hence Company required to constitute various committees as per applicable provisions of Companies Act, 2013 and SEBI (Listing and Obligation Disclosure Requirement), Regulations, 2015.

Presently, the board has Three (3) committees i.e. Audit Committee, Nomination and Remuneration Committees, Stakeholders Relationship Committee, constitution of which are given below.

#### A) Composition of Audit Committee:

The Board of Directors constituted an Audit Committee in compliance with the provision of Section 177 of the Companies Act, 2013.

During the year under review, Audit Committee met 9 (Nine) times viz 03rd April, 2019, 27th May, 2019, 27th August, 2019, 17th October, 2019, 23rd October, 2019, 19th December, 2019, 23rd December, 2019, 13th January, 2020 and 06th February, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Status	No. of Committee Meeting entitled	No. of Committee Meeting attended
Mr. Shailesh Indradaman Patwari	Chairman	9	8
Mrs. Hanisha Jinish Patel	Member	9	9



Mr. Maunal Shantilal Gandhi	Member	9	9
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Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board.

**B) Composition of Nomination and Remuneration Committee:**

The Board of Directors constituted Nomination and Remuneration Committee in compliance with the provision of Section 178 of the Companies Act, 2013.

During the year under review, Nomination and Remuneration Committee met 4 (Four) times viz 03rd April, 2019, 27th August, 2019, 06th February, 2020 and 21st March, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Status	No. of Committee Meeting entitled	No. of Committee Meeting attended
Mrs. Hanisha Jinish Patel	Chairman	4	4
Mr. Shailesh Indradaman Patwari	Member	4	4
Mrs. Purvi Tapan Trivedi	Member	4	4

The term of reference of Nomination & Remuneration Committee is as below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Policy of Nomination and Remuneration Committee has been placed before Website of the Company at [www.ushanti.com](http://www.ushanti.com) and the same has been also disclosed under 'Annexure VI'.

**C) Stake Holder's Relationship Committee:**

The Board of Directors constituted Stake Holder's Relationship Committee in compliance with the provision of Section 178 of the Companies Act, 2013.

During the year under review, Stake Holder's Relationship Committee met 4 (Four) times viz 27th May, 2019, 27th August, 2019, 23rd October, 2019 and 10th January, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Status	No. of Committee Meeting entitled	No. of Committee Meeting attended
Mrs. Purvi Tapan Trivedi	Chairman	4	4
Mr. Shailesh Indradaman Patwari	Member	4	3
Mrs. Hanisha Jinish Patel	Member	4	4

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2020.

**Insurance**

All the assets of your Company including buildings, machineries, fixtures, other fixed assets, stocks-raw materials, WIP, finished goods, etc. have been adequately insured.



### Significant and Material Orders Passed by the Regulators or Courts or Tribunals

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

However, the Company has entered into settlement agreement with Gujarat Industrial Development Corporation (GIDC) and Vatva Industrial Estate Infrastructure Development Limited SPV of Vatva Industries Association for resolving the matter which had been listed on High Court, Gujarat (Case No.: 13194/2018) for the matter of disconnection of water supply on Plot No. 88/6 and 88/7, G I D C, Phase I, Vatva, Ahmedabad-382445, Gujarat, India and due to entering into settlement agreement, Company has closed the said case which has been listed on High Court, Gujarat. Further, there were no any penalty/fine has been paid by Company and nothing has been changed/impacted on financial position of the Company. Subsequently, GIDC and VIA have restored connections in the above mentioned plots and company will be saving money used to buy water.

### Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

### Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables directors and employees to disclose their concerns and grievances on Unethical Behaviour and Improper/Illegal Practices and Wrongful Conduct taking place in the Company for appropriate action. Through this Policy, the Company provides necessary safeguards to all such persons for making sheltered disclosures in good faith.

The Vigil Mechanism team was framed by Board in its Board Meeting held on 27<sup>th</sup> April, 2018 and it comprises of the following:

Sr. No.	Name	Status
1.	Mr. Maunal Shantilal Gandhi	Vigilant Officer
2.	Mr. Shailesh Indradaman Patwari	Member
3.	Mrs. Hanisha Jinish Patel	Member

During the year under review, no any grievances received by company. The Vigil Mechanism is available on the website of the Company at [www.ushanti.com](http://www.ushanti.com).

### Disclosures under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further states that during the year under review there were no cases filed pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

### Particulars of Employees

Disclosures with respect to remuneration of employees as per Section 197 of the Companies Act, 2013, read with Rule 5(1) & 5(2)\*\* of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2020 is given as an 'Annexure VII' to this Report.

There are no employees who are posted outside India and in receipt of a remuneration of Rs. 60.00 lakh or more per annum or Rs. 5.00 lakh or more a month.

\*\*During the year under review, there are no employees who received remuneration of Rs. 1,02,00,000/- per annum or Rs. 8,50,000/- per month during the year hence the Company is not require to give disclosure as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, List of top ten employees and details thereof mentioned in the annexure.



## **Management and Discussion Analysis**

Management and Discussion Analysis Report as an integral part of this Report required to give under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is mentioned as an '**Annexure VIII**' to this report.

## **Related Party Disclosure**

Related Party disclosure as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the report of Director herewith attached as '**Annexure IX**' to this report.

## **Industrial Relations**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **Policy on Director Appointment and Remuneration**

As per provision of Section 178 of the Companies Act, 2013, Company prepared policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3) of the Companies Act, 2013.

The policy itself drives the remuneration criteria which depends upon performance and is reasonable and sufficient to attract, retain and motivate director for running company smoothly. The remuneration and sitting fees paid by the Company are within the salary scale approved by the Board and Shareholders.

## **Acknowledgement**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review.

### **Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board**  
**Ushanti Colour Chem Limited**

**Date:** 21/07/2020

**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE I TO THE BOARDS' REPORT**

**Form No. MGT-9**

Extract of Annual Return as on the Financial Year Ended on 31/03/2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	L24231GJ1993PLC019444
<b>ii.</b>	Registration Date	12/05/1993
<b>iii.</b>	Name of the Company	Ushanti Colour Chem Limited
<b>iv.</b>	Category / Sub-Category of the Company	Company limited by Shares/ Non-govt company
<b>v.</b>	Address of the Registered office and contact details	88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India <b>Contact No.:</b> 079-25833315 <b>Email Id:</b> csucl@ushanti.com, admin@ushanti.com
<b>vi.</b>	Whether listed company	Yes EMERGE Platform of National Stock Exchange of India Limited
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited (CIN: U99999MH1994PTC076534) <b>Address:</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059, Maharashtra, India <b>Email ID:</b> ipo@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of dyes (includes manufacture of such dyes and colouring matters which are for final use by household/industrial/institutional consumers, manufacture of special dyes used in laboratories e.g. to colour microscopic preparations is also included)	24114	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	UC Colours and Intermediates Private Limited Address: 88/8,GIDC Phase I, Vatva, Ahmedabad-382445, Gujarat, India	U24100GJ2019PTC110467	Subsidiary	90	2(87)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**I. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2714854	0	2714854	37.18	2714854	0	2714854	37.18	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
<b>f) Any Other</b>									
(i) Group Companies	0	0	0	0	0	0	0	0	0
(ii) Trusts	0	0	0	0	0	0	0	0	0
(iii) Directors Relatives	2712846	0	2712846	37.15	2712846	0	2712846	37.15	0
Sub-total(A)(1):-	5427700	0	5427700	74.33	5427700	0	5427700	74.33	0
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
<b>Total Promoter Shareholding (A)=(A)(1)+ (A)(2)</b>	<b>5427700</b>	<b>0</b>	<b>5427700</b>	<b>74.33</b>	<b>5427700</b>	<b>0</b>	<b>5427700</b>	<b>74.33</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
a) Bodies Corp.	206000	0	206000	2.82	198000	0	198000	2.71	(0.11)



(i) Indian (ii) Overseas									
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	563670	0	563670	7.72	554000	0	554000	7.59	(0.13)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	802000	0	802000	10.98	864000	0	864000	11.83	0.85
<b>c) Others(Specify)</b>									
(i) Trusts	0	0	0	0	0	0	0	0	0
(ii) Clearing Member	48344	0	48344	0.66	2000	0	2000	0.03	(0.63)
(iii) Non Resident Indians (NRI)	4000	0	4000	0.05	2000	0	2000	0.03	(0.03)
(iv) Directors Relatives	0	0	0	0	0	0	0	0	0
(v) Overseas Bodies Corporates	0	0	0	0	0	0	0	0	0
(vi) Unclaimed Suspense Account	0	0	0	0	0	0	0	0	0
(vii) Hindu Undivided Family	249986	0	249986	3.42	254000	0	254000	3.48	0.05
<b>d) Qualified Foreign Investor</b>	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	1874000	0	1874000	25.67	1874000	0	1874000	25.67	25.67
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1874000</b>	<b>0</b>	<b>1874000</b>	<b>25.67</b>	<b>1874000</b>	<b>0</b>	<b>1874000</b>	<b>25.67</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>7301700</b>	<b>0</b>	<b>7301700</b>	<b>100</b>	<b>7301700</b>	<b>0</b>	<b>7301700</b>	<b>100</b>	<b>0</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	



*Ushanti*

**Colour Chem Limited**

1.	Shantilal Bhailal Gandhi	1710247	23.42	0	1710247	23.42	0	0
2.	Minku Shantilal Gandhi	1359427	18.62	0	1359427	18.62	0	0
3.	Maunal Shantilal Gandhi	1355427	18.56	0	1355427	18.56	0	0
4.	Mona Maunal Gandhi	481250	6.59	0	481250	6.59	0	0
5.	Shefali Minku Gandhi	481250	6.59	0	481250	6.59	0	0
6.	Shantilal Bhailal Gandhi HUF	40011	0.55	0	40011	0.55	0	0
7.	Minku Shantilal Gandhi HUF	33	0.0004	0	33	0.0004	0	0
8.	Maunal Shantilal Gandhi HUF	44	0.0006	0	44	0.0006	0	0
9.	Aadit Minku Gandhi	11	0.0001	0	11	0.0001	0	0
	<b>Total</b>	<b>5427700</b>	<b>74.33</b>	<b>0</b>	<b>5427700</b>	<b>74.33</b>	<b>0</b>	<b>0</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Shantilal Bhailal Gandhi</b>				
	At the Beginning of the year	1710247	23.42	1710247	23.42
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1710247	23.42	1710247	23.42
2.	<b>Minku Shantilal Gandhi</b>				
	At the Beginning of the year	1359427	18.62	1359427	18.62
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1359427	18.62	1359427	18.62
3.	<b>Maunal Shantilal Gandhi</b>				
	At the Beginning of the year	1355427	18.56	1355427	18.56
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1355427	18.56	1355427	18.56
4.	<b>Mona Maunal Gandhi</b>				





	At the Beginning of the year	481250	6.59	481250	6.59
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	481250	6.59	481250	6.59
5.	<b>Shefali Minku Gandhi</b>				
	At the Beginning of the year	481250	6.59	481250	6.59
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	481250	6.59	481250	6.59
6.	<b>Shantilal Bhailal Gandhi HUF</b>				
	At the Beginning of the year	40011	0.55	40011	0.55
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	40011	0.55	40011	0.55
7.	<b>Minku Shantilal Gandhi HUF</b>				
	At the Beginning of the year	33	0.0004	33	0.0004
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	33	0.0004	33	0.0004
8.	<b>Maunal Shantilal Gandhi HUF</b>				
	At the Beginning of the year	44	0.0006	44	0.0006
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	44	0.0006	44	0.0006
9.	<b>Aadit Minku Gandhi</b>				
	At the Beginning of the year	11	0.0001	11	0.0001
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	11	0.0001	11	0.0001

**iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total	No. of Shares	% of total



*Ushanti*

**Colour Chem Limited**

			Shares of the company		Shares of the company
1.	<b>Yash Chemex Limited</b>				
	At the Beginning of the year	144000	1.97	144000	1.97
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
12/04/2019	Other Transfer	14000	0.19	158000	2.16
	At the end of the year	158000	2.16	158000	2.16
2.	<b>Piyush Jashwantlal Shah</b>				
	At the Beginning of the year	96000	1.31	96000	1.31
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	96000	1.31	96000	1.31
3.	<b>Pritesh Y Shah (HUF)</b>				
	At the Beginning of the year	96000	1.31	96000	1.31
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	96000	1.31	96000	1.31
4.	<b>Amishi Piyush Shah</b>				
	At the Beginning of the year	76000	1.04	76000	1.04
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	76000	1.04	76000	1.04
5.	<b>Jignesh Shashikant Desai</b>				
	At the Beginning of the year	70000	0.96	70000	0.96
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
12/04/2019	Other Transfer	6000	0.8	76000	1.04
	At the end of the year	76000	1.04	76000	1.04
6.	<b>Surendra Nandal Shah</b>				
	At the Beginning of the year	66000	0.90	66000	0.90
Date	<b>Reason for Increase or Decrease</b>				
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	66000	0.90	66000	0.90
7.	<b>Pinesh Vaghjibhai Shah</b>				
	At the Beginning of the year	54000	0.74	54000	0.74
Date	<b>Reason for Increase or Decrease</b>				



	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	54000	0.74	54000	0.74
8.	<b>Mukesh Pramodray Dave</b>				
	At the Beginning of the year	54000	0.74	54000	0.74
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	54000	0.74	54000	0.74
9.	<b>Vipulkumar Utsavial Kanunga</b>				
	At the Beginning of the year	62000	0.85	62000	0.85
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	62000	0.85	62000	0.85
10.	<b>Shailesh M Patel</b>				
	At the Beginning of the year	52000	0.71	52000	0.71
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment- IPO Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	52000	0.71	52000	0.71

**v. Shareholding of Directors and Key Managerial Personnel**

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	<b>Shantilal Bhailal Gandhi</b>				
	At the Beginning of the year	1710247	23.42	1710247	23.42
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1710247	23.42	1710247	23.42
2.	<b>Minku Shantilal Gandhi</b>				
	At the Beginning of the year	1359427	18.62	1359427	18.62
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1359427	18.62	1359427	18.62



3.	<b>Maunal Shantilal Gandhi</b>				
	At the Beginning of the year	1355427	18.56	1355427	18.56
Date	<b>Reason for Increase or Decrease</b>	-			
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	1355427	18.56	1355427	18.56
4.	<b>Shailesh Indradaman Patwari</b>				
	At the Beginning of the year	0	0	0	0
Date	<b>Reason for Increase or Decrease</b>				
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	0	0	0	0
5.	<b>Hanisha Jinish Patel</b>				
	At the Beginning of the year	0	0	0	0
Date	<b>Reason for Increase or Decrease</b>				
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	0	0	0	0
6.	<b>Purvi Tapan Trivedi</b>				
	At the Beginning of the year	0	0	0	0
Date	<b>Reason for Increase or Decrease</b>				
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	0	0	0	0
6.	<b>Pradip Bhadrilal Parikh</b>				
	At the Beginning of the year	0	0	0	0
Date	<b>Reason for Increase or Decrease</b>				
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	0	0	0	0
7.	<b>Archita Jitendrakumar Shah</b>				
	At the Beginning of the year	0	0	0	0
Date	<b>Reason for Increase or Decrease</b>				
	Allotment				
	Bonus				
	Sweat				
	Other Transfer				
	At the end of the year	0	0	0	0



**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,29,11,312.00	2,12,89,588.00	-	9,42,00,900.00
ii) Interest due but not paid	-	33,23,955.00	-	33,23,955.00
iii) Interest accrued but not due	1,22,563.00	-	-	1,22,563.00
<b>Total (i+ii+iii)</b>	<b>7,30,33,875.00</b>	<b>2,46,13,543.00</b>	-	<b>9,76,47,418.00</b>
Change in Indebtedness during the financial year				
- Addition	-	8,54,29,928.00	-	8,54,29,928.00
- Reduction	(1,03,45,564.00)	(6,70,62,580.00)	-	-7,74,08,144.00
<b>Net Change</b>	<b>(1,03,45,564.00)</b>	<b>1,83,67,348.00</b>	-	<b>80,21,784.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	6,25,88,924.00	3,96,90,776.00	-	10,22,79,700.00
ii) Interest due but not paid	-	32,90,114.00	-	32,90,114.00
iii) Interest accrued but not due	99,387.00	-	-	99,387.00
<b>Total (i+ii+iii)</b>	<b>6,26,88,311.00</b>	<b>4,29,80,890.00</b>	-	<b>10,56,69,201.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Minku Shantilal Gandhi- Joint Managing Director	Mr. Maunal Shantilal Gandhi- Joint Managing Director	Mr. Shantilal Bhailal Gandhi- Chairman and Executive Director	
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Rs. 60,00,000/-	Rs. 60,00,000/-	Rs. 36,00,000/-	Rs. 1,56,00,000/-
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				



	- as % of profit - others, specify...				
5.	Others, please specify 1. PF Contribution	Rs. 7,20,000/-	Rs. 7,20,000/-	-	Rs. 14,40,000/-
6.	Total (A)	Rs. 67,20,000/-	Rs. 67,20,000/-	Rs. 36,00,000	Rs. 1,70,40,000/-
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	----- N.A. -----	
	Total (1)		
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

Company has not appointed any director as Non-executive Director and not paid any fees to Independent Directors.

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---- N.A. ----	Rs. 2,95,294/-	Rs. 7,70,669/-	Rs. 10,65,963/-



2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement / resignation) 3. Incentive (Product Incentive) 4. ESI 5. Professional Tax	Rs. 4,226/- Rs. 1,663/-  - Rs. 5,043/- Rs. 2,156/-	- Rs. 7,656/-  Rs. 25,000/- - Rs. 2,406/-	Rs. 4,226/- Rs. 9,319/-  Rs. 25,000/- Rs. 5,043/- Rs. 4,562/-
6.	Total	<b>Rs. 3,08,382/-</b>	<b>Rs. 8,05,731/-</b>	<b>Rs. 11,14,113/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty					
Punishment			----- N.A. -----		
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment			----- N.A. -----		
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment			----- N.A. -----		
Compounding					

**Registered Office:**  
88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board**  
**Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE II TO THE BOARDS' REPORT**

**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Sr. No.	Particulars	Details
1.	Name of the Related Party	There were no Transactions or Arrangements which were not at Arm's length basis
2.	Nature of Relationship	
2.	Nature of contract / arrangement / transaction	
3.	Duration of contract / arrangement / transaction	
4.	Salient terms of the contract or arrangement or transaction	
5.	Justification for entering into such contracts or arrangements or Transaction	
6.	Date of approval by the Board, if any	
7.	Amount of transaction during the year	
8.	Amount paid as advances if any	
9.	Date on which the resolution was passed in General Meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Details
1.	Name of the Related Party	Mona Maunal Gandhi   Shefali Minku Gandhi   Arjun Maunal Gandhi
2.	Nature of Relationship	Wife of Mr. Maunal Shantilal Gandhi   Wife of Mr. Minku Shantilal Gandhi   Son of Maunal Shantilal Gandhi
3.	Nature of contract / arrangement / transaction	Salary paid by the Company.
4.	Duration of contract / arrangement / transaction	Up to having position as Marketing Executive   Marketing Executive   an apprentice in Plant in the Company, changes made if think fit by Board of Directors of the Company.
5.	Salient terms of the contract or arrangement or transaction	As decided by Board of Directors.
6.	Date of approval by the Board, if any	August 28, 2018   August 28, 2018   May 27, 2019
7.	Amount of transaction during the year	Rs. 13,44,000/- (Rupees Thirteen Lakhs Forty Four Thousand Only)   Rs. 13,44,000/- (Rupees Thirteen Lakhs Forty Four Thousand Only)   Rs. 64,623/- (Rupees Sixty Four Thousand Six hundred Twenty Three Only)
8.	Amount paid as advances if any	Nil





**3. Details of contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Details
1.	Name of the Related Party	M/s. HUF Industries
2.	Nature of Relationship	M/s. Shantilal Bhailal Gandhi HUF (Ultimately Mr. Shantilal Bhailal Gandhi) is owner of Firm and Mr. Shantilal Bhailal Gandhi is father of Mr. Maunal Shantilal Gandhi and Mr. Minku Shantilal Gandhi
3.	Nature of contract / arrangement / transaction	Lease property taken by Company.
4.	Duration of contract / arrangement / transaction	12 Months, any changes made if think fit by Board of Directors of the Company.
5.	Salient terms of the contract or arrangement or transaction	As decided by Board of Directors.
6.	Date of approval by the Board, if any	August 28, 2018
7.	Amount of transaction during the year	Rs. 8,70,000/- Per Year (Rupees Eight Lacs Seventy Thousand Only)
8.	Amount paid as advances if any	Nil

**4. Details of contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Details
1.	Name of the Related Party	M/s. UC Colours and Intermediates Private Limited
2.	Nature of Relationship	Ushanti is a holding Company of the said Company and Mr. Shantilal Bhailal Gandhi, Mr. Maunal Shantilal Gandhi and Mr. Minku Shantilal Gandhi has been appointed as director in the Company
3.	Nature of contract / arrangement / transaction	Sell Immovable property of the Company.
4.	Duration of contract / arrangement / transaction	Sell Agreement is not made yet.
5.	Salient terms of the contract or arrangement or transaction	Term and Conditions will be decided at the time of signing the agreement.
6.	Date of approval by the Board, if any	December 19, 2019
7.	Amount of transaction during the year	Rs. 7,79,26,000/- (Rupees Seven Crore Seventy Nine Lakhs Twenty Six Thousand Only)
8.	Amount paid as advances if any	Nil

The Company has made necessary compliance under sub-section (1) of Section 188 of the Companies Act, 2013 and has obtained approval from shareholders if required.

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board**  
**Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE III TO THE BOARDS' REPORT**

**Details of conservation of energy, technology absorption, foreign exchange earnings and outgo**

**(A) Conservation of energy**

**(i) The steps taken or impact on conservation of energy:**

The Company continues to work towards Conservation of Energy and has been taking various measures like replacement of out dated energy intensive equipment with energy saving equipment and timely maintenance of electrical equipment etc.

**(ii) The steps taken by the company for utilising alternate sources of energy:**

Company has not taken any step for utilising alternate sources of energy.

**(iii) The capital investment on energy conservation equipment:**

Company has not made any capital investment on energy conservation equipment.

**(B) Technology Absorption**

(i)	the efforts made towards technology absorption	The Company uses technology by which it can increase its yield, production, scale of operations and up-grade it timely.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Product improved through high efficiency and energy saving has improved an overall working of the Company
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	The Company has no foreign collaboration and is well versed with the indigenous technology.
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	No separate expenditure on R&D is booked in the accounts but is included in laboratory expenses.

**(C) Foreign exchange earnings and Outgo**

Particulars with regard to foreign exchange earnings and outgo are furnished below:

Particulars	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
Foreign Exchange Earnings	Rs. 20,93,00,057.31	Rs. 19,55,02,936.65/-
Foreign Exchange Outgo	Rs. 31,65,808.00/-	Rs. 16,62,881.00/-

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020

**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE IV TO THE BOARDS' REPORT**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**PART "A": SUBSIDIARIES**

(Amount in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	UC Colours and Intermediates Private Limited
2.	Date of becoming subsidiary	October 23, 2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March every year
4.	Reporting currency	INR
5.	Exchange rate as on the last date of the relevant Financial year	-
6.	Share capital	5,00,000.00
7.	Reserves & surplus	0.00
8.	Total assets	24,19,037.00
9.	Total Liabilities	19,19,037.00
10.	Investments	0.00
11.	Turnover	0.00
12.	Profit before taxation	0.00
13.	Provision for taxation	0.00
14.	Profit after taxation	0.00
15.	Proposed Dividend	0.00
16.	% of shareholding	90.00

1. Names of subsidiaries which are yet to commence operations: UC Colours and Intermediates Private Limited.

2. Names of subsidiaries which have been liquidated or sold during the year: None.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: N.A.**

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020

**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)

Pradip Bhadrilal Parikh  
**Chief Financial Officer**  
(PAN: AIZPP5478J)

Archita Jitendrakumar Shah  
**Company Secretary**  
(Mem. No. A54472)



**ANNEXURE V TO THE BOARDS' REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members,**  
**USHANTI COLOUR CHEM LIMITED**  
88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by USHANTI COLOUR CHEM LIMITED (CIN: L24231GJ1993PLC019444) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2020 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company as there was no reportable event during the Audit period under review)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company as there was no reportable event during the Audit period under review)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company there was no reportable event during the Audit period under review) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company there was no reportable event during the Audit period under review);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that having regarded to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:



- (a) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (b) Employees State Insurance Act, 1948;
- (c) Payment of Bonus Act, 1965;
- (d) Payment of Gratuity Act, 1972;
- (e) Payment of Wages Act, 1936;
- (f) Minimum Wages Act, 1948 and other applicable labor laws;
- (g) Environment Protection Act, 1986 and other environmental laws;
- (h) Factories Act, 1948;
- (i) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- (j) Indian Contract Act, 1872;
- (k) Indian Stamp Act, 1999;
- (l) Industrial Dispute Act, 1947; (Not applicable to the Company during the audit period)
- (m) Negotiable Instruments Act, 1881;
- (n) The Environment (Protection) Act, 1986;
- (o) The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder;
- (p) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder and all other laws applicable to the Chemical Industry.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director.
- (b) Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has undertaken below event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has initially incorporated M/s. UC Colours and Intermediates Private Limited as wholly owned subsidiary of the Company, which is now become subsidiary w.e.f. December 26, 2019.
2. Company has passed Special Resolution via Postal Ballot for Altering the object of the Initial Public Offer ("IPO") for which amount was raised and the said resolutions are deemed to have been passed on November 27, 2019, being the last date specified by the Company for receipt of duly complied postal ballot forms/e-voting.

**For Hudda & Associates  
Company Secretaries LLP**

**Place:** Ahmedabad  
**Date:** July 21, 2020

**(CS Bunty Hudda)  
Designated Partner  
ACS: 31507 COP: 11560  
UDIN: A031507B000483673**

**Note:** This Report is to be read with my letter of above date which is annexed as Annexure A and forms an integral part of this report.



**ANNEXURE – A To the Secretarial Audit Report**

**To,**  
**The Members,**  
**USHANTI COLOUR CHEM LIMITED**  
88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

My Report of even date is to be read along with this letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the company. My responsibility is to express an opinion on Secretarial Records on our Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Hudda & Associates**  
**Company Secretaries LLP**

**Place:** Ahmedabad  
**Date:** July 21, 2020

**(CS Buntty Hudda)**  
**Designated Partner**  
**ACS: 31507 COP: 11560**  
**UDIN: A031507B000483673**



## ANNEXURE VI TO THE BOARDS' REPORT

### Policy of Nomination and Remuneration Committee

#### **Introduction**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Agreement, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors and the said committee comprises of:

<b>Name of Directors</b>	<b>Status</b>	<b>Designation</b>
Mrs. Hanisha Jinish Patel	Chairman	Independent Director
Mr. Shailesh Indradaman Patwari	Member	Independent Director
Mrs. Purvi Tapan Trivedi	Member	Independent Director

#### **Definitions**

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

#### **Objective**

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Role of the Committee**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.



- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- 2) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

**Term / Tenure**

- 1) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- 2) Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 3) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**Evaluation**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

**Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy for Remuneration to Directors/KMP/Senior Management Personnel**

- 1) Remuneration to Managing Director / Whole-time Directors:
  - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.





b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**Implementation**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE VII TO THE BOARDS' REPORT**

**Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**(A) Statement of Particulars of remuneration as per Rule 5(1):**

Sr. No.	Description			Note No.
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Shantilal Bhailalbai Gandhi Chairman and Executive Director Mr. Minku Shantilal Gandhi Joint Managing Director Mr. Maunal Shantilal Gandhi Joint Managing Director	14.07 26.27 26.27	1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Chairman and Director Joint Managing Director Joint Managing Director Chief Financial Officer Company Secretary	- - - 9.72% 17.31%	
3.	The percentage increase in the median remuneration of employees in the financial year.		6.52%	-
4.	The number of permanent employees on the rolls of company.		61	-
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase of salary of employees other than the managerial persons  Managerial Remuneration	8.5%  -	-
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, Remuneration is as per the remuneration policy of the company.	-	-

**Notes:**

1. Chairman and Executive Director and Both Joint Managing Director are the Whole Time Directors and others are Non-Whole-Time Directors, who are paid only sitting fees, if any for attending the meetings of the Board and Committees thereof. Hence ratios are provided only for Whole Time Directors.

The remuneration package of the Three Whole Time Directors was approved by the Board of Directors and which were also approved by the Members of the Company at the General Meeting.

For the Computation of median remuneration of the employees of the Company for the Financial Year 2019-20, Gross Salary paid to each employee is taken into consideration.

**(B) Statement of Particulars of remuneration as per Rule 5(2):**

**a) List of top ten employees in terms of remuneration drawn:**

Sr. No.	Employee Name	Designation	Nature of employment whether contractual or non-contractual	Qualification of the employee	Date of Joining	Experience	Remuneration Received (in Rs.)	Age	Last employment held by employee	Relative of any Director/ Manager of the Company
.										



*Ushanti*

**Colour Chem Limited**

1.	Minku Shantilal Gandhi	Jt. Managing Director	Non-Contractual	B.Com	12/05/1993	27Years	Rs. 67,20,000/-	50 Years	N.A.	1. Son of Mr. Shantilal Bhailalbai Gandhi 2. Brother of Mr. Maunal Shantilal Gandhi
2	Maunal Shantilal Gandhi	Jt. Managing Director	Non-Contractual	MBA, B.com	15/12/1993	27 Years	Rs. 67,20,000/-	50 Years	N.A.	1. Son of Mr. Shantilal Bhailalbai Gandhi 2. Brother of Mr. Minku Shantilal Gandhi
3.	Shantilal Bhailalbai Gandhi	Chairman and Director	Non-Contractual	B.Sc	12/05/1993	50 Years	Rs. 36,00,000/-	92 Years	Atul Products Limited	Father of Mr. Minku Shantilal Gandhi and Maunal Shantilal Gandhi
4.	Shefali Minku Gandhi	Marketing Head	Non-Contractual	Diploma in Fashion Designing	15/12/1993	27 Years	Rs. 13,44,000/-	47 Years	N.A.	Wife of Minku Shantilal Gandhi
5.	Mona Maunal Gandhi	Marketing Head	Non-Contractual	B.com	15/12/1993	27 Years	Rs. 13,44,000/-	49 Years	N.A.	Wife of Maunal Shantilal Gandhi
6.	Biren Arvindbhai Patel	Chief Chemist	Non-Contractual	B.Sc	01/01/1999	33 Years	Rs. 8,77,916/-	56 Years	Ahmedabad Chemicals	N.A.
7.	Kalpesh Patel	Lab Incharge	Non-Contractual	B.Sc	01/03/2010	15 Years	Rs. 8,43,359/-	42 Years	Umiya Chem	N.A.
8.	Hemant Sanat Kashyap	Chemist	Non-Contractual	B.Sc	01/04/2011	26 Years	Rs. 8,31,733/-	50 Years	Meghmani Group	N.A.
9.	Pradip Bhadrilal Parikh	Chief Financial Officer and Head of Account Department	Non-Contractual	B.Com	01/04/1994	36 Years	Rs. 8,05,731/-	54 Years	N.A.	N.A.



## Colour Chem Limited

10.	Gitaben Sureshbhai Shah		Non-Contractual	B.A.	01/12/2017	2.5 Years	Rs. 5,32,200/-	70 Years	N.A.	N.A.
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**b) Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:**

There was no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

**c) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:**

There was no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

**d) Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:**

There was no such employees employed throughout the financial year or part thereof, who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

**e) Employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month:**

There are no employees who are posted outside India and in receipt of a remuneration of Rs. 60.00 lakh or more per annum or Rs. 5.00 lakh or more a month.

**Registered Office:**

88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



## ANNEXURE VIII TO THE BOARDS' REPORT

### Management Discussion and Analysis Report

#### Strategic Location:

Ushanti Colour Chem Limited is highly involved in chemical manufacturing and marketing activity and its unit located at Vatva, Ahmedabad with having annual installed capacity of 2820 MT. Company's total production during the year was 2246.95 MT against which sale was made by Company of 1810.60 MT. Company also purchased lands at Saykha, Bharuch for manufacturing certain intermediates which are required for manufacturing of dyestuffs through which production capacity of manufacturing dyes increase. Company will transfer few purchased land to its Subsidiary Company and that Subsidiary Company will manufacture chemicals, dyes, intermediates and pigments, by which Company avail benefits via receiving profit of that Subsidiary Company.

In future, Company will make such strategy by which it increase its production and create demand for the manufactured product. By this it will earn high value and serve best to its stakeholders.

#### A. Industry structure and developments.

India is one of the major production hubs of chemicals churning out over 80,000 commercial chemical products. Being a dominant global dye supplier, the country accounts for approximately 16 per cent of the world production of dyestuff and dye intermediates. India - today ranks 14th in export and 8th in import chemicals globally - is expected to see its chemicals industry reach \$304 billion by 2024. Employment generator for millions, the chemicals industry is largely dominated by unorganized players.

Total export for chemicals stood at US\$ 15.67 billion in FY20 (till January 2020), Ushanti has also contributed in export total of Rs. 21.79 Crore Approx. in FY20. Due to CoVID 19, Company was unable to drive its business in the last week of March, 2020.

However, In India, chemical industry is expected to follow an accelerated growth path and is expected to double up its global share in the next decade.

#### B. Opportunities and Threats.

Company has huge opportunity to expand business in the Dye industry. In Dye Industry have only 2 major players across the globe, India and China apart from Indonesia. In China due to increasing environmental norms and strict governmental regulations w.r.t operating a chemical industry there have been shutdowns of many facilities in China which positively impacting the dye industry in India consequently growth in Dye prices. With decrease in total supply, dye manufacturers have huge opportunity both in terms of volume and value and also as per Government of Gujarat Notification via GPCB, Notification no: GPCB/P-1/99/411451 WDT. 4TH MAY 2017 Company has been got permission to manufacture 9 of 11 intermediates at its new plant in Saykha.

Indian Dyes and Dyestuff market is highly fragmented, with 40-50% of the market being unorganized. Due to Introduction of GST, their stricter environment norms, rising compliance needs from global clients could eventually lead to a need to consolidate, large and efficient players growing higher than the industry and smaller units closing or consolidating with large players.

Apart from this opportunity Company face challenges include, Company deals in hazardous chemicals. Hence here there is huge amount of compliance risk wherein it is obvious to state that if the Company fails to comply with Environmental Laws and Regulations, the results of operations will be adversely affected, another is Company faces tough competition in terms of pricing and customer base. Further, there is contingency on the longevity of benefit accruing due to restrictions in China. There may be turnaround in China's dye industry, which possess huge threat to Indian market. Also, Due to COVID-19 pandemic and having nationwide lockdown, growth of the Company has been affected. Considering the opportunities, threats and strengths of your Company, management continuously works for increasing the productivity of the Company and meet the demand of clients so that Company can gradually stable its position in the market. However, all necessary activities have been initiated which would give us the lead in future.



C. Segment-wise or product-wise performance.

Financial Performance

(Amount in Rs.)

Particulars	2019-20	2018-19
Revenue from Operations	46,03,26,941.00/-	40,20,34,129.00/-
EBDT	4,81,41,980.00/-	4,62,12,399.00/-
Profit after Tax	2,37,43,242.00/-	2,23,91,893.00/-

During the year under review, your company has achieved Revenue from Operation of Rs. 4603.27 lacs as against Rs. 4020.34 lacs which recorded a growth of 14.50%.

The Company recorded Earning before Depreciation and Tax of Rs. 481.42 lacs as against Rs. 462.12 lacs which recorded a growth of 4.18%.

The Company recorded Profit after Tax of Rs. 237.43 lacs as against Rs. 223.92 lacs which recorded a growth of 6.03%.

Geographic Revenue Analysis

(Amount in Rs.)

Particulars	2019-20	2018-19
Domestic	24,23,97,196.00/-	20,65,31,192.35/-
Export	21,79,29,746.00/-	19,55,02,936.65/-

D. Outlook.

The company expects positivity in revenue and growth in FY 2020-21. Revenue will be generated by focusing on:-

- Reduce cost of the Company in various fields, if possible.
- Increase of Exports.
- Modernization of manufacturing process to improvise quality and reduction of costs.

The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

Outlook as provided above is based on certain assumption and expectation of future events, eco-political and other development across the country, the Company cannot guarantee that from the bases of these, company will generate revenue. Bases of the Company's actual results, performance or achievements could thus differ from those projected in above dictated key bases or dictated in any other forward looking statement. The Company assumes no responsibility to publicly amend or review any such statement on the basis of subsequent development, information or events.

E. Risks and concerns.

Major risk in Chemical Industry is Company deals in hazardous chemicals. Hence here there is huge amount of compliance risk wherein it is obvious to state that if the Company fails to comply with Environmental Laws and Regulations, the results of operations will be adversely affected, another is Company faces tough competition in terms of pricing and customer base. Further, there is contingency on the longevity of benefit accruing due to restrictions in China. There may be turnaround in China's dye industry, which possess huge threat to Indian market.

F. Internal control systems and their adequacy.

The Company has an adequate and efficient internal control system, which provides protection to all its assets against loss from unauthorised use and for correct reporting of transactions. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorised and correctly reported and assets are safeguarded. The Audit Committee of the Board addresses issue raised by Auditor. The internal control system is implemented to safeguard the company's assets from loss and damages. To keep constant check on cost structure and to provide adequate financial and accounting controls and implement accounting standards. In addition to above, the Company has formulated a vigil Mechanism



(Whistle Blower Policy) for its Directors and Employees of the Company for reporting genuine concern about unethical practices and suspected malpractices.

G. Discussion on financial performance with respect to operational performance.

The Company has been continued to grow during the Financial Year 2019-20 in the segment in which company operate. During the year under review, company has been earned Revenue from Operation of Rs. 4603.27 lacs as against Rs. 4020.34 lacs which recorded a growth of 14.50%.

The Company recorded Profit before Tax of Rs. 321.01 lacs as against Rs. 303.31 lacs which recorded a growth of 5.84%.

The Company recorded Net Profit of Rs. 237.43 lacs as against Rs. 223.92 lacs which recorded a growth of 6.03%.

I would like to point out that due to COVID 19, the prices of raw material had shot up in December 2019 and due to lockdown we were stuck up with some raw materials which devalued by around 40 lacs on 31<sup>st</sup> March 2020. The same has also been taken into account in our P & L account.

H. Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company has in place adequate number of employees as required in its registered office and its factory and also hire from contractor as and when needed. Professionals with required amount of experience and knowledge are hired on need to need basis by the Company.

The Industrial relation of the Company with various suppliers, customers, financial lenders and employee is cordial. There are total 61 Employees on payroll of the Company.

I. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Particulars	FY ended March 31, 2020	FY ended March 31, 2019	% Change between Current FY & Previous FY	Explanation
Debtors Turnover	74	82	-9.76	N.A.
Inventory Turnover	25.89	20.88	24	N.A.
Interest Coverage Ratio	4.87	4.32	12.73	N.A.
Current Ratio	1.29	1.09	18.35	N.A.
Debt Equity Ratio	0.63	0.74	-14.86	N.A.
Operating Profit Margin (%)	8.94	10.03	-10.87	N.A.
Net Profit Margin (%)	5.10	5.46	-6.59	N.A.
Return on Net Worth (%)	9.54	9.87	-3.34	N.A.

2. Disclosure of Accounting Treatment.

The Company has followed all the treatments in the Financial Statement as per the prescribed Accounting Standards.

**Registered Office:**  
88/8, GIDC Phase I,  
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Gujarat, India.

**For and on behalf of the Board**  
**Ushanti Colour Chem Limited**

**Date:** 21/07/2020  
**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)



**ANNEXURE IX TO THE BOARDS' REPORT**

**Related Party Disclosures under regulation 34(3) read with schedule V of Listing Regulations**

<b>Sr. No.</b>	<b>Disclosure of loans / advances / investments / Outstanding during the year</b>	<b>As at 31st March, 2020</b>	<b>Maximum amount during the year</b>
1.	Loans and advances in the nature of loans to subsidiaries by name and amount.	Nil	Nil
2.	Loans and advances in the nature of loans to associates by name and amount.	Nil	Nil
3.	Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Nil	Nil

- **Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.**

Details of the transactions of the Company with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity has been mentioned in Note No. 30 of Audit Report.

**Registered Office:**

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Gujarat, India.

**For and on behalf of the Board  
Ushanti Colour Chem Limited**

**Date:** 21/07/2020

**Place:** Ahmedabad

Minku Shantilal Gandhi  
**Chairman and Joint Managing Director**  
(DIN: 00118617)

Maunal Shantilal Gandhi  
**Joint Managing Director**  
(DIN: 00118559)





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## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
USHANTI COLOUR CHEM LIMITED  
Report on the audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying financial statements of **USHANTI COLOUR CHEM LIMITED**, which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) In the case of the Statement of Profit and Loss, the profit for the year ended on that date.
- c) In the case of the Statement of Cash Flow for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 Companies Act, 2013 and the Rules there under, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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 financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

On account of the COVID-19 related lockdown restrictions, management was not able to perform year end physical verification of inventories at any location. Also we are not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence-Specific Considerations for selected Items", which includes inspection of supporting documentation relating to purchases, Sales, Results of cyclical count performed by the management through the year



and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone Financial Results. Our report on the statements is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For DJNV&CO.**  
**Chartered Accountants**

**Place: Ahmedabad**  
**Date: 29/06/2020**

**CA NIRAV R CHOKSI**  
**(Partner)**  
**Membership No. 112249**  
**UDIN: 20112249AAAADO1210**  
**Firm Reg. No.0115145W**



**ANNEXURE-A TO THE AUDITORS' REPORT**

**The Annexure referred to in our report to the members of USHANTI COLOUR CHEM LIMITED for the year ended 31<sup>st</sup> March, 2020.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
  - a. In our opinion and according to the information and explanation given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. In our opinion, the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. On account of the COVID-19 related lockdown restrictions, management was not able to perform year end physical verification of inventories at any location. Also we are not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 " Audit Evidence-Specific Considerations for selected Items", which includes inspection of supporting documentation relating to purchases, Sales, Results of cyclical count performed by the management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone Financial Results. Our report on the statements is not modified in respect of this matter.

As explained to us, physical verification of the inventories has been conducted at reasonable interval by the management before period of COVID-19, which in our opinion is reasonable, having regard to the size of the company and nature of its inventories. No material discrepancies were noticed on such physical verification.

3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted deposits, within the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 therefore the provisions of paragraph 3(v) of the order are not applicable to the company.
6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of any of the company's products and hence clause VI of the order is not applicable.
7.
  - a. According to the records of the company undisputed statutory dues including provident fund, income tax, service tax, value added tax, cess, excise duty, GST and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance & custom duty. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2020 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.



9. The company has not raised moneys by way of initial public offer.
10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of material fraud by the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the order are not applicable to the company.
13. As per the information provided all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) is not applicable to the company.
15. As per the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of section 192 of Companies Act, 2013 are not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence this clause is not applicable.

**For DJNV & Co.  
Chartered Accountants**

**Place : Ahmedabad  
Date : 29/06/2020**

**CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN: 20112249AAAADO1210  
Firm Reg. No.0115145W**



**ANNEXURE - B TO THE AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **USHANTI COLOUR CHEM LIMITED** as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk



that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DJNV & Co.  
Chartered Accountants**

**Place : Ahmedabad  
Date :29/06/2020**

**CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN:20112249AAAADO1210  
Firm Reg. No.0115145W**



## Colour Chem Limited

### Ushanti Colour Chem Limited Balance Sheet as at 31st March 2020

(Amount in Rs.)

<b>EQUITY AND LIABILITIES</b>	<b>Note No.</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
<b>Shareholders' Funds</b>			
Share Capital	2	73117000	73117000
Reserves and Surplus	3	175648712	153671866
		248765712	226788866
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	13423381	18897302
Deferred Tax Liabilities (net)	28	-	240000
Other Long-term Liabilities	5	-	-
		13423381	19137302
<b>Current Liabilities</b>			
Short-term Borrowings	6	88856319	75303598
Trade Payables	7	40636547	56532011
Other Current Liabilities	8	11212732	13151994
Short-term Provisions	9	1748070	3299061
		142453668	148286664
	<b>Total</b>	<b>404642761</b>	<b>394212832</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipments	10.1	187807395	135194037
Intangible Assets	10.2	1782755	2348647
Capital Work-in-progress	10.3	6145106	68189116
		195735256	205731800
Non-current Investments	11	1787775	1337775
Deferred Tax Assets (net)	28	406000	-
Long-term Loans and Advances	12	18827476	20195399
Other Non-current Assets	13	4245759	4935075
		25267010	26468249
<b>Current Assets</b>			
Inventories	14	46122264	31541119
Trade Receivables	15	91550736	88080044
Cash and Bank Balances	16	31281408	31403324
Short-term Loans and Advances	17	9010430	6640364
Other Current Assets	18	5675657	4347933
		183640495	162012783
	<b>Total</b>	<b>404642761</b>	<b>394212832</b>

Significant Accounting Policies

1

The accompanying notes 1 to 35 are integral part of financial statements

As per our report of even date

**For, DJNV & Co.**

**Chartered Accountants**

Firm Reg. No. : 115145W

(CA Nirav R Choksi)

Partner

Membership No. 112249

UDIN: 20112249AAAADO1210

**Place :** Ahmedabad

**Date :** 29-06-2020

**For and on behalf of the Board of directors**

**Ushanti Colour Chem Limited**

(Maunal S. Gandhi)

Joint MD

0118559

**Place :** Ahmedabad

**Date :** 29-06-2020

(Minku S. Gandhi)

Joint MD

00118617

(Pradip Parikh)

CFO

AIZPP5478J

(Archita Shah)

CS

A54472





<b>Ushanti Colour Chem Limited</b>			
<b>Statement of Profit and Loss For the Period Ended 31st March 2020</b>			
(Amount in Rs.)			
	Note No.	Year Ended 31-03-2020	Year Ended 31-03-2019
<b>INCOME</b>			
Revenue from Operations	19	460326941	402034129
Other Income	20	5159329	7775822
<b>TOTAL REVENUE</b>		<b>465486270</b>	<b>409809952</b>
<b>EXPENSES</b>			
Cost of Material Consumed	21	241845716	209107726
Purchase of Stock-in-Trade	22	18241210	10848413
Changes in Inventories	23	(9503865)	(1525185)
Employees Benefits Expenses	24	36320590	36383607
Finance Cost	25	8285592	9147112
Depreciation and Amortization	10.1-10.2	15512959	15218388
Amortization of Leasehold land	10.1-10.2	528100	663118
Other Expenses	26	122155048	99635880
<b>TOTAL EXPENSES</b>		<b>433385350</b>	<b>379479058</b>
<b>Profit before tax</b>		<b>32100921</b>	<b>30330893</b>
Tax Expenses			
Current Income Tax		8850000	8200000
(Excess)/ Short provision of income tax of earlier years		153679	-
Deferred Tax		(646000)	(261000)
<b>Profit for the period/(year)</b>		<b>23743242</b>	<b>22391893</b>
Earning per equity share : Basic and Diluted	29	3.25	3.37
Significant Accounting Policies	1		
The accompanying notes 1 to 35 are integral part of financial statements			
As per our report of even date			
<b>For, DJNV &amp; Co.</b> <b>Chartered Accountants</b> Firm Reg. No. : 115145W		<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>	
(CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 20112249AAAADO1210	(Maunal S. Gandhi) Joint MD 0118559	(Minku S. Gandhi) Joint MD 00118617	(Pradip Parikh) (Archita Shah) CFO AIZPP5478J CS A54472
<b>Place : Ahmedabad</b> <b>Date : 29-06-2020</b>	<b>Place : Ahmedabad</b> <b>Date : 29-06-2020</b>		



<b>Ushanti Colour Chem Limited</b>		
<b>Cash flow statement for the year ended on 31st March 2020</b>		
(Amount in Rs.)		
	<b>Year Ended 31-03-2020</b>	<b>Year Ended 31-03-2019</b>
<b>A :- Cash Flow from Operating Activities</b>		
<b>Net profit before taxation:</b>	32100921	30330893
<b>Adjustment for :</b>		
Depreciation and amortization	15512959	15218388
Amortization of leasehold land	528100	663118
Profit on sale of fixed assets	-	(1623585)
Sundry balances written off(net)	(1)	220
Bank charges and commission	1319397	1238265
Sundry balances written back(net)	(45214)	(589929)
Dividend Income	(200666)	(200666)
Interest income	(3760788)	(3068720)
Interest expenses	6791330	7908847
<b>Operating profit before working capital changes</b>	<b>52246038</b>	<b>49876832</b>
<b>Adjustment for :</b>		
Trade receivables	(3470692)	(25598743)
Long-term and short-term loans & advances	(1002142)	(2664892)
Other non-current and current assets, other bank balances	(351175)	(28883769)
Trade payables, short-term & long-term provisions, Other current & non-current liabilities	(17916272)	(13899114)
(Increase) / decrease in inventories	(14581145)	(216975)
<b>Cash Generated from operations</b>	<b>14924612</b>	<b>(21386661)</b>
Direct taxes (paid)/refund(net)	(10453679)	(8250000)
<b>Net cash from operating activities (A)</b>	<b>4470933</b>	<b>(29636661)</b>
<b>B :- Cash flow from investing activities</b>		
Sale of investments in mutual fund	-	-
Dividend income	200666	200666
Interest income	3760788	3068720
Investment in Subsidiary	(450000)	-
Purchase of fixed assets	(6044511)	(58050548)
Proceeds from sale of fixed assets	-	15288303
<b>Net cash used in investing activities (B)</b>	<b>(2533057)</b>	<b>(39492859)</b>
<b>C:- Cash flow from financing activities</b>		
Bank charges and commission	(1319397)	(1238265)
Interest Paid	(6791330)	(7908847)
Issue of Equity Shares	-	19260000
Issue of Security Premium	-	91263500
Interim Dividend Paid	(1766399)	-
Proceeds/(Repayment) of Short-term borrowings(Net)	13552721	(38514902)
Proceeds/(Repayment) of Long-term borrowings(Net)	(5448153)	6270560
<b>Net cash from financing activities (C)</b>	<b>(1772558)</b>	<b>69132046</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>165318</b>	<b>2526</b>
Cash and cash equivalents at the beginning of the year	293816	291290
Cash and cash equivalents at the end of the year	<b>459134</b>	<b>293816</b>
<b>Notes :</b>		
Cash and cash equivalents included in the Cash flow statement comprises:		
	<b>As at</b>	<b>As at</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>
Cash on hand	115279	140198
Bank balance with scheduled bank	343855	153618
	<b>459134</b>	<b>293816</b>



*Ushanti*

**Colour Chem Limited**

The above Cash Flow Statement has been prepared as per the indirect method set out in AS-3 specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

Significant Accounting Policies

1

The accompanying notes 1 to 35 are integral part of financial statements

As per our report of even date

**For, DJNV & Co.**

**Chartered Accountants**

Firm Reg. No. : 115145W

(CA Nirav R Choksi)

Partner

Membership No. 112249

UDIN: 20112249AAAADO1210

**Place : Ahmedabad**

**Date : 29-06-2020**

**For and on behalf of the Board of directors**

**Ushanti Colour Chem Limited**

(Maunal S. Gandhi)

Joint MD

0118559

**Place : Ahmedabad**

**Date : 29-06-2020**

(Minku S. Gandhi)

Joint MD

00118617

(Pradip Parikh)

CFO

AIZPP5478J

(Archita Shah)

CS

A54472



**Ushanti Colour Chem Limited**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2020**

1. Significant Accounting Policies:

1.1 **Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principle (GAAP), and comply with the Companies Accounting Standard specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 **Use of Estimates**

The preparation of financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

1.3 **Property, Plant and Equipment**

**(a) Measurement**

(i) Land

Land is initially recognized at cost.

(ii) Factory Building and other property, plant and equipment

Factory building and all other items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**(b) Depreciation and Amortization**

(i) Leasehold Land

Premium paid on leasehold land is amortized over the period of lease.

(ii) Other Tangible Assets

Depreciation on property, plant and equipment is calculated using the written down method to allocate their depreciable amounts over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

(iii) Intangible Assets

Computer Software is amortized over the period of 5 years as estimated by the Company.

Waste Disposal Rights are amortized over the useful life of 10 years as estimated by the Company.

**(c) Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the Statement of Profit or Loss when incurred.

**(d) Disposal**

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in the Statement of Profit or Loss.



- 1.4 Inventories**  
Inventories are valued at lower of cost or net realizable value on FIFO basis.
- 1.5 Revenue Recognition**  
(i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transfer to the customers. Sales are booked net of sales return and exclusive of GST.  
(ii) Export incentives and interest income are accounted for on accrual basis.  
(iii) Dividend income is recognized when the right to receive the dividend is established.
- 1.6 Purchase and Expenses**  
(i) Purchases are shown exclusive of taxes /duties wherever input tax credit is taken and net of Trade Discounts availed from suppliers and purchase return.  
(ii) Major items of the expenses are accounted on time / pro-rata basis and necessary provisions for the same are made.
- 1.7 Employee Benefits**  
Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered at the undiscounted amount as and when it accrues.  
  
Long term employee benefits and post employment benefits both funded and non funded are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered based on actuarial valuation done by LIC.
- 1.8 Provision for Current and Deferred Tax**  
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.  
  
Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.
- 1.9 Provisions, Contingent Liabilities and Contingent Assets**  
Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.
- 1.10 Impairment of Assets**  
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.
- 1.11 Foreign Currency Transactions**  
(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.  
(ii) Monetary items denominated in foreign currencies at the period/year-end are restated at period/year-end rates.  
(iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.  
(iv) Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.
- 1.12 Investments**  
Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long- term investments. Current Investments are carried at lower of



cost and quoted/fair value determined on category/item wise. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

**1.13 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**1.14 Government Grants**

Grants and subsidy from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off from the respective expenses necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grants or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**1.15 Leases**

The company's significant leasing arrangements are in respect of operating leases for factory. The leasing arrangements are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in Statement of Profit & Loss.



<b>Ushanti Colour Chem Limited</b>				
<b>Notes to the financial statements for the period ended 31st March 2020</b>				
	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
<b>2 : Share Capital</b>				
<b>Authorized Share</b>				
10000000 (31-03-2019: 10000000) Equity shares of Rs. 10/- each	100000000		100000000	
	100000000		100000000	
<b>Issued, Subscribed &amp; Fully Paid-Up</b>				
7301700 (31-03-2019: 7301700) Equity shares of Rs. 10/- each	73017000		73017000	
<b>Forfeited Shares</b> (Amount originally paid-up)	100000		100000	
<b>Total</b>	<b>73117000</b>		<b>73117000</b>	
<b>2.1 : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Number</b>
<b>Equity Share</b>				
At the beginning of the period	7301700	73017000	5375700	53757000
Issued during the period	0	-	1926000	19260000
Outstanding at the end of the period	7301700	73017000	7301700	73017000
<b>2.2 : Details of shareholders holding more than 5% share in the company</b>				
	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
	<b>Number</b>	<b>% holding in class</b>	<b>Number</b>	<b>% holding in class</b>
<b>Name of Shareholders</b>				
Mr. Shantilal B. Gandhi	1710247	23.42	1710247	23.42
Mr. Minkubhai S. Gandhi	1359427	18.62	1359427	18.62
Mr. Maunal S. Gandhi	1355427	18.56	1355427	18.56
Mrs. Monaben M. Gandhi	481250	6.59	481250	6.59
Mrs. Shefaliben M. Gandhi	481250	6.59	481250	6.59
	5387601	73.79	5387601	73.79
<b>2.3 : Terms/right attached to equity shares</b>				
The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitle to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
<b>3 : Reserves and Surplus</b>				
<b>Securities Premium Reserve</b>				
Balance as per last financial statement	96826500		5563000	
Add : Addition during the period/year	-		96300000	
Less : Preliminary Expense	-		(5036500)	
<b>Closing balance</b>	<b>96826500</b>		<b>96826500</b>	
<b>Surplus in the Statement of Profit and Loss</b>				
Balance as per last Financial Statement	56845369		34453473	
Add : Profit for the year	23743242		22391893	
Less: Interim Dividend Paid	1766399			
Less: Bonus issues for the year	-			
<b>Net surplus in the Statement of Profit and Loss</b>	<b>78822212</b>		<b>56845366</b>	
<b>Total Reserves and Surplus</b>	<b>175648712</b>		<b>153671866</b>	
<b>4 : Long Term Borrowings</b>				
Term Loan (Secured)				
From Banks	351986		675687	
From Financial Institutions	13071395		18221615	



	Total	13423381	18897302
<b>4.1 : Term Loans from Banks :</b>			
(a) Vehicle loan [closing balance Rs.351986 /- (P. Y.675687)]-carries interest @ 8.35% p.a. The loan is repayable in 60 monthly installments of Rs. 30668/- each along with interest from 05-04-2017 and last installment due on 05-03-2022. The loan is secured by hypothecation of the vehicle purchased there against. Current Maturity of long-term borrowings is Rs.323700 /- (P.Y.297932)			
<b>4.2 : Term Loans from Financial Institutions :</b>			
(a) Term loan [closing balance Rs. 5571395 /- (P. Y. Rs.8321615/-)]-carries interest @ 9.35% to 9.95% p.a. The loan is repayable in 78 monthly installments comprising first 77 installments of Rs. 255500/- each and last 78th installment of Rs. 326500/- excluding interest from 10-10-2016 and last installment due on 10-03-2023. Due to prepayment of Rs. 1500000/- on 26-06-2018, installment changed to Rs. 229185/-. The loan is secured by way of : (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors(iii) Personal guarantee of Directors and Promoter of the company. Current Maturity of long-term borrowings is Rs. 2750220 (P.Y. Rs.2750220/-)			
(b) Term loan [closing balance Rs. 7500000 /- (P. Y. Rs. 9900000)]-carries interest @ 8.04% p.a. The loan is repayable in 57 monthly installments comprising first 24 installments of Rs. 200000/- each, next 25 to 48 installments of Rs. 250000/- and last 49 to 57 installments of Rs. 300000/- excluding interest from 03-10-2018 and last installment due on 03/06/2023. The loan is secured by way of : (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors(iii) mortgage in favour of SIDBI of the Plot No 42, Phase VI, Sanand, Kalol Road, Village Nasmed, Kalol, Gandhinagar, Gujarat 382155 owned jointly by Smt Shefali Minku Gandhi & Mona Maunal Gandhi. (iv) Hypothecation of all the borrower's movables acquired under the previous project financed by SIDBI. (v) Personal guarantee of Directors and Promoter of the company. Current Maturity of long-term borrowings is Rs. 2400000 (P.Y. Rs. 2400000)			
<b>5 : Long Term Liabilities</b>			
Creditors for Capital Goods		-	-
<b>Total</b>		-	-
<b>6 : Short Term Borrowings</b>			
Loans repayable on demands			
From Banks(Secured)			
Cash credit facilities		774320	500741
Working capital facilities		48391223	53513269
Loans from related parties(unsecured)		39690776	21289588
<b>Total</b>		<b>88856319</b>	<b>75303598</b>
<b>6.1 : Short-term borrowings from Banks :</b>			
(a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 10% p.a.			
(b) Working capital facility is primarily secured against inventories, trade (export) receivables and collateral security of plant and equipments and factory shed of the Company as well as properties of the relatives of the directors. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It is repayable on demand and carries interest @ 10% p.a.			
<b>6.2 : Loans repayable on demands from Related Parties and Others :</b>			
Unsecured loans from related parties are taken and maintained during the year pursuant to the stipulation mentioned by the banks for loans facilities availed from them and are repayable on demand and carries interest @ 9% p.a (P.Y. 9% p.a.)			
<b>7 : Trade Payables</b>			
Trade Payables			
(a) Total Outstanding dues of micro enterprises and small enterprises		13860987	7280367
(b) Total Outstanding dues of creditors other than micro enterprises and small		26775560	49251644





enterprises		
(Note: 31 dues to micro and small enterprises)		
<b>Total</b>	<b>40636547</b>	<b>56532011</b>
<b>8 : Other Current Liabilities</b>		
Current maturity of Long-term Borrowings (Note No. : 4)	5473920	5448152
Interest accrued and due on borrowings	3290114	3323955
Interest accrued but not due on borrowings	99387	122563
Advance from customers		-
TDS payable	846879	996211
Forward Contract Payable	1467590	-
Other liabilities	34842	3261113
<b>Total</b>	<b>11212732</b>	<b>13151994</b>
<b>9 : Short Term Provisions</b>		
Provision for Expenses	1498070	1599061
Provision for income tax (net of advance tax)	250000	1700000
<b>Total</b>	<b>1748070</b>	<b>3299061</b>



<b>10.1 : Property, Plant and Equipments</b>										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Factory Land	181800			181800	0			-	181800	181800
Leasehold Land – Dahej	56689843	66008667	459856	122238654	1677095	1226328		2903423	119335231	55012748
Factory Building	27315831.6			27315832	11658026	1551712		13209738	14106094	15657806
Plant and Equipments	99731390.2	1327634	-	101059024	47924761	9686062		57610823	43448201	51806629
Pollution Control Plant	13800416	547925	-	14348341	7165176	1211510		8376686	5971655	6635240
Furniture & Fixtures	1651759	138355		1790114	1153230	138376		1291606	498508	498529
Vehicles	12844085			12844085	9338626	1168820		10507446	2336639	3505459
Office Equipments	1054243.56	141597	-	1195841	696211	75679		771890	423951	358033
Electric Fittings	3733971	337500		4071471	2416816	324410		2741226	1330245	1317155
Computers	1360693	46702		1407395	1140055	92269		1232324	175071	220638
<b>Total</b>	<b>218364032</b>	<b>68548380</b>	<b>459856</b>	<b>286452557</b>	<b>83169996</b>	<b>15475166</b>	<b>-</b>	<b>98645162</b>	<b>187807395</b>	<b>135194037</b>
Previous Year	213119355	19161008	13916331	218364032	68192957	15228652	251613	83169996	135194037	144926399
<b>10.2 : Intangible Assets</b>										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software	188963	-	-	188963	102309	37793	-	140102	48861	86654
Waste Disposal Rights	6589500	-	-	6589500	4327506	528100	-	4855606	1733894	2261994
<b>Total</b>	<b>6778463</b>	<b>-</b>	<b>-</b>	<b>6778463</b>	<b>4429815</b>	<b>565893</b>	<b>-</b>	<b>4995708</b>	<b>1782755</b>	<b>2348648</b>
Previous Year	6267463	511000	-	6778463	3776962	652854	-	4429816	2348647	2490501
<b>10.3 : Capital Work in Progress</b>										
Description of Assets	Gross Block				Deletions/Adjustments				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Factory Building	1538854	1432116	250450	2720520	-	-	-	-	2720520	1538854
Furniture & Fixtures	707339	310647		1017986	-	-	-	-	1017986	707339
Plant and Equipments	-	2406600		2406600	-	-	-	-	2406600	-
Leasehold Land - Dahej	65942923		65942923	-	-	-	-	-	-	65942923
<b>Total</b>	<b>68189116</b>	<b>4149363</b>	<b>66193373</b>	<b>6145106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6145106</b>	<b>68189116</b>
Previous Year	21495669	55008355	8314908	68189116	-	-	-	-	68189116	21495669



*Ushanti*

**Colour Chem Limited**

	As at 31-03-2020	As at 31-03-2019
<b>11 : Non-current Investments</b>		
Non-trade Long term Investments (Un-quoted, At Cost)		
53511 (31-03-2019 : 53511) Equity shares of Rs. 25/- each fully paid-up in The Kalupur Co. Op. Bank Limited	1337775	1337775
Investment in Subsidiary	450000	-
45000 (31-03-2019 : NA) Equity shares of Rs. 10/- each fully paid-up in UC Colours and Intermediates Private Limited		
<b>Total</b>	<b>1787775</b>	<b>1337775</b>
<b>12 : Long Term Loans and Advances</b>		
(Unsecured, Considered good)		
Capital Advances	1650000	1650000
Security Deposits	12917225	10837945
Other Loans and Advances	2868311	2900000
Balance with statutory authority	1077295	4312810
Loans to Employees	-	180000
Other Advances	314645	314645
<b>Total</b>	<b>18827476</b>	<b>20195399</b>
<b>13 : Other Non-current Assets</b>		
Margin money deposits	4245759	4935075
<b>Total</b>	<b>4245759</b>	<b>4935075</b>
<b>14 : Inventories (Note No. 1.6)</b>		
Raw Material	13962045	8830997
Finished Goods	32035880	22100015
Packing Material	124339	178107
Work in Progress	-	432000
<b>Total</b>	<b>46122264</b>	<b>31541119</b>
<b>(For mode of Valuation refer Significant Accounting Policies No. 1.4)</b>		
<b>15 : Trade receivables</b>		
(Unsecured, Considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	341065	500
Other Receivables	91209671	88079544
<b>Total</b>	<b>91550736</b>	<b>88080044</b>
<b>16 : Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Balance with banks		
- In current account	115279	140198
- Cash on hand	343855	153618
	459134	293816
Other bank balances		
Margin money deposits	30822274	31109508
<b>Total</b>	<b>31281408</b>	<b>31403324</b>
<b>17 : Short term Loans and Advances</b>		
(Unsecured, Considered good)		
Capital Advances	3200000	-
Balance with Statutory Authority	5559755	6459051
Loans to Employees	250675	181313
<b>Total</b>	<b>9010430</b>	<b>6640364</b>
<b>18 : Other Current Assets</b>		
Interest Accrued on Fixed Deposits	1674996	1935252
Interest accrued but not due	396352	340110
Prepaid Expenses	763892	1352687
Other current assets	2840417	107689
Forward Contract Receivable	-	612195



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**Colour Chem Limited**

	<b>Total</b>	<b>5675657</b>	<b>4347933</b>
<b>19 : Revenue from Operations</b>			
Sale of products ( Finished & Traded, Gross)		<b>451667075</b>	<b>393776433</b>
Scrap Sales		28708	17155
		<b>451695783</b>	<b>393793588</b>
Less: Excise duty		-	-
Sale of products (Net)		451695783	393793588
Other Operating Revenue			
Export incentives		8631158	8240541
<b>Revenue from Operations</b>		<b>460326941</b>	<b>402034129</b>
<b>20 : Other Income</b>			
Interest income			
On Bank Deposits		2628846	2527141
Others		1131942	541579
Income Tax Refund		-	69140
Dividend income		200666	200666
Foreign Exchange Gain (net)		571651	2138521
Profit on sale of fixed assets(net)		-	1623585
Miscellaneous Income		354027	-
Premium on Forward Contract		226983	85261
Sundry balances written back(net)		45214	589929
<b>Total</b>		<b>5159329</b>	<b>7775822</b>
<b>21 : Cost of Materials Consumed</b>			
Opening stock of raw materials		8830997	10171852
Add: Purchases of Dyes Intermediates		246976764	207766871
		255807761	217938723
Less: Closing stock of raw materials		13962045	8830997
<b>Total Consumption of Dyes Intermediates</b>		<b>241845716</b>	<b>209107726</b>
<b>22 : Purchase of Stock-in-Trade</b>			
<b>Purchase of :</b>			
Direct Dyes		8043795	2653000
Reactive Dyes		7489315	3865213
Alpha Dyes		2708100	4330200
<b>Total</b>		<b>18241210</b>	<b>10848413</b>
<b>23 : Changes in Inventories</b>			
Inventories at the end of the year			
Finished Goods		32035880	22100015
Work in Progress		-	<b>432000</b>
Less:-			
Inventories at the beginning of the year			
Finished Goods		22100015	21006830
Work In Progress		432000	-
		<b>(9503865)</b>	<b>(1525185)</b>
<b>24 : Employees Benefits Expenses</b>			
Salaries, Wages, Bonus and Contribution to PF and ESI		35975108	34377677
Gratuity Fund Contribution		213593	1952105
Staff Welfare Expenses		131889	53825
<b>Total</b>		<b>36320590</b>	<b>36383607</b>
<b>25 : Finance Cost</b>			
Interest Expenses			
On Loan from Bank and Financial Institutions (Note no. 25.1 and 25.2)		3471849	4478166
On Others		3319481	3430681
Bank Charges and Commission		1319397	1238265
Interest to MSME's		174865	-



## Colour Chem Limited

	Total	8285592	9147112
<b>Note:</b>			
25.1. The Company has availed interest subvention of Rs. 1840342/- during the period (P.Y : Rs. 1715220/-) from bank on working capital facility which has been reduced from interest expenses.			
25.2. The Company has availed interest subvention of Rs. 485354/- during the period (P.Y : Rs. 620287) from SIDBI under capital expansion scheme which has been reduced from interest expenses.			
<b>26 : Other Expenses</b>			
Packing Material Consumed		1292212	961581
Power, Fuel and Water		62106815	49103874
Laboratory Expenses		614676	461189
Building Repairs		517611	112903
Plant and Equipments Repairs		7904529	5214866
Pollution Control Expenses		21927939	18106054
Labour and processing charges		7991504	7894150
Sales Promotion and Advertisement		1648577	1096764
Commission Expenses		2457778	1392441
Other Sales and Distribution Expenses		5539610	5857385
Insurance		2817905	2717128
Rates & Taxes		197941	472282
Rent		870000	870000
Office Maintenance		263657	195945
Travelling and Conveyance		661089	697994
Payment to Auditors		240000	245000
Foreign Exchange Loss (net)		-	-
Legal and Professional Fees		1815472	1024810
Vehicle Running and Maintenance		345295	957276
Telephone and Communication		281605	523065
Stationary, Printing and Other Office Expenses		881491	1399586
Donation		251000	5000
Sundry Balances Written Off		(1)	220
Miscellaneous Expenses		1528344	326367
<b>Total</b>		<b>122155048</b>	<b>99635880</b>
<b>26.1 : Payment to Auditors</b>		<b>31-03-2020</b>	<b>31-03-2019</b>
<b>As Auditor:</b>			
Audit fees		150000	150000
<b>In other capacity:</b>			
Taxation matters		70000	80000
Other Services		20000	15000
Reimbursement of expenses		-	-
<b>Total</b>		<b>240000</b>	<b>245000</b>

27. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

28. The deferred tax liability comprises of the following:

(Amount in Rs.)

	2019-20	2018-19
Opening Balance of Deferred Tax Liability	240000	501000
Current Period/(Year) DTA/DTL on account of timing difference due to depreciation	(646000)	(261000)
<b>Closing Balance of Deferred Tax Liability/(Asset)</b>	<b>(406000)</b>	<b>240000</b>

29. Earnings Per Shares (EPS)

(Amount in Rs.)

	2019-20	2018-19
(i) Net Profit (Loss) after tax as per Statement of Profit and Loss attributable	23743242	22391893



## Colour Chem Limited

	to Equity Shareholders (Rs.)		
(ii)	Weighted Average number of equity shares used as denominator for calculating EPS	7301700	6647388
(iii)	Basic and Diluted Earnings per Shares (Rs.)	3.25	3.37
(iv)	Face Value per equity share (Rs.)	10	10

### 30. Related Party Disclosures:

As per Accounting Standard 18, the disclosure of transactions with the related parties as defined in accounting Standard are given below:

- (i) List of related parties where control exist and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Party	Relationship
1	Minku S. Gandhi.	Key Managerial Personnel (KMP)
2	Maunal S. Gandhi	
3	Shantibhai B. Gandhi	
4	Archita Jitendra Shah	
5	Pradip B Parikh	
6	Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel
7	Smt. Mona M. Gandhi	
8	Deepak G. Gandhi	
9	Arjun M. Gandhi	
10	Aadit M. Gandhi	Enterprise in which KMP/Relative of KMP are interested as director/member/partner
11	Shantibhai B. Gandhi H.U.F.	
12	Minku S. Gandhi H.U.F.	
13	Maunal S. Gandhi H.U.F.	
14	Ushanti Corporation	
15	HUF Industries	
16	UC Colours and Intermediates Pvt Ltd.	

- (ii) Transactions during the year ended 31-03-20 with related parties

(Amount in Rs.)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	81784285	60000	285434	82129719
2	Loans repaid to	61769168	2516810	1890711	66176689
3	Remuneration/Salary	18149282	2688000	-	20837282
4	Interest Expenses	1956045	1255580	78489	3290114
5	Rent Expenses	-	-	870000	870000
<b>Outstanding Balances</b>					
1	Loans payable	29438526	13542364	-	42980890
2	Other Liabilities	1496048	198244	783000	2477292

- (iii) Transactions during the year 2018-19 with related parties

(Amount in Rs.)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	85949800	32115000	12750000	130814800
2	Loans repaid to	87805634	39760800	37270000	164836434
3	Remuneration/Salary	17944475	2400000	-	20344475

**Colour Chem Limited**

4	Interest Expenses	568291	1592017	1163647	3323955
5	Rent Expenses	-	-	870000	870000
<b>Outstanding Balances</b>					
1	Loans payable	8132598.08	14875668	1605276.77	24613542.85
2	Other Liabilities	954454	147246	783000	1884700

31. The Company has received intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006, and hence, disclosures, if any, relating to amount unpaid as at the period end together with interest paid/payable as required under the act has been given.

32. Value of imports and value of raw materials consumed  
(a) CIF value of import

(Amount in Rs.)

	2019-20	2018-19
Raw Material	7337358	1204068
Capital goods	Nil	Nil

(b) Consumption of raw materials

	2019-20		2018-19	
	Amount (Rs.)	% of consumption	Amount (Rs.)	% of consumption
Raw materials				
Imported	7906000	3.27%	1269600	0.58%
Indigenous	233939716	96.73%	216033538	99.42%

33. Expenditure in foreign Currency

(Amount in Rs.)

	2019-20	2018-19
(a) Travelling	249208	36666
(b) Sales Promotion	356328	233774
(c) Foreign bank charges	178494	-
(d) Commission	2381778	1392441
(e) Others	-	-

34. Earning in foreign currency

(Amount in Rs.)

	2019-20	2018-19
(a) FOB value of exports	20,93,00,057.31	19,55,02,936.65

35. Disclosure requirement as required by the AS-15 (Revised 2005), Employee Benefits are not given in view of non-availability of the required information with the company.

**For, DJNV & Co.**  
**Chartered Accountants**  
Firm Reg. No. : 115145W

**For and on behalf of the Board of directors**  
**Ushanti Colour Chem Limited**

(CA Nirav R Choksi)  
Partner  
Membership No. 112249  
UDIN: 20112249AAAADO1210

(Maunal S. Gandhi)	(Minku S. Gandhi)	(Pradip Parikh)	(Archita Shah)
Joint MD	Joint MD	CFO	CS
0118559	00118617	AIZPP5478J	A54472

**Place:** Ahmedabad  
**Date:** 29-06-2020

**Place:** Ahmedabad  
**Date:** 29-06-2020



## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
USHANTI COLOUR CHEM LIMITED  
Report on the audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of **USHANTI COLOUR CHEM LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2020, and the consolidated Statement of Profit and Loss, (the consolidated statement of changes in equity)<sup>15</sup> and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements") In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the consolidated state of affairs of the Company as at March 31, 2020;
- b) In the case of the consolidated Statement of Profit and Loss, the profit for the year ended on that date.
- c) In the case of the consolidated Statement of Cash Flow for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 Companies Act, 2013 and the Rules there under, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective 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 the assets of the Group 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 financial statements 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to





going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 are responsible for overseeing the financial reporting process of the Group. The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 made by management.
- Conclude on the appropriateness of management's 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 ability of the Group to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. 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 financial statements 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.



We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

On account of the COVID-19 related lockdown restrictions, management was not able to perform year end physical verification of inventories at any location. Also we are not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence-Specific Considerations for selected Items", which includes inspection of supporting documentation relating to purchases, Sales, Results of cyclical count performed by the management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Results. Our report on the statements is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

**For DJNV & CO.  
Chartered Accountants**

**Place : Ahmedabad  
Date : 29/06/2020**

**CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN: 20112249AAAADP5997  
Firm Reg. No.0115145W**



**ANNEXURE - A TO THE AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **USHANTI COLOUR CHEM LIMITED** as of 31 March 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk



that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DJNV & Co.  
Chartered Accountants**

**CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN: 20112249AAAADP5997  
Firm Reg. No.0115145W**

**Place: Ahmedabad  
Date: 29/06/2020**



**Ushanti Colour Chem Limited**  
**Consolidated Balance Sheet as at 31st March 2020**

	Note No.	As at 31-03-2020
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	2	7,31,17,000
Reserves and Surplus	3	17,56,48,712
		24,87,65,712
<b>Minority Interest</b>	4	50,000
<b>Non-Current Liabilities</b>		
Long-term Borrowings	5	1,34,23,381
Other Long-term Liabilities		-
		1,34,23,381
<b>Current Liabilities</b>		
Short-term Borrowings	6	8,99,56,319
Trade Payables	7	4,06,53,947
Other Current Liabilities	8	1,12,33,982
Short-term Provisions	9	17,48,070
		14,35,92,318
	<b>Total</b>	<b>40,58,31,411</b>
<b>ASSETS</b>		
-		
<b>Non-current Assets</b>		
Property, Plant and Equipments	10.1	18,78,07,395
Intangible Assets	10.2	17,82,755
Capital Work-in-progress	10.3	66,04,962
		19,61,95,112
Non-current Investments	11	13,37,775
Deferred Tax Assets (net)	28	4,06,000
Long-term Loans and Advances	12	1,88,27,476
Other Non-current Assets	13	42,45,759
		2,48,17,010
<b>Current Assets</b>		
Inventories	14	4,61,22,264
Trade Receivables	15	9,15,50,736
Cash and Bank Balances	16	3,25,89,653
Short-term Loans and Advances	17	90,51,725
Other Current Assets	18	55,04,911
		18,48,19,289
	<b>Total</b>	<b>40,58,31,411</b>
Significant Accounting Policies	1	
The accompanying notes 1 to 35 are integral part of financial statements		
As per our report of even date		
<b>For, DJNV &amp; Co.</b> <b>Chartered Accountants</b> Firm Reg. No. : 115145W	<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>	
(CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 20112249AAAADP5997 <b>Place:</b> Ahmedabad <b>Date:</b> 29-06-2020	(Maunal S. Gandhi) Joint MD 00118559	(Minku S. Gandhi) Joint MD 00118617
	(Pradip Parikh) CFO AIZPP5478J	(Archita Shah) CS A54472



**Ushanti Colour Chem Limited**

**Statement of Consolidated Profit and Loss For the Period Ended 31st March 2020**

	Note No.	Year Ended 31-03-2020
<b>INCOME</b>		
Revenue from Operations	19	460326941
Other Income	20	5159329
<b>TOTAL REVENUE</b>		<b>465486270</b>
<b>EXPENSES</b>		
Cost of Material Consumed	21	241845716
Purchase of Stock-in-Trade	22	18241210
Changes in Inventories	23	(9503865)
Employees Benefits Expenses	24	36320590
Finance Cost	25	8285592
Depreciation and Amortization	10.1-10.2	15512959
Amortization of Leasehold land	10.1-10.2	528100
Other Expenses	26	122155048
<b>TOTAL EXPENSES</b>		<b>433385349</b>
<b>Profit before tax</b>		<b>32100921</b>
Tax Expenses		
Current Income Tax		8850000
(Excess)/ Short provision of income tax of earlier years		153679
Deferred Tax		(646000)
<b>Profit for the period/(year)</b>		<b>23743242</b>
Earning per equity share : Basic and Diluted	29	3.25
Significant Accounting Policies	1	
The accompanying notes 1 to 35 are integral part of financial statements		
As per our report of even date		
<b>For, DJNV &amp; Co.</b> <b>Chartered Accountants</b> Firm Reg. No. : 115145W  (CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 20112249AAAADP5997 <b>Place:</b> Ahmedabad <b>Date:</b> 29-06-2020	<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>  (Maunal S. Gandhi)    (Minku S. Gandhi)    (Pradip Parikh)    (Archita Shah) Joint MD                      Joint MD                      CFO                      CS 00118559                      00118617                      AIZPP5478J                      A54472  <b>Place:</b> Ahmedabad <b>Date:</b> 29-06-2020	



<b>Ushanti Colour Chem Limited</b>	
<b>Consolidated Cash flow statement for the year ended on 31st March 2020</b>	
	<b>Year Ended 31-03-2020</b>
<b>A :- Cash Flow from Operating Activities</b>	
<b>Net profit before taxation:</b>	32100921
<b>Adjustment for :</b>	
Depreciation and amortization	15512959
Amortization of leasehold land	528100
Profit on sale of fixed assets	-
Sundry balances written off(net)	(1)
Bank charges and commission	1319397
Sundry balances written back(net)	(45214)
Dividend Income	(200666)
Interest income	(3760788)
Interest expenses	6791330
<b>Operating profit before working capital changes</b>	<b>52246038</b>
<b>Adjustment for :</b>	
Trade receivables	(3470692)
Long-term and short-term loans & advances	(1043437)
Other non-current and current assets, other bank balances	(180429)
Trade payables, short-term & long-term provisions, Other current & non-current liabilities	(17877622)
(Increase) / decrease in inventories	(14581145)
<b>Cash Generated from operations</b>	<b>15092714</b>
Direct taxes (paid)/refund(net)	(10453679)
<b>Net cash from operating activities (A)</b>	<b>4639035</b>
<b>B :- Cash flow from investing activities</b>	
Sale of investments in mutual fund	-
Dividend income	200666
Interest income	3760788
Investment in Subsidiary	-
Purchase of fixed assets	(6504367)
Proceeds from sale of fixed assets	-
<b>Net cash used in investing activities (B)</b>	<b>(2542913)</b>
<b>C:- Cash flow from financing activities</b>	
Bank charges and commission	(1319397)
Interest Paid	(6791330)
Issue of Equity Shares*	50000
Issue of Security Premium	-
Interim Dividend Paid	(1766399)
Proceeds/(Repayment) of Short-term borrowings(Net)	14652721
Proceeds/(Repayment) of Long-term borrowings(Net)	(5448153)
<b>Net cash from financing activities (C)</b>	<b>(622558)</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>1473564</b>
Cash and cash equivalents at the beginning of the year	293816
Cash and cash equivalents at the end of the year	<b>1767379</b>
<b>Notes :</b>	
Cash and cash equivalents included in the Cash flow statement comprises:	
	<b>As at 31-03-2020</b>
Bank balance with scheduled bank	1420624
Cash On Hand	346755
	<b>1767379</b>
The above Cash Flow Statement has been prepared as per the indirect method set out in AS-3 specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.	
* Issue of Equity Shares by U C Colours and Intermediates Pvt Ltd (Subsidiary Company) to Non-promoters.	





Significant Accounting Policies	1
The accompanying notes 1 to 35 are integral part of financial statements	
As per our report of even date	
<b>For, DJNV &amp; Co.</b> <b>Chartered Accountants</b> Firm Reg. No. : 115145W  (CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 20112249AAAADP5997 <b>Place:</b> Ahmedabad <b>Date:</b> 29-06-2020	<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>  (Maunal S. Gandhi) (Minku S. Gandhi) (Pradip Parikh) (Archita Shah) Joint MD Joint MD CFO CS 00118559 00118617 AIZPP5478J A54472  <b>Place:</b> Ahmedabad <b>Date:</b> 29-06-2020



**Ushanti Colour Chem Limited**

**Notes to the consolidated financial statements for the year ended 31st March 2020**

**1. Significant Accounting Policies:**

**1.1 Basis of preparation of Financial Statements**

The consolidated financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principle (GAAP), and comply with the Companies Accounting Standard specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014.

**Principles of consolidation**

The Consolidated Financial Statements consist of Ushanti Colour Chem Ltd ("the Company") and its subsidiary company U C Colours and Intermediates Private Limited (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:—

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.
- Since U C Colours and Intermediates Private Limited (the "Subsidiary Company") being the only subsidiary company acquired by Ushanti Colour Chem Limited (the " Holding Company") on 23/10/2019 during financial year 2019-20, the consolidated financial statement are provided only for the year ended 31st March 2020.

**1.2 Use of Estimates**

The preparation of consolidated financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

**1.3 Property, Plant and Equipment**

**(a) Measurement**

- (i) Land  
Land is initially recognized at cost.
- (ii) Factory Building and other property, plant and equipment  
Factory building and all other items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.
- (iii) Components of costs  
The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**(b) Depreciation and Amortization**

- (i) Leasehold Land  
Premium paid on leasehold land is amortized over the period of lease.
- (ii) Other Tangible Assets  
Depreciation on property, plant and equipment is calculated using the written down method to allocate their depreciable amounts over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.



The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

(iii) **Intangible Assets**

Computer Software is amortized over the period of 5 years as estimated by the Company.  
Waste Disposal Rights are amortized over the useful life of 10 years as estimated by the Company.

(c) **Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the Statement of Profit or Loss when incurred.

(d) **Disposal**

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in the Statement of Profit or Loss.

1.4 **Inventories**

Inventories are valued at lower of cost or net realizable value on FIFO basis.

1.5 **Revenue Recognition**

(i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transfer to the customers. Sales are booked net of sales return and exclusive of sales/VAT tax.

(ii) Export incentives and interest income are accounted for on accrual basis.

(iii) Dividend income is recognized when the right to receive the dividend is established.

1.6 **Purchase and Expenses**

(i) Purchases are shown exclusive of taxes /duties wherever input tax credit is taken and net of Trade Discounts availed from suppliers and purchase return.

(ii) Major items of the expenses are accounted on time / pro-rata basis and necessary provisions for the same are made.

1.7 **Employee Benefits**

Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered at the undiscounted amount as and when it accrues.

Long term employee benefits and post employment benefits both funded and non funded are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered based on actuarial valuation done by LIC.

1.8 **Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

1.9 **Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or



a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the consolidated financial statements.

**1.10 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

**1.11 Foreign Currency Transactions**

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.

(ii) Monetary items denominated in foreign currencies at the period/year-end are restated at period/year-end rates.

(iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

(iv) Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.

**1.12 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long- term investments. Current Investments are carried at lower of cost and quoted/fair value determined on category/item wise. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

**1.13 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**1.14 Government Grants**

Grants and subsidy from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off from the respective expenses necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grants or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**1.15 Leases**

The company's significant leasing arrangements are in respect of operating leases for factory. The leasing arrangements are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in Statement of Profit & Loss.

**1.16 Cash Flow Statement-**

This being the first year of consolidated financial statement the cash flow statement is not given for the previous year ended on 31<sup>st</sup> March, 2019.



<b>Ushanti Colour Chem Limited</b>			
<b>Notes to the consolidated financial statements for the period ended 31st March 2020</b>			
			<b>Consolidated</b>
			<b>31-03-2020</b>
<b>2 : Share Capital</b>			
<b>Authorized Share</b>			
10000000 (31-03-2019: 10000000) Equity shares of Rs. 10/- each			100000000
			100000000
<b>Issued, Subscribed &amp; Fully Paid-Up</b>			
7301700 (31-03-2019: 7301700) Equity shares of Rs. 10/- each			73017000
<b>Forfeited Shares</b> (Amount originally paid-up)			100000
<b>Total</b>			<b>73117000</b>
<b>2.1 : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>			
		<b>Standalone</b>	
		<b>As at 31-03-2020</b>	<b>As at 31-03-2020</b>
	<b>Number</b>	<b>Number</b>	<b>Rs.</b>
<b>Equity Share</b>			
At the beginning of the period	7301700	7301700	73017000
Issued during the period	0	0	-
Outstanding at the end of the period	7301700	7301700	73017000
<b>2.2 : Details of shareholders holding more than 5% share in the company</b>			
		<b>As at 31-03-2020</b>	<b>As at 31-03-2020</b>
	<b>Number</b>	<b>Number</b>	<b>% holding in class</b>
<b>Name of Shareholders</b>			
Mr. Shantilal B. Gandhi	1710247	1710247	23.42
Mr. Minkubhai S. Gandhi	1359427	1359427	18.62
Mr. Maunal S. Gandhi	1355427	1355427	18.56
Mrs. Monaben M. Gandhi	481250	481250	6.59
Mrs. Shefaliben M. Gandhi	481250	481250	6.59
Ushanti Colour Chem Limited		0	0.00
Champaklal Amratlal Shah		0	0.00
	5387601	5387601	73.79
<b>2.3 : Terms/right attached to equity shares</b>			
The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			



	As at 31-03-2020
<b>3 : Reserves and Surplus</b>	
<b>Securities Premium Reserve</b>	
Balance as per last financial statement	96826500
Add : Addition during the period/year	-
Less : Preliminary Expense	-
<b>Closing balance</b>	<b>96826500</b>
<b>Surplus in the Statement of Profit and Loss</b>	
Balance as per last Financial Statement	56845369
Add : Profit for the year	23743242
Less: Interim Dividend Paid	1766399
Less: Bonus issues for the year	-
<b>Net surplus in the Statement of Profit and Loss</b>	<b>78822212</b>
<b>Total Reserves and Surplus</b>	<b>175648712</b>
<b>4: Non-Controlling Interest</b>	
Champaklal amratlal shah	50000
	<b>50000</b>
<b>5 : Long Term Borrowings</b>	
Term Loan (Secured)	
From Banks	351985.85
From Financial Institutions	13071395
<b>Total</b>	<b>13423380.85</b>
<b>5.1 : Term Loans from Banks:</b>	
<p>(a) Vehicle loan [closing balance Rs.351986 /- (P. Y.675687)]-carries interest @ 8.35% p.a. The loan is repayable in 60 monthly installments of Rs. 30668/- each along with interest from 05-04-2017 and last installment due on 05-03-2022. The loan is secured by hypothecation of the vehicle purchased there against. Current Maturity of long-term borrowings is Rs.323700 /- (P.Y.297932)</p>	
<b>5.2 : Term Loans from Financial Institutions:</b>	
<p>(a) Term loan [closing balance Rs. 5571395 /- (P. Y. Rs.8321615/-)]-carries interest @ 9.35% to 9.95% p.a. The loan is repayable in 78 monthly installments comprising first 77 installments of Rs. 255500/- each and last 78th installment of Rs. 326500/- excluding interest from 10-10-2016 and last installment due on 10-03-2023. Due to prepayment of Rs. 1500000/- on 26-06-2018, installment changed to Rs. 229185/-. The loan is secured by way of : (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors(iii) Personal guarantee of Directors and Promoter of the company. Current Maturity of long-term borrowings is Rs. 2750220 (P.Y. Rs.2750220/-)</p> <p>(b) Term loan [closing balance Rs. 7500000 /- (P. Y. Rs. 9900000)]-carries interest @ 8.04% p.a. The loan is repayable in 57 monthly installments comprising first 24 installments of Rs. 200000/- each, next 25 to 48 installments of Rs. 250000/- and last 49 to 57 installments of Rs. 300000/- excluding interest from 03-10-2018 and last installment due on 03/06/2023. The loan is secured by way of : (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors(iii) mortgage in favour of SIDBI of the Plot No 42, Phase VI,Sanand, Kalol Road, Village Nasmed, Kalol, Gandhinagar, Gujarat 382155 owned jointly by Smt Shefali Minku Gandhi &amp; Mona Maunal Gandhi. (iv) Hypothecation of all the borrower's movables acquired under the previous project financed by SIDBI. (v) Personal guarantee of Directors and Promoter of the company. Current Maturity of long-term borrowings is Rs. 2400000 (P.Y. Rs. 2400000)</p>	
<b>6 : Short Term Borrowings</b>	
Loans repayable on demands	
From Banks(Secured)	
Cash credit facilities	774320
Working capital facilities	48391223
Loans from related parties(unsecured)	39690776



Loans from others(unsecured)	1100000
<b>Total</b>	<b>89956319</b>
<b>6.1 : Short-term borrowings from Banks:</b>	
<p>(a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 10% p.a.</p> <p>(b) Working capital facility is primarily secured against inventories, trade (export) receivables and collateral security of plant and equipments and factory shed of the Company as well as properties of the relatives of the directors. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It is repayable on demand and carries interest @ 10% p.a.</p>	
<b>6.2 : Loans repayable on demands from Related Parties and Others:</b>	
<p>Unsecured loans from related parties are taken and maintained during the year pursuant to the stipulation mentioned by the banks for loans facilities availed from them and are repayable on demand and carries interest @ 9% p.a (P.Y. 9% p.a.)</p>	
<b>7 : Trade Payables</b>	
Trade Payables	
(a) Total Outstanding dues of micro enterprises and small enterprises	13860987
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	26792960
(Note: 31 dues to micro and small enterprises)	
<b>Total</b>	<b>40653947</b>
<b>8 : Other Current Liabilities</b>	
Current maturity of Long-term Borrowings (Note No. : 4)	5473920
Interest accrued and due on borrowings	3290114
Interest accrued but not due on borrowings	99387
TDS payable	868129
Forward Contract Payable	1467590
Other liabilities	34842
<b>Total</b>	<b>11233982</b>
<b>9 : Short Term Provisions</b>	
Provision for Expenses	1498070
Provision for income tax (net of advance tax)	250000
<b>Total</b>	<b>1748070</b>
<b>28: Deffered Tax</b>	
Opening Balance of Deferred Tax Asset	-240000
Current Period/(Year) DTA/DTL on account of timing difference due to depreciation	646000
<b>Closing Balance of Deferred Tax Asset</b>	<b>406000</b>



10.1 : Property, Plant and Equipments										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Factory Land	181800			181800	0			-	181800	181800
Leasehold Land - Dahej	56689843	66008667	459856	122238654	1677095	1226328		2903423	119335231	55012748
Factory Building	27315831.6			27315832	11658026	1551712		13209738	14106094	15657806
Plant and Equipments	99731390.2	1327634	-	101059024	47924761	9686062		57610823	43448201	51806629
Pollution Control Plant	13800416	547925	-	14348341	7165176	1211510		8376686	5971655	6635240
Furniture & Fixtures	1651759	138355		1790114	1153230	138376		1291606	498508	498529
Vehicles	12844085			12844085	9338626	1168820		10507446	2336639	3505459
Office Equipments	1054243.56	141597	-	1195841	696211	75679		771890	423951	358033
Electric Fittings	3733971	337500		4071471	2416816	324410		2741226	1330245	1317155
Computers	1360693	46702		1407395	1140055	92269		1232324	175071	220638
<b>Total</b>	<b>218364032</b>	<b>68548380</b>	<b>459856</b>	<b>286452557</b>	<b>83169996</b>	<b>15475166</b>	<b>-</b>	<b>98645162</b>	<b>187807395</b>	<b>135194037</b>
Previous Year	213119355	19161008	13916331	218364032	68192957	15228652	251613	83169996	135194037	144926399
10.2 : Intangible Assets										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Computer Software	188963	-	-	188963	102309	37793	-	140102	48861	86654
Waste Disposal Rights	6589500	-	-	6589500	4327506	528100	-	4855606	1733894	2261994
<b>Total</b>	<b>6778463</b>	<b>-</b>	<b>-</b>	<b>6778463</b>	<b>4429815</b>	<b>565893</b>	<b>-</b>	<b>4995708</b>	<b>1782755</b>	<b>2348648</b>
Previous Year	6267463	511000	-	6778463	3776962	652854	-	4429816	2348647	2490501
10.3 : Capital Work in Progress										
Description of Assets	Gross Block				Deletions/Adjustments				Net Block	
	As at 01-04-2019	Additions	Deletions/ Adjustments	As at 31-03-2020	Upto 31-03-2019	For the year	Deletions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
Factory Building	1538854	1432116	250450	2720520	-	-	-	-	2720520	1538854
Furniture & Fixtures	707339	310647		1017986	-	-	-	-	1017986	707339
Plant and Equipments	-	2406600	--	2406600	-	-	-	-	2406600	-
Leasehold Land - Dahej	65942923		65942923	-	-	-	-	-	-	65942923
GIDC Charges	-	459856	-	459856	-	-	-	-	459856	-
<b>Total</b>	<b>68189116</b>	<b>4609219</b>	<b>66193373</b>	<b>6604962</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6604962</b>	<b>68189116</b>
Previous Year	21495669	55008355	8314908	68189116	-	-	-	-	68189116	21495669





*Ushanti*

**Colour Chem Limited**

	As at 31-03-2020
<b>11 : Non-current Investments</b>	
Non-trade Long term Investments (Un-quoted, At Cost)	
53511 (31-03-2019 : 53511) Equity shares of Rs. 25/- each fully paid-up in The Kalupur Co. Op. Bank Limited	1337775
<b>Total</b>	<b>1337775</b>
<b>12 : Long Term Loans and Advances</b>	
(Unsecured, Considered good)	
Capital Advances	1650000
Security Deposits	12917225
Other Loans and Advances	2868311
Balance with statutory authority	1077295
Other Advances	314645
<b>Total</b>	<b>18827476</b>
<b>13 : Other Non-current Assets</b>	
Margin money deposits	4245759
<b>Total</b>	<b>4245759</b>
<b>14 : Inventories (Note No. 1.6)</b>	
Raw Material	13962045
Finished Goods	32035880
Packing Material	124339
<b>Total</b>	<b>46122264</b>
<b>15 : Trade receivables</b>	
(Unsecured, Considered good)	
Outstanding for a period exceeding six month from the date they are due for payment	341065
Other Receivables	91209671
<b>Total</b>	<b>91550736</b>
<b>16 : Cash and Bank Balances</b>	
Cash and Cash Equivalents	
Balance with banks	
In current account	1420624
Cash on hand	346755
	1767379
Other bank balances	
Margin money deposits	30822274
<b>Total</b>	<b>32589653</b>
<b>17 : Short term Loans and Advances</b>	
(Unsecured, Considered good)	
Capital Advances	3200000
Balance with Statutory Authority	5601050
Loans to Employees	250675
<b>Total</b>	<b>9051725</b>
<b>18 : Other Current Assets</b>	
Interest Accrued on Fixed Deposits	1674996
Interest accrued but not due	396352
Prepaid Expenses	763892
Deposit	10000
Other current assets	2659671
<b>Total</b>	<b>5504911</b>
<b>19 : Revenue from Operations</b>	
Sale of products ( Finished & Traded, Gross)	451667075
Scrap Sales	28708
<b>Total</b>	<b>451695783</b>



*Ushanti*

**Colour Chem Limited**

Less: Excise duty	-
Sale of products (Net)	451695783
Other Operating Revenue	
Export incentives	8631158
<b>Revenue from Operations</b>	<b>460326941</b>
<b>20 : Other Income</b>	
Interest income	
On Bank Deposits	2628846
Others	1131942
Income Tax Refund	-
Dividend income	200666
Foreign Exchange Gain (net)	571651
Profit on sale of fixed assets(net)	-
Miscellaneous Income	354027
Premium on Forward Contract	226983
Sundry balances written back(net)	45214
<b>Total</b>	<b>5159329</b>
<b>21 : Cost of Materials Consumed</b>	
Opening stock of raw materials	8830997
Add: Purchases of Dyes Intermediates	246976764
	255807761
Less: Closing stock of raw materials	13962045
<b>Total Consumption of Dyes Intermediates</b>	<b>241845716</b>
<b>22 : Purchase of Stock-in-Trade</b>	
<b>Purchase of :</b>	
Direct Dyes	8043795
Reactive Dyes	7489315
Alpha Dyes	2708100
<b>Total</b>	<b>18241210</b>
<b>23 : Changes in Inventories</b>	
Inventories at the end of the year	
Finished Goods	32035880
Work in Progress	-
Less:-	
Inventories at the beginning of the year	
Finished Goods	22100015
Work In Progress	432000
	<b>(9503865)</b>
<b>24 : Employees Benefits Expenses</b>	
Salaries, Wages, Bonus and Contribution to PF and ESI	35975108
Gratuity Fund Contribution	213593
Staff Welfare Expenses	131889
<b>Total</b>	<b>36320590</b>
<b>25 : Finance Cost</b>	
Interest Expenses	
On Loan from Bank and Financial Institutions (Note no. 25.1 and 25.2)	3471849
On Others	3319481
Bank Charges and Commission	1319397
Interest to MSME's	174865
<b>Total</b>	<b>8285592</b>

**Note:**

25.1. The Company has availed interest subvention of Rs. 1840342/- during the period (P.Y : Rs. 1715220/-) from bank on working capital facility which has been reduced from interest expenses.



25.2. The Company has availed interest subvention of Rs. 485354/- during the period (P.Y : Rs. 620287) from SIDBI under capital expansion scheme which has been reduced from interest expenses.

<b>26 : Other Expenses</b>	
Packing Material Consumed	1292212
Power, Fuel and Water	62106815
Laboratory Expenses	614676
Building Repairs	517611
Plant and Equipments Repairs	7904529
Pollution Control Expenses	21927939
Labour and processing charges	7991504
Sales Promotion and Advertisement	1648577
Commission Expenses	2457778
Other Sales and Distribution Expenses	5539610
Insurance	2817905
Rates & Taxes	197941
Rent	870000
Office Maintenance	263657
Travelling and Conveyance	661089
Payment to Auditors	240000
Legal and Professional Fees	1815472
Vehicle Running and Maintenance	345295
Telephone and Communication	281605
Stationary, Printing and Other Office Expenses	881491
Donation	251000
Sundry Balances Written Off	(1)
Miscellaneous Expenses	1528344
<b>Total</b>	<b>122155048</b>
<b>26.1 : Payment to Auditors</b>	<b>31-03-2020</b>
<b>As Auditor:</b>	
Audit fees	150000
<b>In other capacity:</b>	
Taxation matters	70000
Other Services	20000
Reimbursement of expenses	-
<b>Total</b>	<b>240000</b>

27. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

28. The deferred tax liability comprises of the following:

(Amount in Rs.)

	<b>2019-20</b>
Opening Balance of Deferred Tax Liability	240000
Current Period/(Year) DTA/DTL on account of timing difference due to depreciation	(646000)
<b>Closing Balance of Deferred Tax Liability/(Asset)</b>	<b>(406000)</b>

29. Earnings Per Shares (EPS)

(Amount in Rs.)

		<b>2019-20</b>
(i)	Net Profit (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	23743242
(ii)	Weighted Average number of equity shares used as denominator for calculating EPS	7301700
(iii)	Basic and Diluted Earnings per Shares (Rs.)	3.25
(iv)	Face Value per equity share (Rs.)	10



30. Related Party Disclosures:

As per Accounting Standard 18, the disclosure of transactions with the related parties as defined in accounting Standard are given below:

- (i) List of related parties where control exist and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Party	Relationship
1	Minku S. Gandhi.	Key Managerial Personnel (KMP)
2	Maunal S. Gandhi	
3	Shantibhai B. Gandhi	
4	Archita Jitendra Shah	
5	Pradip B Parikh	
6	Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel
7	Smt. Mona M. Gandhi	
8	Deepak G. Gandhi	
9	Arjun M. Gandhi	
10	Aadit M. Gandhi	Enterprise in which KMP/Relative of KMP are interested as director/member/partner
11	Shantibhai B. Gandhi H.U.F.	
12	Minku S. Gandhi H.U.F.	
13	Maunal S. Gandhi H.U.F.	
14	Ushanti Corporation	
15	HUF Industries	

- (ii) Transactions during the year ended 31-03-20 with related parties

(Amount in Rs.)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	81784285	60000	285434	82129719
2	Loans repaid to	61769168	2516810	1890711	66176689
3	Remuneration/Salary	18149282	2688000	-	20837282
4	Interest Expenses	1956045	1255580	78489	3290114
5	Rent Expenses	-	-	870000	870000
<b>Outstanding Balances</b>					
1	Loans payable	29438526	13542364	-	42980890
2	Other Liabilities	1496048	198244	783000	2477292

31. The Company has received intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006, and hence, disclosures, if any, relating to amount unpaid as at the period end together with interest paid/payable as required under the act has been given.

32. Value of imports and value of raw materials consumed  
(a) CIF value of import

(Amount in Rs.)

	2019-20
Raw Material	7337358
Capital goods	Nil

- (b) Consumption of raw materials

	2019-20	
	Amount (Rs.)	% of consumption
Raw materials		
Imported	7906000	3.27%



Indigenous	233939716	96.73%
------------	-----------	--------

33. Expenditure in foreign Currency

(Amount in Rs.)

		2019-20
(a)	Travelling	249208
(b)	Sales Promotion	356328
(c)	Foreign bank charges	178494
(d)	Commission	2381778
(e)	Others	-

34. Earning in foreign currency

(Amount in Rs.)

		2019-20
(a)	FOB value of exports	20,93,00,057.31

35. Disclosure requirement as required by the AS-15 (Revised 2005), Employee Benefits are not given in view of non-availability of the required information with the company.

**For, DJNV & Co.**  
**Chartered Accountants**  
Firm Reg. No. : 115145W

**For and on behalf of the Board of directors**  
**Ushanti Colour Chem Limited**

(CA Nirav R Choksi)  
Partner  
Membership No. 112249  
UDIN: 20112249AAAADP5997  
**Place:** Ahmedabad  
**Date:** 29-06-2020

(Maunal S. Gandhi) (Minku S. Gandhi) (Pradip Parikh) (Archita Shah)  
Joint MD Joint MD CFO CS  
00118559 00118617 AIZPP5478J A54472  
**Place:** Ahmedabad  
**Date:** 29-06-2020



**Route Map of the venue for 27th Annual General Meeting of M/s. Ushanti Colour Chem Limited**

**Date & Time:** Thursday, 20th August, 2020 at 05:30 p.m.

**Venue:** 88/8, GIDC Phase I, Vatva, Ahmedabad-382445, Gujarat, India





**27th Annual General Meeting of M/s. Ushanti Colour Chem Limited**

**Attendance Slip**

Registered Folio No. / DP ID No./ Client ID No.	
Name and address of the Member(s)	
Name of the Proxy (To be filled only when a proxy attends the meeting)	
Number of Shares held	

I certify that I am a member / proxy for the member of the Company

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company held on Thursday, the 20th day of August, 2020 at 05.30 p.m. at 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India.

\_\_\_\_\_  
Name of the member/ proxy

\_\_\_\_\_  
Signature of member/proxy

**Notes:**

1. Members/Proxy attending the meeting must complete this attendance slip and hand it over at entrance.
2. Members are requested to bring their copies of the Annual Report to the Meeting.



**Form No. MGT-11**

**Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L24231GJ1993PLC019444

**Name of the Company:** Ushanti Colour Chem Limited

**Registered office:** 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of \_\_\_\_\_, holding \_\_\_\_\_ shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: \_\_\_\_\_, or failing him

2. Name:

Address:

E-mail Id:

Signature: \_\_\_\_\_, or failing him

3. Name:

Address:

E-mail Id:

Signature: \_\_\_\_\_,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of members of the Company, to be held on Thursday at the 20th day of August, 2020 at 05.30 p.m. registered office of the Company at 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Optional	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt:  a) the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2020 and Reports of Board of Directors and Report of Auditors thereon.  b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2020 and Report of Auditors thereon.		
2	To confirm the payment of interim dividend made during the financial year 2019-20.		
3	To appoint a Director in place of Mr. Minku Shantilal Gandhi (DIN 00118617), who retires by Rotation at this Annual General		





	Meeting, and being eligible, offers himself for re-appointment.		
4	To take note of name change of Statutory Auditor Firm from M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) to M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) due to its merger into M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W).		
5	To authorize the Board of Directors to sell, lease or otherwise dispose of, to mortgage/create charges on the properties of the Company.		
6	To authorize the Board of Directors to borrow money over and above the paid up capital, free reserves and securities premium of the Company.		
7	Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.		
8	To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.		
9	Approval of terms and conditions for payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company.		
10	Approval of terms and conditions for payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the Company.		

Signed this ..... day of ..... 2020

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Rs. 1  
Revenue  
Stamp

**Note:**

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 27th Annual General Meeting.

3. It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details of member(s) in above box before submission.