



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

## 30TH ANNUAL REPORT 2022-23

...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

Name of Company	Ushanti Colour Chem Limited
CIN	L24231GJ1993PLC019444
Financial Year	2022-23
Registered Office	88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India.
Phone No.	079-25833315, 079-25894903
Fax No.	Not Available
Email ID	admin@ushanti.com, csucl@ushanti.com
Website	www.ushanti.com

### Board of Directors

Sr. No.	Name of Director	DIN	Designation
1.	Minku Shantilal Gandhi	00118617	Joint Managing Director
2.	Maunal Shantilal Gandhi	00118559	Joint Managing Director
3.	Purvi Tapan Trivedi	08064080	Independent Director
4.	Hanisha Jinish Patel	07190911	Independent Director
5.	Arjun Maunal Gandhi	09254434	Non-Executive Non-Independent Director (up to 31.08.2023)
6.	Tejas Pravinkumar Shah	09715481	Independent Director (w.e.f. 29.08.2022)
7.	Shantilal Bhailal Gandhi	00118509	Chairman and Non-Executive Non Independent Director (w.e.f. 29.08.2023)

### Board Committees

#### Audit Committee

Name of Directors	Designation in Committee	Nature of Directorship
Hanisha Jinish Patel	Chairman	Independent Director
Purvi Tapan Trivedi	Member	Independent Director
Tejas Pravinkumar Shah	Member	Independent Director (w.e.f. 29.08.2022)
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
Purvi Tapan Trivedi	Member	Independent Director
Arjun Maunal Gandhi	Member	Non-Executive Non-Independent Director (up to 31.08.2023)
Tejas Pravinkumar Shah	Member	Independent Director (w.e.f. 29.08.2022)

#### Stakeholders Relationship Committee

Name of Directors	Designation in Committee	Nature of Directorship
Purvi Tapan Trivedi	Chairman	Independent Director
Hanisha Jinish Patel	Member	Independent Director
Tejas Pravinkumar Shah	Member	Independent Director (w.e.f. 29.08.2022)
Arjun Maunal Gandhi	Member	Non-Executive Non-Independent Director (up to 31.08.2023)

Company Secretary & Compliance Officer	Heli Akash Garala (Up to 21.09.2022)
	Anjali Mukesh Samani (W.e.f. 22.09.2022)
	Email ID: <a href="mailto:csucl@ushanti.com">csucl@ushanti.com</a>

Chief Financial Officer	Pradip Bhadrilal Parikh
	Email ID: <a href="mailto:cfo@ushanti.com">cfo@ushanti.com</a>



<b>Internal Auditor</b>	Mital Dipeshbhai Shah
	Email ID: accounts@ushanti.com





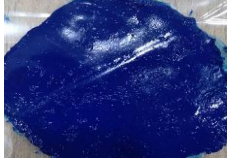

<b>Statutory Auditors</b>	M/s. DJNV & Co Chartered Accountants (Firm Registration No. 115145W)
	Address: 2nd Floor, H.N. House, Opp. Muktajivan Colour Lab, Stadium Circle, Navrangpura, Ahmedabad-380009, Gujarat, India
	Email ID: info@djnv.in

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

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

<b>Registrar &amp; Transfer Agent</b>	M/s. Bigshare Services Private Limited (CIN: U99999MH1994PTC076534)
	Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai — 400093
	Email ID: info@bigshareonline.com

Company offer products include:

Sr. No.	Product Name	Product
1.	Turquoise Blue Dyes/ Direct Blue/ Reactive Blue	
2.	Copper Phthalocyanine Blue/ CPC Blue Crude	
3.	Alpha Blue/ Pigment Alpha/ Beta Blue	
4.	Pigment Green	
5.	Additive Blue	
6.	Mono Sulpho CPC	



## **Letter from the Chairman**

**Dear Stakeholders of Ushanti,**

I, Shantilal Bhailal Gandhi on behalf of Board of Directors of the Company, extend a warm welcome to all of you to this 30th Annual General Meeting of the Company. It brings me immense pleasure to put forth the 30th Annual Report of your Company, Ushanti Colour Chem Limited for the Financial Year 2022-2023. I would like to thank all our shareholders who have reposed their trust in the Company.

The year 2022-23 witnessed intense geo-political and economic volatility. The ongoing Russia-Ukraine conflict and geo-political tensions have disrupted the smooth functioning of global supply chains. There has been a surge in inflation, especially in the developed markets.

The global economic outlook for 2023 appears to have downside risk and the global GDP is expected to grow at 2.9%. The outlook for the Indian economy remains positive. The estimated GDP growth in India expected to be 6.1% in 2023-24 and will remain one of the fastest growing economies.

Coming to the performance of the company, financial year 2022-2023 was another positive year for Ushanti Colour Chem Limited. We encouraged our people to grow, performed strongly and delivered on our growth strategy. We are so grateful to all of our shareholders for amazing support and partnership; we've come a long way since the company was founded nearly 30 years ago.

Your Company expresses gratitude towards all the financial lenders through which growth of the Company is possible. As you all know that with the help of only one source of capital it is next to impossible to survive in the market. With their financial assistance company run its business very smoothly.

Your Company is extremely grateful to have a great team on the Board and executives, their guidance, support and wise counsel which helped us to steer the Company safely during challenging times.

Management on the Board is very glad to have such an excellent team of employees in the Company who give their best efforts to accomplish the goal of the Company and help us to reach it to the next phase. Without them imagination of success of the company is not possible. Company cheers all its success with its employees too.

At the end of my speech my wholehearted thanks are due to all the Shareholders of the Company for their sustained support to the Company.

Also thanks to all Customers, Suppliers and Service Providers for their wholehearted support and cooperation.

Thanks again my wonderful team of Ushanti for being with us.

Keep believes on us.

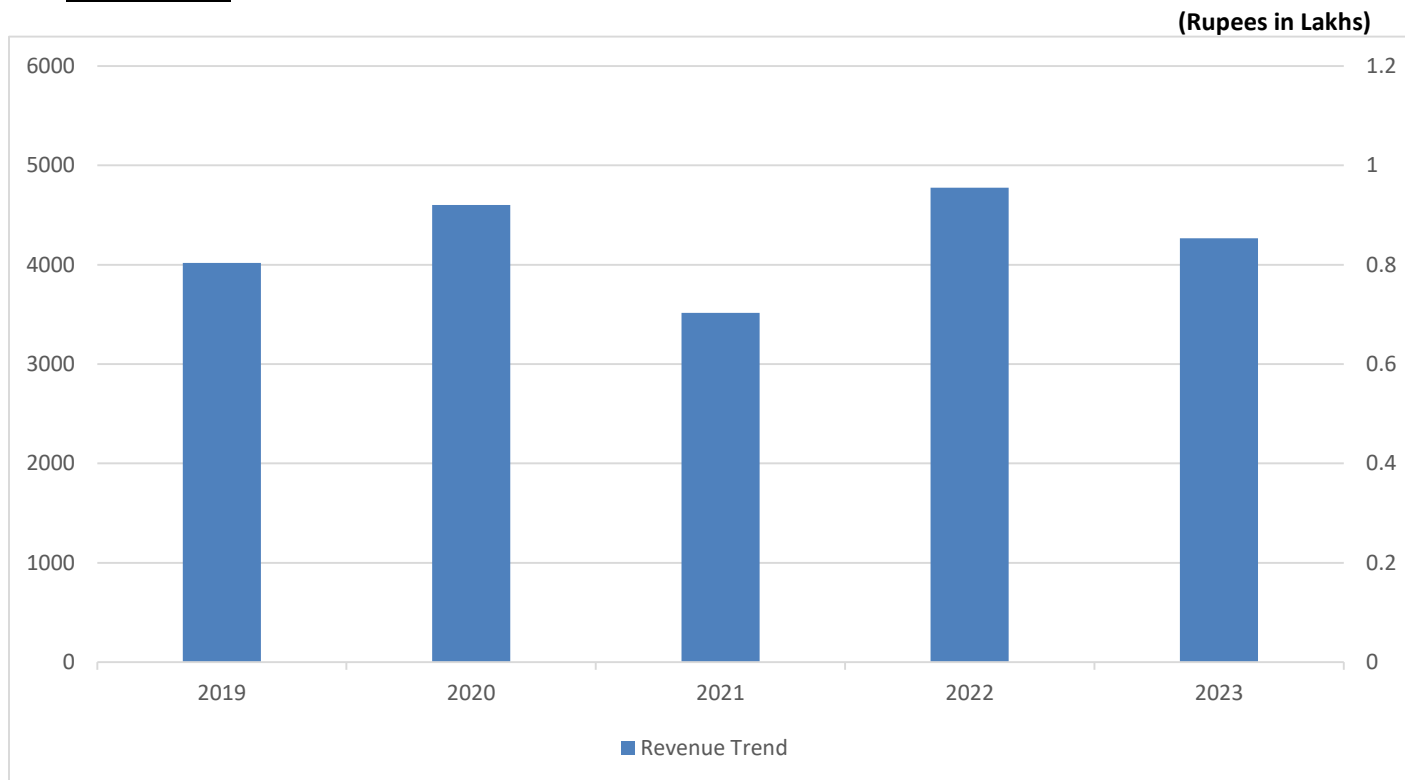
Warm regards

Shantilal Bhailal Gandhi  
**Chairman and Non-Executive Director**  
**(DIN: 00118509)**

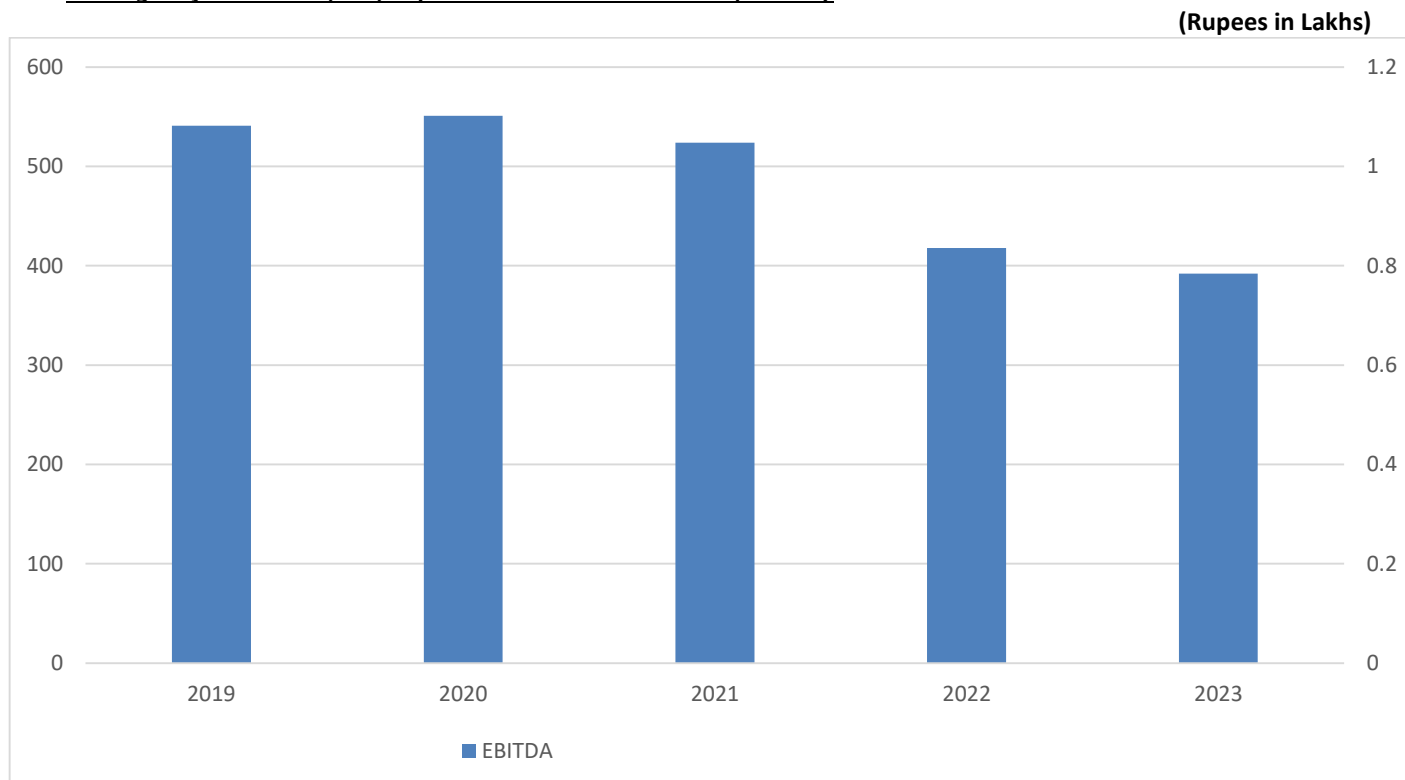


**Ushanti Colour Chem Limited ("UCL")**  
**Performance Highlights**

● **Revenue Trend**

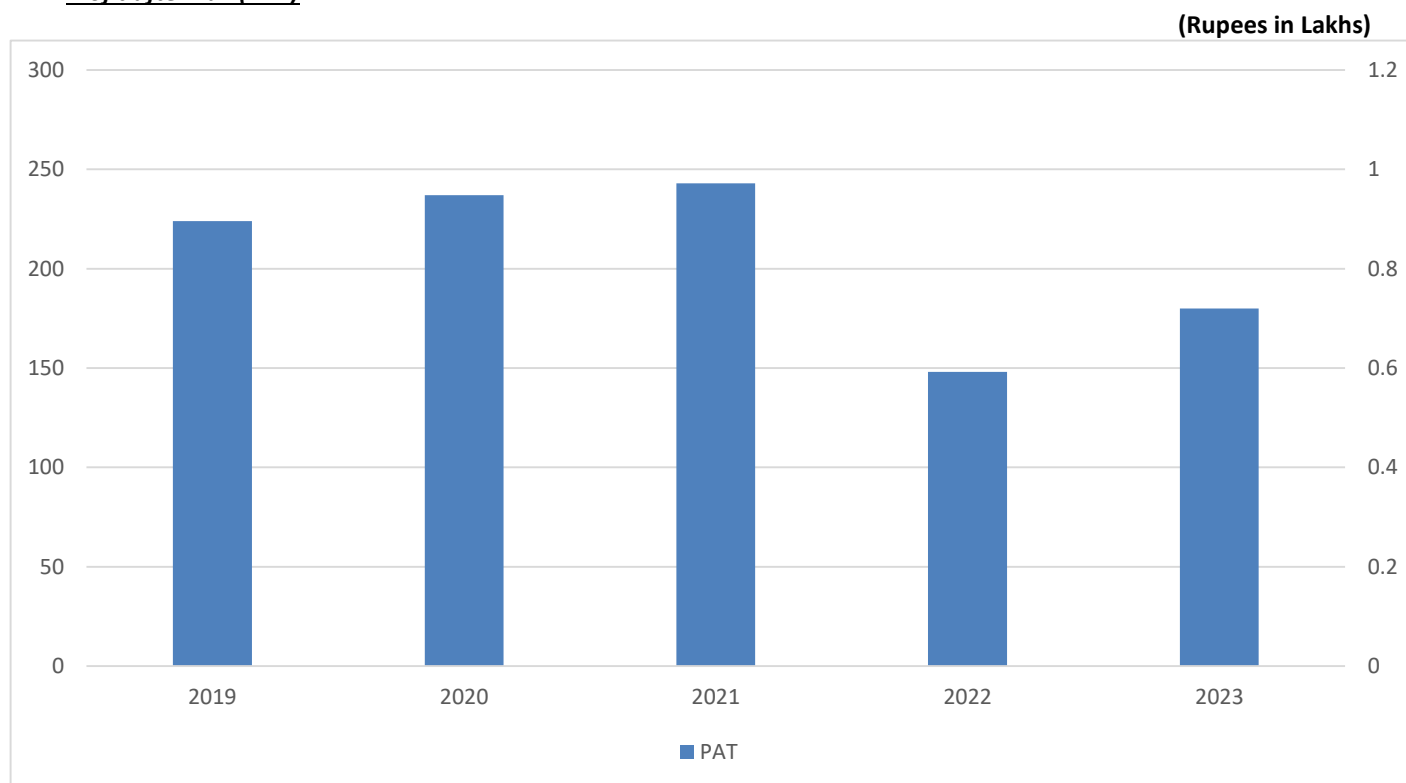


● **Earnings before interest, tax, depreciation and amortization (EBITDA)**





● **Profit after Tax (PAT)**



With the best wishes to all,

Shantilal Bhailal Gandhi  
**Chairman and Non-Executive Director**  
(DIN: 00118509)





**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 Thirtieth Annual General Meeting**

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of M/s. Ushanti Colour Chem Limited (CIN: L24231GJ1993PLC019444) will be held on Wednesday, **27<sup>th</sup> day of September, 2023 at 02:00 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:-

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**Ordinary Business:**

1. To receive, consider and adopt:

a) The Audited Standalone Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2023 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, 2023 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 31<sup>st</sup> March, 2023 and Report of Auditors thereon.

**"RESOLVED THAT** audited Consolidated financial statements of the company for the financial year ended March 31, 2023 and the reports of auditors' thereon laid before this meeting, be and are hereby considered and adopted."

2. 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."

**Special Business:**

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

To 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, 2024, 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."



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

To 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, 2024, 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.”

5. Appointment of Mr. Shantilal Bhailal Gandhi (DIN: 00118509) as a Chairman and Non-Executive Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and all other applicable provisions contained under the Companies Act, 2013 (“Act”), and in terms of Regulation 17(1A) and any other applicable provisions of the SEBI Regulations of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shantilal Bhailal Gandhi (DIN: 00118509), who was appointed as an Additional Director by the Board of Directors under section 161(1) of the said Act and in accordance with the Articles of Association of the Company, effective August 29, 2023 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, proposing his candidature to the office of Director of the Company, and who has attained the age of Ninety-five years in this year and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed as Chairman and Non-Executive Director of the Company, whose period of office shall be liable to retire by rotation.”

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Register of Companies or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

6. Approval of the material Related party transactions with UC Colours and Intermediates Private Limited, a Subsidiary of the Company

To Consider and if thought fit, to pass with or without modification, the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date, (“Listing Regulations”), Section 188 and other the applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder, as amended and issued from time to time, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions (“RPTs”) and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include the Audit Committee of the Company, to exercise its powers conferred by this resolution), to enter into and/or to carry out and/or continue to enter into and/or carry out the Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) with UC Colours and Intermediates Private Limited (“UCCIPL”), a Subsidiary of the Company and a “Related Party” under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit for an amount not exceeding the limit as mentioned in the explanatory statement for a period of



three years commencing from financial year 2023-24 to financial year 2025-26 provided however that such transactions shall be carried out in ordinary course of business and on arm's length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or any other person so authorized by the Board, in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

7. To create, offer, issue and allot upto 400,000 (four lakh) fully paid up equity shares of face value of INR 10/- (Rupees ten only) each at an issue price of INR 70/- (Rupees seventy only) each including a premium of INR 60/- (Rupees sixty only) each ("equity Shares") aggregating upto INR 2.80 CRORES (Rupees Two Crores Eighty Lakhs Only) to the Non-Promoters/Public Investors on a private and preferential basis pursuant to provisions of Section 23(1)(B), 42, 62(1) (C) and other applicable provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SEBI (LODR) Regulations, 2015 and other applicable laws.

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

**"RESOLVED THAT** in accordance with the provisions of Section 23(1)(b), 42, 62 (1)(c) and any other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendments or statutory modification(s) thereto and/or enactment(s) or re-enactment thereof for the time being in force) (the "Act"), the enabling provisions of the Memorandum and Articles of Association of the Company, the provisions of the Listing Agreement with the National Stock Exchange of India Limited ("NSE"), the Stock Exchange where the existing equity shares of the Company are listed on its NSE Emerge Platform ("Stock Exchange"), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, ("ICDR Regulations"); the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended ("SEBI Takeover Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("Listing Regulations") (including any amendments or statutory modification(s) thereto and/or enactment(s) or re-enactment thereof for the time being in force) together with any other rules / regulations / guidelines, if any, as may be prescribed by the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), Government of India ("GOI"), Ministry of Corporate Affairs ("MCA"), Foreign Exchange Management Act, 1999 ("FEMA"), and/or any other appropriate or regulatory authority along with the rules and regulations framed thereunder, and also subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bankers as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), as may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent and approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot on a private and preferential basis, at an appropriate time, in one or more tranches upto 400,000 (Four Lakh) fully paid up Equity Shares ("Equity Shares") of face value of INR 10/- (Rupees Ten Only) each at a price of INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share or such other higher price as may be determined in accordance with the provisions of the applicable Act, Rules, Regulations and Directions, Articles of Association of the Company together with the applicable provisions of Chapter V of SEBI (ICDR) Regulations, to the proposed Allottees as mentioned herein below on a cash subscription basis, aggregating upto INR 2.80 Crores (Rupees Two Crores Eighty Lakhs only) in such manner as may be permissible in accordance with provisions of the SEBI Regulations and Act on such terms and conditions as the Board may, in its absolute discretion think fit and appropriate without requiring any further approval and consent from the members in accordance with the SEBI ICDR Regulations and other applicable laws.



S. No	Name of the proposed Allottee(s)	Category	Maximum Number of fully paid-up Equity Shares to be Issued (Upto)
1.	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000
2.	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000
<b>Total</b>			<b>400,000</b>

**"RESOLVED FURTHER THAT** the offer, issue and allotment of the Equity Shares of the Company shall be made at such time(s) or manner as the Board may in its absolute discretion think fit and appropriate."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the offer, issue and allotment of the aforesaid Equity Shares to the Proposed Allottees shall be on the following terms and conditions or such other terms and conditions as may be framed, decided, modified, altered, varied by the Board in its absolute discretion think fit and appropriate: -

- (a) In terms of the provisions of Chapter V of the SEBI ICDR Regulations, the Relevant Date for the purpose of calculation of the floor price for the Preferential Allotment of the Equity Shares be and is hereby fixed as Monday, 28<sup>th</sup> August 2023, being the date 30 (thirty) days prior to the date of this Annual General Meeting i.e., 27<sup>th</sup> September 2023.
- (b) The Equity Shares shall be allotted in a manner that is in compliance with the minimum public shareholding and other applicable norms as prescribed for the Company under the Listing Regulations and the Securities Contracts (Regulation) Rules, 1957.
- (c) The Equity Shares shall be issued and allotted by the Company only in dematerialized form to the proposed allottees within a period of fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the Equity Shares are pending on account of pendency of any approval for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals, if any.
- (d) The Equity Shares proposed to be issued and allotted by the Company shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend, with the then existing Equity Shares of the Company.
- (e) The Equity Shares to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of bonus issue or capitalization of its profits or reserves, upon demerger / realignment, rights issue or undertakes split/ consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under the SEBI ICDR Regulations and all other applicable regulations from time to time.
- (f) The Equity Shares shall be issued and allotted by the Company only in dematerialized form.
- (g) An amount equivalent to 100% of the total consideration for the Equity Shares will be payable at the time of subscription to the Equity Shares, as prescribed under Regulation 169 of the SEBI (ICDR) Regulations.
- (h) The Equity Shares proposed to be issued and allotted under this resolution shall not be sold, transferred, hypothecated, or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- (i) The consideration price of the Equity Shares, if paid in cash, shall be received from Allottee's bank account only and not from any other person.



- (j) The monies received by the Company from the Allottees for application of the Equity Shares pursuant to this preferential issue shall be kept by the Company in a separate bank account.
- (k) The Equity Shares allotted shall be subject to a lock-in for such period as may be specified under applicable provisions of the ICDR Regulations or the Act.
- (l) The entire pre-preferential allotment shareholding of the proposed Allottees, if any, in the Company shall also be subject to lock-in for such period as may be specified under applicable provisions of the ICDR Regulations or the Act.
- (m) The Equity Shares proposed to be allotted to the Allottees under this resolution shall be listed on the National Stock Exchange of India Limited ("NSE") where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals and shall inter alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority. Further, the Board be and is hereby authorised to make the necessary applications and to take all such steps as may be deemed necessary and appropriate for the listing of the Equity Shares proposed to be allotted to the Allottees, for the admission of such Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of such Equity Shares allotted to the Allottees demat account.
- (n) If any of the Allottee fails to apply within the stipulated time to the full extent of their eligibility or is found not eligible for the Preferential Allotment, the Company shall allot the shares to the Allottee up to the extent of their applications received."

**RESOLVED FURTHER THAT** subject to the receipt of such approvals as may be required under applicable laws and pursuant to the provisions of the Act, the consent of the Members of the Company be and is hereby accorded to record the name and details of the Proposed Allottee in Form PAS-5, issuance of a private placement and preferential basis offer letter and application form in respect of the Equity Shares to be subscribed by the Allottees, in such form and manner as prescribed under the applicable provisions of the Act and the Rules and Regulations thereunder;

**RESOLVED FURTHER THAT** the Common Seal of the Company, if any, to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in accordance with the provisions of Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint such professionals and/or intermediaries, including to appoint external advisers, experts, legal advisers, managers, etc., to assist the Company, if required for the said Preferential Allotment and finalize the terms and conditions of their appointment and sign and execute necessary letters, deeds, documents, and agreements as may be required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept the terms, conditions, modifications, and stipulations as the GOI, RBI, SEBI or Stock Exchange or any other regulatory authority may stipulate while granting approval to the Company for issue of the Equity Shares as aforesaid.

**RESOLVED FURTHER THAT** necessary corporate actions be taken or authorized to be taken in respect of such Equity Shares being allotted with National Securities Depositories Ltd. (NSDL) and / or Central Securities Depositories Ltd. (CDSL) under the signature of any of the Directors and / or Company Secretary and / or Chief Financial Officer, as may be necessary or required, for and on behalf of the Company in accordance with such other guidelines, rules and regulations as may be applicable with regard to such corporate actions.

**RESOLVED FURTHER THAT** the Board is hereby authorised to take necessary steps for listing of the Equity Shares being allotted under this resolution on Stock Exchange, where the Company's shares are listed in accordance with such other guidelines, rules and regulations as may be applicable with regards to such listing.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to give effect to the above resolutions and to do all such acts, deeds and things necessary or incidental that it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, finalizing the terms of agreement(s) and other related document(s), if any, in this regard to the offer, issue and allot equity shares, to resolve and settle any questions, difficulties or doubts that may arise in regard, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.



**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to the aforesaid resolution including delegating all or any of its power to the sub-committee or any committee of the Board or to any one or more Director(s)/Company Secretary/ Chief Financial Officer/any Officer(s) of the Company and also the transactions contemplated thereby (including without limitation, issue and allotment of the Equity Shares including without limitation, to issue any clarifications and resolve any doubts or questions that may arise, execute all such agreements, documents, deeds, writings and instruments as the Board may in its absolute discretion deem necessary or desirable to give effect to the aforesaid resolution and to bind the Company and the Shareholders in relation to the same, effect any modification to the foregoing (including any modification to the terms of the issue) and to sign and file applications with the appropriate authorities for obtaining requisite approvals and liaise with such authorities to obtain the requisite approvals for undertaking such transactions.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate the power to its Sub Committee or any one or more Director(s)/Company Secretary/ Chief Financial Officer/any Officer(s) of the Company to do all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the above and for matters connected therewith or incidental thereto including but not limited to engage / appoint depositories, registrars, bankers, and such other consultants and advisors to the issue and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required, and as permitted by law and to delegate all or any of its powers herein conferred to any Director(s) and/ or Company Secretary and/or Chief Financial Officer and/ or any Officer(s) and / or any person associated with the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified, and confirmed in all respects.”

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

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

**Date:** 29/08/2023  
**Place:** Ahmedabad

Anjali Mukesh Samani  
**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 2.00 p.m. on Monday, 26th September, 2023. 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. Mr. Bunty Hudda (ACS No. 31507, COP No. 11560), Proprietor of M/S Bunty Hudda & Associates, Practicing Company Secretaries, Ahmedabad has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting in a fair and transparent manner.

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, Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai — 400093, 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 30th Annual General Meeting  
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	<b>Mr. Minku Shantilal Gandhi</b>	<b>Mr. Shantilal Bhailal Gandhi</b>
DIN	00118617	00118509
Date of Birth and age	February 21, 1970 and 53 years	July 08, 1928 and 95 years
Qualification	Bachelor of Commerce from Gujarat University	Bachelor of Science
Expertise in specific Professional area	Having more than 20 years of experience in Chemical industry, mainly involved in production and purchase department.	Having more than 60 years of experience in chemical industry and having expertise in marketing and technical 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.	Appointed as Chairman and Additional Non-Executive Non Independent Director on August 29, 2023. 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	01
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, 2023	1373427	1712247
Relationship between Directors inter se	He is Brother of Mr. Maunal Shantilal Gandhi, Joint Managing Director of the Company.	He is Father of Mr. Minku Shantilal Gandhi and Mr. Maunal Shantilal Gandhi, Joint Managing Directors 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, August 25, 2023.

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) and same will be re-opened from Thursday, September 28, 2023 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 2022-23 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

The attention of the members of the Company is invited that pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015 as amended from time to time, the exemption with respect to voting by electronic means is available to the Company which are referred to in Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 and therefore your company has opted to hold this meeting of the members physically 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: 29/08/2023**  
**Place: Ahmedabad**

Anjali Mukesh Samani  
**Company Secretary**



**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item no. 4**

Mr. Minku Shantilal Gandhi (DIN: 00118617) appointed as the Joint Managing Director at the Extra Ordinary General Meeting of the Company held on February 15, 2018 for a term of Five years w.e.f. February 19, 2018 and thereafter reappointed at the 29<sup>th</sup> Annual General Meeting of the Company held on September 30, 2022 for further period of five years effective from February 15, 2023 till February 14, 2028. His remuneration was fixed at the 27<sup>th</sup> Annual General Meeting of the company held on Thursday, August 20, 2020 w.e.f. February 15, 2021 to February 14, 2024 as per Schedule V of the Companies Act, 2013. Board of Directors of the company has at its meeting held on August 29, 2023 based on the recommendation of the Nomination & Remuneration committee approved the remuneration payable to Mr. Minku Shantilal Gandhi (DIN: 00118617) for a term of three years w.e.f. February 15, 2024 subject to the approval of shareholders.

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. Which is going to be mature in the year 2030. Company is paying premium on such 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.	Rs. 11,62,153
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>Upto Rs. 72,12,153/- 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 01/04/2022 to 31/03/2023 is as under:

(Amount in Lakhs)

Sr. No.	Particulars	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2020-21
1.	Total Revenue	Rs. 4267.83/-	Rs. 4775.25/-	Rs. 3515.84/-
2.	Earnings before interest, tax, depreciation and amortization	Rs. 392.00/-	Rs. 418.00/-	Rs. 524.00/-
3.	Financial Cost	Rs. 56.67/-	Rs. 70.92/-	Rs. 60.20/-
4.	Depreciation and amortization	Rs. 167.14/-	Rs. 162.44/-	Rs. 140.95/-
5.	Profit Before Tax	Rs. 173.11/-	Rs. 199.47/-	Rs. 332.78/-
6.	Current Tax	-	Rs. 52.15	Rs. 83.70 /-
7.	Deferred Tax	(Rs. 6.59)	(Rs. 0.97)	Rs.3.84/-
8.	Net Profit	Rs. 179.70/-	Rs. 147.55/-	Rs. 242.69/-

**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, 53 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/- (Rupees 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/- (Rupees Five Lakh Only) 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 2022-23, the Company made profit after tax of Rs. 179.70 lakhs.

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 1373427 Equity Shares of the Company of Rs. 10 each. There are no shares pledged as at the end of the financial year 2022-23.

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, 2024. The Board recommends this special resolution for the, approval of the Shareholders.

Except Mr. Minku Shantilal Gandhi and Mr. Maunal Shantilal Gandhi themselves and their 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. 4 except to the extent of their shareholding in the Company.

**Item No. 5**

Mr. Maunal Shantilal Gandhi (DIN: 00118559) appointed as the Joint Managing Director at the Extra Ordinary General Meeting of the Company held on February 19, 2018 for a term of Five years w.e.f. February 15, 2018 and thereafter reappointed at the 29<sup>th</sup> Annual General Meeting of the Company held on September 30, 2022 for further period of five years effective from February 15, 2023 till February 14, 2028. His remuneration was fixed at the 27<sup>th</sup> Annual General Meeting of the company held on Thursday, August 20, 2020 w.e.f. February 15, 2021 to February 14, 2024 as per Schedule V of the Companies Act, 2013. Board of Directors of the company has at its meeting held on August 29, 2023 based on the recommendation of the Nomination & Remuneration committee approved the remuneration payable to Mr. Maunal Shantilal Gandhi (DIN: 00118559) for a term of three years w.e.f. February 15, 2024 subject to the approval of shareholders.

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.	Insurance Policy: Company has taken few Keyman Insurance policies for its Key employees. Which is going to be mature in the year 2030. Company is paying premium on such 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.	Rs. 11,62,153
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. 72,12,153/- 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 01/04/2022 to 31/03/2023 is as under:

(Amount in Lakhs)				
Sr. No.	Particulars	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2020-21
1.	Total Revenue	Rs. 4267.83/-	Rs. 4775.25/-	Rs. 3515.84/-
2.	Earnings before interest, tax, depreciation and amortization	Rs. 392.00/-	Rs. 418.00/-	Rs. 524.00/-
3.	Financial Cost	Rs. 56.67/-	Rs. 70.92/-	Rs. 60.20/-
4.	Depreciation and amortization	Rs. 167.14/-	Rs. 162.44/-	Rs. 140.95/-
5.	Profit Before Tax	Rs. 173.11/-	Rs. 199.47/-	Rs. 332.78/-
6.	Current Tax	-	Rs. 52.15	Rs. 83.70 /-
7.	Deferred Tax	(Rs. 6.59)	(Rs. 0.97)	Rs.3.84/-
8.	Net Profit	Rs. 179.70/-	Rs. 147.55/-	Rs. 242.69/-

**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, 53 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/- (Rupees Five Lakhs 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. 60,00,000/- (Rupees Sixty Lakhs Only) per annum 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 2022-23, the Company made profit after tax of Rs. 179.70 lakhs.

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 1369416 Equity Shares of the Company of Rs. 10 each. There are no shares pledged as at the end of the financial year 2022-23.

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, 2024. 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

#### **Item No.5**

Mr. Shantilal Bhailal Gandhi (DIN: 00118509) is a founder of our company. He has experience of more than 60 years in the field of chemical industry. He has attained the age of 95 years this year but considering the emotional attachment he has with the company being a founder of the company, your Board of Directors on recommendation of Nomination & Remuneration Committee has appointed him as chairman & Additional Non-Executive Director of the company w.e.f. August 29, 2023. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting of the Company and is eligible for appointment as a Director. The Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director. He has also furnished a further declaration that he is not debarred or disqualified from being appointed or continuing as Director of Companies by the MCA or any such Statutory Authority and has consented to act as Directors of the Company.

Mr. Shantilal Bhailal Gandhi (DIN: 00118509) has started the business of manufacturing and marketing of dyes and pigment in the name of Ushanti Corporation and later in 1993, he started our Company for business expansion. He has been actively involved in the entire business operations of the company ever since. With an experience of more than 60 years in this industry, he has been the backbone of the Company.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 read with Rules thereunder, any proposal to appoint a Director needs to be approved by the members in their General Meeting. Pursuant to Regulation 17(1C) of the SEBI Listing Regulations, approval of shareholders for appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. In terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is required for appointment / continuation of a non-executive director beyond the age of seventy-five years.

The Company has received from Mr. Shantilal Bhailal Gandhi (DIN: 00118509) (i) consent in writing to act as Director in Form DIR-2 (ii) intimation in Form DIR-8 to the effect that he is not disqualified to act as Director under Section 164(2) of the Act and (iii) declaration that he is not debarred or restrained from acting as a Director by any SEBI order or any other such authority.

Hence, in view of the aforementioned provisions, the Company is seeking the approval of its members for appointment of Mr. Shantilal Bhailal Gandhi (DIN: 00118509), as a Chairman & Non-Executive Director on the Board of the Company, who shall be liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

A copy of the letter of appointment, setting out the terms and conditions of appointment of Mr. Shantilal Bhailal Gandhi, and all other documents referred to in the accompanying Notice and this Statement are available for inspection by the members, at the Company's registered office during business hours on all working days from the date of dispatch of this Notice till Wednesday, September 27, 2023 and also electronically. Members may send a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at [csucl@ushanti.com](mailto:csucl@ushanti.com).

Except Mr. Shantilal Bhailal Gandhi, Mr. Minku Shantilal Gandhi, Mr. Maunal Shantilal Gandhi and their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed item no.5.

Your Board of Directors recommend the Special Resolution for your consideration and approval.

#### **Item No. 6**

Approval of Related party transaction with UC Colours and Intermediates Private Limited

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "the Listing Regulations"), all Related Party Transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the Members of the Company through a resolution.

The SEBI, vide its notification dated 09 November 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions ("RPT") under the Listing Regulations.



The aforesaid amendments inter-alia included replacing the materiality threshold for RPTs as given below:

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Accordingly, the threshold for determination of material RPTs under Regulation 23(1) of the Listing Regulations has been reduced with effect from April 01, 2022.

Given the nature of the industry, the Company works closely with its Subsidiary Company, UC Colours and Intermediates Private Limited to achieve its business objectives and enters into various operational transactions, from time to time, in the ordinary course of business and on arm's-length basis.

Amongst the transactions that the Company executes with its related parties, the estimated value of Agreements entered into/to be entered into during FY 2024 and in each financial year(s) until FY 2026 i.e. three (03) financial years with UC Colours and Intermediates Private Limited may exceed the Materiality Threshold and hence, the Company is approaching the Members for approval of the material RPTs with UC Colours and Intermediates Private Limited for aforementioned three (03) financial years.

Name of related party	Type of Transactions	Maximum amount per annum for each F.Y. (Rs. Lakhs)		
		F.Y. 2023-24	F.Y. 2024-25	F.Y. 2025-26
UC Colours and Intermediates Private Limited	Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products	1000	1000	1000

Members may note that as per the provisions of the Listing Regulations, no related party shall vote to approve the resolutions, whether the entity is a related party to the particular transaction or not.

The relevant information pertaining to material RPTs with UC Colours and Intermediates Private Limited as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November 2021 is given below:

Sr. No.	Particulars	Details						
1	Name of the related party and its relationship with the listed Limited or its subsidiary, including nature of its concern or interest	UC Colours and Intermediates Private Limited						
2	Type, material terms and particulars of the proposed transaction, Tenure of the proposed transaction, Value of the proposed transaction	Purchase and sell goods. Tenure: Recurring transaction for a period of three financial year i.e. 2023-24 to 2025-26						
3	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	<table border="1"><thead><tr><th>2023-24</th><th>2024-25</th><th>2025-26</th></tr></thead><tbody><tr><td>22.73</td><td>22.73</td><td>22.73</td></tr></tbody></table>	2023-24	2024-25	2025-26	22.73	22.73	22.73
2023-24	2024-25	2025-26						
22.73	22.73	22.73						
4	If the transaction relates to any loans, inter-corporate deposits advances or investments made or given by the listed entity or its subsidiary	Not Applicable						
5	Justification as to why the RPT is in the interest of the listed entity;	It will be helpful in overall the growth and smooth functioning of both companies						
6	A copy of the valuation or other external party report, if any such report has been relied upon;	The transactions do not contemplate any valuation						
7	Percentage of the counter-party' annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	Not given as on voluntary basis						
8	Any other information that may be relevant.	None						

Except Mr. Minku Shantilal Gandhi, Mr. Maunal Shantilal Gandhi and their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed item no.6.



**Item No. 7**

The Board of Directors of the Company at their meeting held on Tuesday, 29<sup>th</sup> August 2023 had approved and decided to seek approval of the members of the Company by way of a Special Resolution to create, offer, issue and allot, at an appropriate time, in one or more tranches, upto 400,000 (Four Lakh) fully paid up Equity Shares ("Equity Shares") of face value of INR 10/- (Rupees Ten Only) each at a price of INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share or such other higher price as may be determined in accordance with the provisions of the applicable Act, Rules, Regulations and Directions, Articles of Association of the Company together with the applicable provisions of Chapter V of SEBI (ICDR) Regulations, to the Non-Promoters/Public Allottees on a cash subscription basis, aggregating upto INR 2.80 Crores (Rupees Two Crores Eighty Lakhs only) by way of preferential issue.

S. No	Name of the proposed Allottee(s)	Category	Maximum Number of fully paid-up Equity Shares to be Issued (Upto)
1.	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000
2.	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000
<b>Total</b>			<b>400,000</b>

Pursuant to the provisions of Section 23(1)(b), 42 and 62 (1)(c) of the Companies Act, 2013 (the "Act") and Regulation 160 of SEBI ICDR Regulations, 2018, any preferential allotment of Securities needs to be approved by the shareholders by way of a Special Resolution.

The consent of the Shareholders is being sought by way of a special resolution to enable the Board to issue and allot Equity Shares as may be permitted under applicable laws to the proposed allottees as mentioned in the resolution and the Explanatory Statement in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, SEBI ICDR Regulations, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws, including with respect to the pricing of the securities proposed to be issued.

The proposed allottees of Equity Shares have not sold or transferred any equity shares of the Company during the 90 trading days preceding the Relevant Date i.e. Monday, 28<sup>th</sup> August 2023.

The following details of the proposed preferential issue of Equity Shares are disclosed in accordance with the provisions of Companies (Share Capital and Debenture) Rules 2014 and Chapter V - "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), as amended from time to time:

**a. Particulars of the offer including the date of passing of the Board resolution, kind of Securities offered, class of persons, maximum number of Securities to be issued and the Issue Price:**

The Board of Directors at its meeting held on Tuesday, 29<sup>th</sup> August 2023, has, subject to the approval of Members and such other approvals as may be required, approved the issuance of upto 400,000 (Four Lakh) fully paid up Equity Shares ("Equity Shares") of face value of INR 10/- (Rupees Ten Only) each at a price of INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share or such other higher price as may be determined in accordance with the provisions of the applicable Act, Rules, Regulations and Directions, Articles of Association of the Company together with the applicable provisions of Chapter V of SEBI (ICDR) Regulations, to the proposed Allottees as mentioned in the resolution on a cash subscription basis, aggregating upto INR 2.80 Crores (Rupees Two Crores Eighty Lakhs only) 400,000 (Four Lakh) by way of preferential issue.

The preferential issue of Equity Shares is proposed to be made to the Non-Promoter/Public group as detailed herein below. The Company has already obtained PAN of all the proposed Allottees.



S. No	Name of the proposed Allottee(s)	Category	Maximum Number of fully paid-up Equity Shares to be Issued (Upto)	Maximum Amount per Equity Share (In INR) (Upto)
1	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000	14,000,000
2	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000	14,000,000
<b>Total</b>			<b>400,000</b>	<b>28,000,000</b>

An amount equivalent to 100% of the total consideration for the Equity Shares will be payable at the time of subscription to the Equity Shares, as prescribed under Regulation 169 of the SEBI (ICDR) Regulations.

**b. The objects of the preferential issue:**

Our Company intends to utilize the proceeds raised through the Preferential Issue ("Issue Proceeds") towards funding the following objects:

- To meet the working capital requirements.
- For general corporate purposes.

(Collectively, referred to herein as the "Objects")

The objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable us to undertake (i) our existing activities; (ii) the activities for which the funds are being raised through Preferential Issue and (iii) activities for which funds are being earmarked towards general corporate purposes.

**Utilization of Issue Proceeds and proposed schedule of implementation and deployment of Issue Proceeds:**

We propose to deploy the Issue Proceeds towards the Objects in accordance with the proposed schedule of implementation and deployment of funds as set forth below:

Sr. No.	Objectives of the proposed issue	Range (In Actuals)	Utilization Time	Reason for giving the range
1.	To meet the working capital requirements.	2,10,00,000-2,30,00,000	12 to 24 months	Deployment under this head will vary depending upon the requirements of the Company. The management of the Company shall have the flexibility in utilizing sums allocated towards this purpose.
2.	For general corporate purpose.	50,00,000-70,00,000	12 to 24 months	
<b>Total</b>		<b>2,80,00,000</b>		

*\*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Till the time the proceeds are not utilized by the Company, it will be kept in the Bank Account of the Company.

Any amount in excess unutilized portion of the receipt under general corporate purpose will be utilized by the Company for meeting its requirements for repayment of Debt and Borrowings of the Company.



The above stated fund requirements are based on internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on the current circumstances of our business. The Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of the management.

**c. Relevant Date for issuance of Equity Shares:**

The “Relevant Date” in terms of the SEBI (ICDR) Regulations 2018 for determination of minimum price is Monday, 28th August 2023, which is 30 days prior to the date of passing of special resolution by the Shareholders at the ensuing Annual General Meeting i.e. Wednesday, 27th September 2023 for approving the preferential issue on private placement basis.

Pursuant to provisions of the SEBI (ICDR) Regulations 2018, issue price of each Equity Share is fixed at INR 70/- (Rupees Seventy only) per Equity Share, which price is not less than the minimum price at which the Equity Shares are permitted to be issued as per ICDR Regulations.

**d. Basis on which the price has been arrived at and justification for the price (including premium), if any:**

The Equity Shares of Company are listed on NSE Emerge Platform of National Stock Exchange of India Limited (“NSE”), a recognised stock exchange for a period of more than 90 trading days as on the relevant date i.e. Monday, 28th August 2023 and are frequently traded in accordance with SEBI (ICDR) Regulations.

The Price of the Equity Shares to be allotted to Non-Promoters/Public of the Company shall not be less than the price determined in accordance with the SEBI (ICDR) Regulations. Currently, SEBI (ICDR) Regulations, provides that the pricing for the issue of securities on preferential basis by a listed Company is to be based on the following parameters:

a) In case of “frequently traded shares (Regulation 164(1) of the SEBI (ICDR) Regulations):

In terms of the applicable provisions of SEBI (ICDR) Regulations, the price at which Equity Shares shall be allotted shall not be less than higher of the following:

- The 90 trading days volume weighted average price of the related Equity Shares quoted on the recognised stock exchange preceding the relevant date i.e. Monday, 28<sup>th</sup> August 2023; or
- The 10 trading day’s volume weighted average prices of the related Equity Shares quoted on a recognised stock exchange preceding the relevant date i.e. Monday, 28<sup>th</sup> August 2023.

Further, if the Articles of Association of the Company provides for a method of determination which results in a floor price higher than that determined under above regulations, then the same shall be considered as the floor price for Equity Shares to be allotted pursuant to the preferential issue.

*(Regulation 166 A (1) of the SEBI (ICDR) Regulations):*

Further, in case any preferential issue, which result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Further that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Since, in the proposed Preferential issue of Equity Shares, the proposed allotment is not more than 5% of the post issue fully diluted Equity Share Capital of the Company, to the Allottee and the Allottees acting in concert, the provisions of Regulation 166 A (1) of the SEBI (ICDR) Regulations shall not be applicable to the Company and accordingly the pricing of the Equity Shares to be allotted shall be the higher of the following parameters:

(a) Price determined as per provisions of the Regulation 164(1) of the SEBI ICDR Regulations *(in case of frequently traded shares):*



The minimum price as per the pricing formula prescribed under Regulation 164(1) of the SEBI ICDR Regulations 2018 for the Preferential Issue of Equity Shares is INR 65.30/- (Rupees Sixty-Five and Thirty paise only) being the higher of the following:

- (i) INR 65.30/- (Rupees Sixty-Five and Thirty paise only) as the 90 trading days volume weighted average price of the related Equity Shares quoted on the recognised stock exchange preceding the relevant date;
- (ii) INR 64.73/- (Rupees Sixty-four and Seventy-Three paise only) as the 10 trading day's volume weighted average prices of the related Equity Shares quoted on a recognised stock exchange preceding the relevant date.

OR

- (b) INR 65.30/- (Rupees Sixty-Five and Thirty paise only) being the price calculated and determined under the Valuation Report dated 28<sup>th</sup> August 2023 from Den Valuation (OPC) Private Limited, a Registered Valuer entity – Securities & Financial Assets having Registration number - IBBI/RV-E/06/2021/146 and office situated at B/801 Gopal Palace, Nr. Shiromani Complex, Nehrunagar Cross Road, Nehrunagar, Ahmedabad - 380 015 after taking into account the multiple valuation parameters.

OR

- (c) The price determined in accordance with the provisions of the Articles of Association of the Company. Since, the Articles of Association of the Company does not mention the formula or calculation of price to be determined for this purpose, this is not applicable to the Company.

Accordingly, the issue price of the Equity Shares to be allotted on preferential basis is fixed at INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share, being the price higher than the price calculated as per above points (a), (b) or (c) which is not less than the price determined in accordance with applicable provisions of SEBI (ICDR) Regulations.

**e. Amount which the Company intends to raise by way of such securities:**

The Company intends to raise up to a maximum of upto INR 2.80 Crores (Rupees Two Crores Eighty Lakhs only) by issue of upto 400,000 (Four Lakh) fully paid up Equity Shares ("Equity Shares") of face value of INR 10/- (Rupees Ten Only) each at a price of INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share or such other higher price as may be determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, to the proposed Allottees on a cash subscription in accordance with the provisions of the applicable Act, Rules, Regulations and Directions and Articles of Association of the Company.

**f. Intent of the Promoters, Directors and Key Managerial Personnel or Senior Management of the Company to subscribe to the proposed preferential offer:**

None of the Promoters & Promoter Group / Directors / Key Managerial personnel/Senior Management of the Company intends to subscribe to the Equity Shares under the Preferential Issue. The proposed allotment of Equity Shares is also to be made to the proposed allottees as mentioned in the resolution who belong to the category other than Promoters and Promoters Group.

**g. Proposed time frame within which the Preferential Allotment shall be completed:**

As required under the ICDR Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution, provided that in case the allotment of the proposed Equity Shares is pending on account receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

**h. Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control:**



Sr. No.	Identity of the Allottees	Category	The natural persons who are the ultimate beneficial owners/ ultimately controlling the proposed allottees								
1	Khodeear Enterprise LLP	Indian LLP Registered under the LLP Act, 2008  Non-Promoter	As on date of this Notice, the Capital structure of the LLP Company is as follows:  <table border="1"> <thead> <tr> <th>Name of the Partner/Designated Partner</th> <th>% of Capital contribution in the LLP</th> </tr> </thead> <tbody> <tr> <td>Dipakkumar Chimanlal Shah</td> <td>80.00%</td> </tr> <tr> <td>Ruchit Dipakbhai Shah</td> <td>20.00%</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Name of the Partner/Designated Partner	% of Capital contribution in the LLP	Dipakkumar Chimanlal Shah	80.00%	Ruchit Dipakbhai Shah	20.00%	<b>Total</b>	<b>100.00</b>
Name of the Partner/Designated Partner	% of Capital contribution in the LLP										
Dipakkumar Chimanlal Shah	80.00%										
Ruchit Dipakbhai Shah	20.00%										
<b>Total</b>	<b>100.00</b>										
2	Krishnam Enterprise LLP	Indian LLP Registered under the LLP Act, 2008  Non-Promoter	As on date of this Notice, the Capital structure of the LLP Company is as follows:  <table border="1"> <thead> <tr> <th>Name of the Partner/Designated Partner</th> <th>% of Capital contribution in the LLP</th> </tr> </thead> <tbody> <tr> <td>Dipakkumar Chimanlal Shah</td> <td>80.00%</td> </tr> <tr> <td>Ruchit Dipakbhai Shah</td> <td>20.00%</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Name of the Partner/Designated Partner	% of Capital contribution in the LLP	Dipakkumar Chimanlal Shah	80.00%	Ruchit Dipakbhai Shah	20.00%	<b>Total</b>	<b>100.00</b>
Name of the Partner/Designated Partner	% of Capital contribution in the LLP										
Dipakkumar Chimanlal Shah	80.00%										
Ruchit Dipakbhai Shah	20.00%										
<b>Total</b>	<b>100.00</b>										

**i. The Shareholding Pattern of the Company before and after the preferential issue:**

The Shareholding Pattern of the Company before and after the allotment of Equity Shares.

Sr. No.	Category	Pre - Issue Shareholding as on 25 <sup>th</sup> August 2023.		Equity Shares to be allotted	Post - Issue Shareholding	
		No. of Equity Shares	% of Holding		No. of Equity Shares	% of Holding
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
<b>I</b>	<b>Promoters Holdings</b>					
<b>a.</b>	<b>Indian</b>					
(i)	Individual/ Hindu Undivided Family	7261700	70.49	--	7261700	67.86
(ii)	Bodies Corporate	--	--	--	--	--
	<b>Sub – Total</b>	<b>7261700</b>	<b>70.49</b>	--	7261700	67.86
<b>b.</b>	<b>Foreign Promoters</b>	--	--		--	--
	<b>Sub – Total (A)</b>	<b>7261700</b>	<b>70.49</b>	--	<b>7261700</b>	<b>67.86</b>
<b>II</b>	<b>Non Promoters holding</b>					
1	Institutional Investors	--	--	--	--	--
2	Non-Institutional Investor	--	--	--	--	--
(i)	Individuals	2610000	25.34	--	2610000	24.39
(ii)	Body Corporates	196000	1.90	400000	596000	5.57
(ii)	Any Other					
	Non-Resident Individuals	4000	0.04	--	4000	0.03
	Hindu Undivided Family	230000	2.23	--	230000	2.15
	<b>Sub Total (B)</b>	<b>3040000</b>	<b>29.51</b>	<b>400000</b>	<b>3440000</b>	<b>32.14</b>
	<b>GRAND TOTAL</b>	<b>10301700</b>	<b>100.00</b>	<b>400000</b>	<b>10701700</b>	<b>100.00</b>



**Notes:**

1. The above shareholding pattern has been calculated based on the complete allotment of Equity Shares to be issued to the proposed Allottees.
2. The pre and post issue shareholding has been calculated, based on the shareholding of the Company as on 25<sup>th</sup> August 2023.
3. The post issue shareholding details mentioned hereinabove are calculated only based on allotment of Equity Shares to be issued on preferential basis to the above-mentioned allottees. However, if any number of Equity Shares are not issued or allotted, the figures will change accordingly.
4. The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management / control of the Company as a result of the proposed allotment of Equity shares.

**j. Basis on which price has been arrived at along with report of the registered valuer:**

The price of each Equity Share is fixed at INR 70/- (Rupees Seventy only) per Equity Share as determined in terms of SEBI (ICDR) Regulations on the basis of the Relevant Date i.e. Monday, 28<sup>th</sup> August 2023.

The issue price is determined in accordance with the Regulations as applicable for Preferential Issue as contained in Chapter V of the SEBI (ICDR) Regulations, 2018 as amended till date.

The Company has taken Valuation Report dated 28<sup>th</sup> August 2023 from M/s Den Valuation (OPC) Private Limited, an Independent Registered Valuer entity having its Registered office at B-801, Gopal Palace, Nr. Shiromani Complex, Nehrunagar Char Rasta, Satellite, Ahmedabad – 380015, Gujarat and Registration No: IBBI/RV-E/06/2021/146 and the copy of the same has been hosted on the website of the Company which can be accessed at [www.ushanti.com](http://www.ushanti.com) under Investors tab and will also be made available before the shareholders of the Company at the Annual General Meeting to be held on Wednesday, 27<sup>th</sup> September 2023 and also open for inspection by the members at the registered office of the Company between 11:00 AM to 5:00 P.M. between Monday to Friday of every week upto the date of Annual General Meeting.

Further, the Company undertakes to re-compute the price of the equity shares, if at all required, in terms of the provisions of these regulations where it is required to do so. If the amount payable on account of the re-computation, if required, of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

**k. The class or classes of persons to whom the allotment is proposed to be made:**

The preferential issue of Equity Shares is proposed to be made to the Non-Promoter/Public group as detailed herein below. The Company has already obtained PAN of all the proposed Allottees.

S. No	Name of the proposed Allottee(s)	Category	Maximum Number of fully paid-up Equity Shares to be Issued (Upto)	Maximum Amount per Equity Share (In INR) (Upto)
1	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000	14,000,000
2	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008. Non-Promoters	200,000	14,000,000
<b>Total</b>			<b>400,000</b>	<b>28,000,000</b>

**l. The percentage (%) of Post Preferential Issue Capital that may be held by Allottees and Change in Control, if any, consequent to the Preferential Issue:**





Sr. No.	Identity of the Allottees	Category	% of Pre-Preferential Issue Capital		% of Post-Preferential Issue Capital	
			No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
1	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008  Non-Promoters	48,000	0.47%	248,000	2.32%
2	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008  Non-Promoters	48,000	0.47%	248,000	2.32%

**m. The current and proposed status of the allottee(s) post the preferential issues namely, non-promoter:**

Sr. No.	Identity of the Allottees	Current Status (Promoter/Non-Promoter)	Proposed Status (Promoter/Non-Promoter)
1	Khodeear Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008  Non-Promoters	No change in Status
2	Krishnam Enterprise LLP	Indian LLP registered under the Limited Liability Partnership Act, 2008  Non-Promoters	

**n. Change in control, if any in the issuer consequent to the preferential issue:**

There will be no change in control of the Company upon the allotment of Equity Shares. However, voting rights exercised by the existing shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the allotment of Equity Shares.

**o. The Company hereby undertakes that:**

Since the Company's Equity Shares are listed and traded for a period more than 90 trading days, therefore, there is no need for the Company to re-compute the price of Equity Shares in terms of the provisions of the ICDR Regulations.

**p. Lock-in period:**

The Equity Shares to be allotted and entire pre-preferential allotment shareholding of the Allottee(s) will be subject to applicable lock-in and transfer restrictions stipulated under the ICDR Regulations.

**q. Principal terms of assets charged as securities:**

Not Applicable.

**r. Material terms of raising such securities:**

All material terms have been set out above.

**s. Listing:**



The Company will make an application to the stock exchange at which the existing equity shares are listed, for listing of the Equity Shares to be issued and allotted on preferential basis. Such Equity Shares will rank pari-passu with the existing Equity Shares.

**t. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

As the proposed preferential allotment is to be made for cash, the said provision will not be applicable.

**u. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

The Company had issued 30,00,000 (Thirty Lakh) Convertible Equity Warrants of face value of INR 10/- (Rupees Ten only) each at an issue price of INR 57.25/- (Rupees Fifty Seven and Twenty Five Paise only) each including premium of INR 47.25/- (Rupees Forty Seven and Twenty Five Paise only) each to total 8 (Eight) Allottees (Promoters and Non-Promoters) by way of Special Resolution passed at the Extra Ordinary General Meeting held on 05th March 2022 and upon receipt of 25% of Warrants Subscription money the said Warrants has been allotted by the Board of Directors at their meeting held on 16th March 2022.

Further, the said Warrants upon receipt of the balance 75% of Warrants Subscription money has been converted into the Equity Shares in two tranches i.e. on 23<sup>rd</sup> November 2022 and 05<sup>th</sup> January 2023.

Save and except the above issue and allotments, the Company has not made any other issue or allotment of securities on preferential basis during the financial year 2022-23 and during the period from 1 April, 2023 till the date of this notice.

**v. Practicing Company Secretary Certificate:**

The Company has obtained a certificate dated 29<sup>th</sup> August 2023 from CS Kunal Sharma, Proprietor of Kunal Sharma & Associates, Company Secretaries, Ahmedabad (Membership No: F10329 & CP No: 12987) certifying that the present proposed preferential allotment is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2018 as amended from time to time and the copy of the same has been hosted on the website of the Company which can be accessed at [www.ushanti.com](http://www.ushanti.com) under Investors tab and will be placed will be made available before the shareholders of the Company at Annual General Meeting to be held on Wednesday, 27<sup>th</sup> September 2023 and also open for inspection by the members at the registered office of the Company between 11:00 AM to 5:00 P.M. between Monday to Friday of every week upto the date of Annual General Meeting.

**w. Monitoring of Utilization of Funds:**

As the issue size is less than INR 100 Crore (Rupees One Hundred Crore Only), the Company is not required to appoint a credit rating agency as a monitoring agency in terms of regulation 162A of the SEBI (ICDR) Regulations.

**x. Pending preferential issue:**

Presently there has been no preferential issue pending or in process except as proposed in this Notice.

**y. Payment of Consideration:**

In terms of the provisions of Regulation 169(1) of the SEBI (ICDR) Regulations, 100% consideration of Equity Shares shall be paid by the Proposed Allottees at the time of allotment of such Equity Shares. Accordingly, the entire consideration for Equity Shares is required to be paid to the Company at the time of allotment of Equity Shares to the Proposed Allottees.

The consideration for the Equity Shares shall be payable in cash and has to be paid by the Proposed Allottee from their respective bank accounts and in case of joint holders, shall be received from the bank account of the person whose name appears first in the application.

**z. Other Disclosures / Undertakings:**

- ✓ It is hereby confirmed that neither the Company nor its Directors or Promoters or KMPs and to the Company's Knowledge and any of its Promoters are willful defaulter or fraudulent borrower in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and SEBI ICDR Regulations, 2018.



- ✓ None of its Directors or Promoters is a fugitive economic offender or fraudulent borrower as defined under the SEBI ICDR Regulations 2018.
- ✓ The Company is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- ✓ All the Equity shares to be allotted by way of preferential issue shall be fully paid up at the time of the allotment.
- ✓ The proposed allottee(s) confirmed that they have't not sold or transferred any equity shares during the 90 trading days preceding the Relevant Date.
- ✓ The Equity Shares to be issued and allotted by the Company shall be in dematerialized form only and subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing equity shares of the Company and be listed on stock exchange where the equity shares of the Company is listed.
- ✓ None of the person belonging to Promoter(s) or the Promoter group of the Company has previously subscribed to Warrants of the Company and also not failed to exercise the Warrants issued by the Company.
- ✓ As on date of this Notice, as per the information, documents and records available and to the best of the knowledge, the Company does not have any outstanding dues to the Securities Exchange Board of India ("Board"), National Stock Exchange of India Limited ("NSE") and the Depositories.
- ✓ All the Equity Shares held by the proposed Allottees in the Company are in dematerialized form.

The said special resolution will, if passed, enable the Board on behalf of the Company, to issue and allot Equity Shares on a preferential basis to the persons whether or not they are members of the Company as permitted by 23(1)(b), 42 and Section 62 (1)(c) of the Companies Act, 2013. The Company, in consultation with its advisors, experts and others concerned, will fix the detailed terms and conditions of the issue which will be in line with the requirements of the guidelines issued by the Securities and Exchange Board of India (SEBI) and by other concerned authorities.

The Board accordingly recommends the Special Resolution set out at Item No.7 of the accompanying Notice for your approval.

None of the Directors and Promoters of the Company and their relatives, are in any way interested in the resolution except to the extent of their shareholdings in the Company.

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

**Date: 29/08/2023**  
**Place: Ahmedabad**

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

Anjali Mukesh Samani  
**Company Secretary**



## Boards' Report

To the Members,

Your Directors are pleased to present the 30<sup>th</sup> Annual Report of the Company along with Audited Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

### Financial Results

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2023 is summarized below:

(Amount ₹ In lakhs)

Financial Highlights	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Revenue from Operations	4267.83	4775.25	4399.35	4773.04
Other Income	384.58	57.02	321.92	39.73
<b>Total Income</b>	<b>4652.41</b>	<b>4832.27</b>	<b>4721.27</b>	<b>4812.76</b>
<b>Total Expenses</b>	<b>4479.3</b>	<b>4632.79</b>	<b>4629.43</b>	<b>4645.50</b>
<b>Profit before Exceptional and Extra Ordinary items and Taxation</b>	<b>173.11</b>	<b>199.47</b>	<b>91.84</b>	<b>167.27</b>
Less: Exceptional items	0	0	0	0
<b>Profit before Extra -Ordinary items and Taxation</b>	<b>173.11</b>	<b>199.47</b>	<b>91.84</b>	<b>167.27</b>
Less: Extra -Ordinary items	0	0	0	0
<b>Profit before Taxation</b>	<b>173.11</b>	<b>199.47</b>	<b>91.84</b>	<b>167.27</b>
Less: Current Tax	0	52.15	0	52.15
Add: Deferred Tax	(6.59)	(0.97)	(6.17)	(1.02)
Less: Other Tax Exp./Adj. for Earlier year	0	0.74	0.03	0.74
<b>Profit After Tax</b>	<b>179.70</b>	<b>147.55</b>	<b>97.98</b>	<b>115.39</b>
<b>Less: Share in Profit/(Loss) of Minority Interest</b>	<b>0</b>	<b>0</b>	<b>(0.15)</b>	<b>(1.00)</b>
<b>Profit for the year</b>	<b>179.70</b>	<b>147.55</b>	<b>98.13</b>	<b>116.39</b>

### Performance / Highlights of the Company

During the year under review, Company earned from its Operation of Rs.4267.83 lakh as against Rs. 4775.25 lakh which recorded reduction of 10.63%.

Other Income during FY 2022-23 was Rs. 384.58 lakhs as against Rs.57.02 lakhs which recorded reduction of 574.47%.

The Company recorded Profit before Tax of Rs.173.11 lakhs as against Rs. 199.47 lakhs which recorded a reduction of 13.22%.

### Business Outlook

The global economy is projected to grow a weak 2.8% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 7% in 2023. Inflation's return to target is unlikely before 2025 in most cases. On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023.

India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

During the past few quarters, challenges such as high energy costs, rising freight costs, limited container availability, and surging prices of basic raw materials, impacting their quarterly earnings faced. However, the situation is improving as energy costs are coming down, providing some relief.



The Indian speciality chemicals market to continue growing at 12% annually, reaching \$120 billion by 2025 from \$70 billion in 2020.

### 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 Annual Return for Financial year 2022-23 as per provisions of the Act and Rules thereto, is available on the Company's website at [www.ushanti.com](http://www.ushanti.com).

### Board Meetings conducted during the year under review

During the Financial year 2022-23, 13 (Thirteen) Board Meetings were convened and held. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013.

Meetings were conducted on 26th May, 2022, 29<sup>th</sup> June, 2022, 04<sup>th</sup> July, 2022, 12<sup>th</sup> July, 2022, 18<sup>th</sup> July, 2022, 22<sup>nd</sup> August, 2022, 29<sup>th</sup> August, 2022, 02<sup>nd</sup> September, 2022, 22<sup>nd</sup> September, 2022, 14<sup>th</sup> November, 2022, 23<sup>rd</sup> November, 2022, 05<sup>th</sup> January, 2023 and 01<sup>st</sup> March, 2023.

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	13	11
Mr. Minku Shantilal Gandhi	Joint Managing Director	13	12
Mrs. Hanisha Jinish Patel	Independent Director	13	12
Mrs. Purvi Tapan Trivedi	Independent Director	13	11
Mr. Arjun Maunal Gandhi	Non-Executive Non-Independent Director	13	11
Mr. Tejas Pravinkumar Shah	Independent Director	6	4

### Annual General Meeting and Extra Ordinary General Meeting

The 29<sup>th</sup> Annual General Meeting (AGM) of the Company was held on **Friday, 30<sup>th</sup> day of September, 2022 at 02.00 p.m.**

During the Financial year 2022-23, Company has convened and held general meeting by means of postal ballot from March 08, 2023 to April 06, 2023 for Migration of Equity Shares of the Company from NSE Emerge to the main Board of the National Stock Exchange of India Limited and to list/trade the Equity Shares of the Company on the main board of BSE Limited.

### Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed and there are no material departures from the same,
- The Directors have 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 31<sup>st</sup> March, 2023 and of the profit of the Company for the year ended on that date,
- The Directors have 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,
- The Directors have prepared the annual accounts on a going concern basis,



e) The directors have 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 have 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 Audit Committee and 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 I**' 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 all the stakeholders for being associate with it in a tough time because without them growth of the Company is not easily possible.

**Status of the Altered IPO Object:** As per altered object of the Company, SPV of the Company, M/s. UC Colours and Intermediates Private Limited has commenced its commercial production/operation from August 02, 2023 at Plot No. C-18 situated at GIDC, Saykha Industrial Estate, Bharuch-392140, Gujarat, India.

Proceeds from the IPO has been fully utilized as per the details given below:

<b>Sr. No.</b>	<b>Object as stated In the Prospectus</b>	<b>Modified Object</b>	<b>Amount proposed to be utilized</b>	<b>Actual amount utilized for the Object stated in the Prospectus</b>	<b>Unutilized Amount</b>	<b>Amount of Deviation/Variation for the quarter according to applicable object</b>
1.	To finance setting up of Dyestuff Pigment and Intermediates manufacturing facility at GIDC Saykha Industrial Estate, Bharuch;	To finance setting up of Dyestuff, Pigment, Chemical and Intermediates manufacturing facility in Gujarat either by UCL or by Special Purpose Vehicle ("SPV")	Rs. 3,00,00,000	Rs. 3,00,00,000	-	-
2.	Repayment/pre-payment of certain secured borrowings availed by our Company	-	Rs. 5,80,00,000	Rs. 6,53,00,000	-	-



3.	General corporate purposes	-	Rs. 2,25,60,000	Rs. 1,52,60,000	-	-
4.	Issue Related Expenses	-	Rs. 50,00,000	Rs. 50,51,670	-	-

**Status of the Warrant Utilization money:**

The Company had issued 30,000,000 convertible equity warrants at the price of Rs.57.25 and received 25% upfront payment (“warrant subscription”), Rs. 4,29,37,500 during the financial year 2021-22.

During the financial year 2022-2023, On payment of the balance consideration Rs. 12,88,12,500, being 75% of the issue price per warrant from the allottees pursuant to exercise of conversion option against each such warrant, the company has allotted 19,25,000 equity shares of Rs. 10 each on November 23, 2022 and 10,75,000 equity shares of Rs. 10 each on January 05, 2023 against the conversion of said warrants exercised by the warrant holders.

There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the explanatory statement to the notice of EGM dated March 05, 2022 and entire funds have been utilized in the same manner.

**The details of utilisation of funds are given hereunder:**

Original Object as stated In the explanatory statement to the notice for the General Meeting	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/Variation for the quarter/half year according to applicable object	Remarks if any
To augment the funds for the expansion and diversification of the business of the Company.	-	For anyone or combination of one or more objects	-	Rs. 62,77,716/-	-	-
To meet the long term working capital requirements of the Company	-		-	--	-	-
To repay the debt of the Company.	-		-	Rs.14,36,03,303/-	-	-
For meeting any nature of capital expenditure to be incurred for expansion and diversification including to manufacture any new product.	-		-	Rs. 6,93,975/-	-	-
Investment in Subsidiary Company (ies).	-		-	-	-	-
For general corporate purpose	-		-	Rs.2,11,75,006/-	-	-

Pursuant to Regulation 14 of Listing Regulation, the Annual Listing fees for the year 2022-23 has been paid within due date. The bill for annual custodian fees to NSDL & CDSL has been paid by the Company for the Securities of the Company held in dematerialized mode with them for the year 2022-2023.

**Share Capital**

The paid up share capital of the company at the beginning of the financial year was Rs. 7,30,17,000 consisting of 73,01,700 equity shares of Rs. 10 each.

During the financial year, the company has allotted 19,25,000 equity shares of RS. 10 on November 23, 2023 and 10,75,000 equity shares of Rs. 10 each on January 05, 2023 towards conversion of warrants issued on preferential basis.



As a result of the above allotment the paid up capital of the company as at the end of the financial year increased to Rs. 10,30,17,000 consisting of 1,03,01,700 equity shares of Rs. 10 each.

#### **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. 37,44,91,044/- (Rupees Thirty Seven Crore Forty Four Lakh Ninety One Thousand Forty Four(Twenty Crore Seventeen Thousand Five Hundred Sixty Only) as Reserve and Surplus as on 31/03/2023.

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

Sr. No.	Particulars	Amount ₹ In lakhs
1.	Balance at the beginning of the year	2147.729
2.	Current Year's Profit	179.680
3.	Amount of Securities Premium during period/year	1417.5
4.	Interim Dividend Paid	-
5.	Addition/(deduction) of Capital Reserve	-
	<b>Total</b>	<b>3744.910</b>

#### **Dividend**

Considering the capital requirement for ongoing business expansion during the year 2022-23, the Board of Directors has not recommended any dividend on the Equity shares.

#### **Material changes and commitment if any affecting the financial position of the Company occurred between the ends 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.

#### **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 II' 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 31<sup>st</sup> March, 2023 as per Section 135(1) of the Companies Act, 2013 and rules made there-under.

#### **Directors and Key Managerial Personnel**

##### **Director retiring by rotation**

In accordance with the provision of Section 152 of the Companies Act, 2013, at this 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.

##### **Appointment of independent director**

At the meeting of the Board of Directors of the Company held on August 28, 2022, Mr. Tejas Pravinkumar Shah (DIN: 09715481) was appointed as an Additional / Independent Director of the Company. He holds the office of directorship till the conclusion of the ensuing Annual General Meeting. Being eligible, He has offered himself for appointment as a Director / Independent Director of the Company for a period of consecutive 5 years with effect from February August 29, 2022. Necessary approval of the shareholders for his appointment as an Independent Director is being sought at the ensuing Annual General Meeting of the Company. In this view, Shareholder approved the appointment of Mr. Tejas Pravinkumar Shah (DIN: 09715481) as an independent director in the 29th AGM held on September 30, 2022.

##### **Re-appointment of managing directors**

Mr. Maunal Shantilal Gandhi (DIN: 00118559) and Mr. Minku Shantilal Gandhi (DIN: 00118617) were appointed as Joint Managing Director of the company vide approval of shareholders granted at their held on 29th Annual General Meeting held on September 30, 2022 for the further period of 5 (Five) years w.e.f February 16, 2023.

##### **Re-appointment of Independent Directors**

At the Meeting of the Board of Directors of the Company held on August 29, 2022, based on the recommendation of the Nomination & Remuneration Committee, reappointed Mrs. Hanisha Jinish Patel (DIN: 07190911) and Mrs. Purvi Tapan Trivedi (DIN: 08064080) as an Independent Directors of the Company for the further period of 5 (Five) years w.e.f January 31, 2023 to January 30, 2028 subject to the approval of the Members. In 29th AGM held on September 30, 2022 shareholders approved the reappointments of Mrs. Hanisha Jinish Patel (DIN: 07190911) and Mrs. Purvi Tapan Trivedi (DIN: 08064080) as an independent Directors of the Company.

##### **Key Managerial Personnel**

Mrs. Heli Akash Garala, Company Secretary of the Company has given her resignation from the post of Company Secretary and Compliance Officer of the company w.e.f. close of business hours of 21st September, 2022 and Ms. Anjali Mukesh Samani has been appointed as the Company Secretary and Compliance Officer of the company w.e.f. 22nd September, 2022.

The Board Comprise of the followings as on 31<sup>st</sup> March, 2023:

Sr. No.	Name of Director	Designation	DIN
1.	Minku Shantilal Gandhi	Joint Managing Director	00118617
2.	Maunal Shantilal Gandhi	Joint Managing Director	00118559
3.	Purvi Tapan Trivedi	Independent Director	08064080
4.	Hanisha Jinish Patel	Independent Director	07190911
5.	Arjun Maunal Gandhi	Non-Executive Non-Independent Director	09254434
6.	Tejas Pravinkumar Shah	Independent Director	09715481



7.	Pradip Bhadrikal Parikh	Chief Financial Officer	-
8.	Anjali Mukesh Samani	Company Secretary	-

After the closure of the Financial year 2022-23, Mr. Arjun Maunal Gandhi (DIN: 09254434), Non-Executive Non-Independent Director of the Company has given his resignation vide his resignation letter dated August 29, 2023 from the said post, due to his personal commitment, w.e.f. closure of business hours of August 31, 2023 and Mr. Shantilal Bhailal Gandhi (DIN: 00118509) is appointed as Chairman & Additional Non-Executive Non-Independent Director of the company on August 29, 2023. The notice convening the AGM includes the proposal for regularisation of his appointment as Chairman & Non-Executive Non-Independent Director.

#### **Declaration by Independent Directors**

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

1. Mrs. Purvi Tapan Trivedi
2. Mrs. Hanisha Jinish Patel
3. Mr. Tejas Pravinkumar Shah

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

Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all the Independent Directors of the Company have completed their registration in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

#### **FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals to familiarize the Independent Directors with the strategy, operations and functioning of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [www.ushanti.com](http://www.ushanti.com).

#### **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 directors was held to evaluate the performance of the directors, performance of the board as a whole and performance of the members of the Committee and Committee, 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 various 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 31<sup>st</sup> March, 2023. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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 III**' to this Report.

Financial accounts of subsidiary company for the Financial Year 2022-23 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 has commenced its operation from August 02, 2023.

### **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. 1045.4 lakhs during the FY 22-23 from the Directors of the Company.

### **Auditor and Auditor's Report**

#### **Statutory Auditors**

M/s. DJNV & Co., Chartered Accountants, (FRN: 130797W), were appointed as Statutory Auditors of the Company at the 26<sup>th</sup> AGM held on 28<sup>th</sup> September, 2019 till the conclusion of the 31<sup>st</sup> AGM, subject to ratification of their appointment by the shareholders of the Company at every AGM held thereafter. As on 04<sup>th</sup> December, 2019, Statutory Auditor Firm M/s. ANA & Associates, Chartered Accountants, Ahmedabad (FRN: 130797W) has been merged with the firm M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W). Audit Committee and Board of Directors of the company, in their meeting held on 13<sup>th</sup> January, 2020 took note of the same and recommended the said matter to the Shareholders of the Company. As on 20<sup>th</sup> August, 2020 members of the Company took a note of name change of Statutory Auditor Firm due to its merger with M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) and approved them as a Statutory Auditor of the Company 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.

However, vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs, New Delhi, the requirement of seeking ratification of appointment of Statutory Auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in notice of the 30<sup>th</sup> AGM.

#### **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 31<sup>st</sup> March, 2023.

#### **Secretarial Auditors**

The Board appointed Mr. Hardik Hudda (ACS No. 39621, COP No. 14697), Proprietor of M/s. Hardik Hudda and Associates, Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit of the Company for the financial year 2022-23. 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 IV**' 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 2022-23.

#### **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.

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 6 (Six) times viz May 26, 2022, July 04 2022, July 12, 2021, September 02, 2022, November 14, 2022, and March 01, 2023. The Committee re-constituted as on August 29, 2022 on appointment of Mr. Tejas Pravinkumar Shah, Independent Director of the committee. 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	6	6
Mrs. Purvi Tapan Trivedi	Member	6	6
Mr. Tejas Pravinkumar Shah	Member	3	2
Mr. Maunal Shantilal Gandhi	Member	6	6

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 3 (Three) times viz May 26, 2022, August 29, 2022 and on September 22, 2022. The Nomination and Remuneration Committee re-constitute as on August 29, 2022 on appointment of Mr. Tejas Pravinkumar Shah, Independent Director. Mr. Arjun Maunal Gandhi, Non-Executive Non Independent Director has given his resignation vide his resignation letter August 29, 2023 from the said post w.e.f. August 31, 2023 and simultaneously ceases to be a member of the committees. 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	3	3
Mr. Arjun Maunal Gandhi	Member	3	3
Mr. Tejas Pravinkumar Shah	Member	1	0
Mrs. Purvi Tapan Trivedi	Member	3	3

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 V'.

**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 2 (Two) times viz May 26, 2022 and September 02, 2022. The Stake Holder's Relationship Committee re-constituted as on August 29, 2022 on appointment of Mr. Tejas Pravinkumar Shah, Independent Director. Mr. Arjun Maunal Gandhi, Non-Executive Non Independent Director has given his resignation vide his resignation letter August 29, 2023 from the said post w.e.f. August 31, 2023 and simultaneously ceases to be a member of the committees. 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	2	2
Mr. Arjun Maunal Gandhi	Member	2	2
Mrs. Hanisha Jinish Patel	Member	2	2
Mr. Tejas Pravinkumar Shah	Member	1	0

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on 31<sup>st</sup> March, 2023.

#### **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.

#### **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.	Mrs. Purvi Tapan Trivedi	Member
3.	Mrs. Hanisha Jinish Patel	Member

During the year under review, no 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, 2022 is given as an '**Annexure VI**' 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 required 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.

#### **Website**

[www.ushanti.com](http://www.ushanti.com) is the website of the Company. All the requisite details and policy are placed on the website of the Company.

#### **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 VII**' to this report.

#### **Related Party Disclosure**

Related Party disclosure as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been mentioned in Note No. 34 of Audit 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 Nomination and Remuneration Committee, Board and Shareholders.

#### **Other Disclosures:**

During the year under the review, there is no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of one time settlement with any Bank or Financial Institution.

#### **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.

**Date: 29/08/2023**

**Place: Ahmedabad**

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

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

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



**ANNEXURE I 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**

There were no Contracts or arrangements or transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2023, which were not at arm's length basis.

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

Sr.	Name of Related Party & Nature of Relationship	Nature of Contract/ arrangement/ Transaction	Duration of Contract/ arrangement/ transaction	Salient terms of Contract/ arrangement/ transaction including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Mona Maunal Gandhi- Relative of KMP	Employment	From the date of Appointment	Salary paid by the Company, Rs. 13.44 Lakhs	BM 28/08/2018	Nil
2.	Shefali Minku Gandhi- Relative of KMP	Employment	From the date of Appointment	Salary paid by the Company, Rs. 13.44 Lakhs	BM 28/08/2018	Nil
3.	Arjun Maunal Gandhi- Relative of KMP	Employment	From the date of Appointment	Salary paid by the Company, Rs. 6.74 Lakhs	BM 27/05/2019 and 04/01/2021	Nil
4.	Aadit Minku Gandhi- Relative of KMP	Employment	From the date of Appointment	Salary paid by the Company, Rs. 7.46 Lakhs	BM 21/07/2020 and 04/01/2021	Nil
5.	Shantilal Bhailalabhai Gandhi- Relative of KMP	Employment	From the date of Appointment	Salary paid by the Company, Rs. 24.02 Lakhs	BM 29/06/2020	Nil
6.	HUF Industries- Executive Directors of the Company are interested	By Agreement	01/04/2022 to 31/03/2023	Rent payable to HUF Industries for lease of Plot- Rs. 8.70 Lakhs	BM 28/08/2018 AGM 29/09/2018	Nil
9.	UC Colours and Intermediates Private Limited – Subsidiary Company	By Agreement	-	At prevailing prices on arm's length basis and on Industry practice terms Total Transaction Value-779.26 Lakhs	BM 19/12/2019 AGM 25/09/2021	Nil
10.	UC Colours and Intermediates Private Limited – Subsidiary Company	Sale of Goods	01/04/2022 to 31/03/2023	At prevailing prices on arm's length basis and on Industry practice terms Total Transaction	Approval taken in the Audit Committee Meeting and considered by the	Nil



				Value – 53.66 Lakhs	Board thereafter. 53.66 Lakhs	
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**Registered Office:**  
88/8, GIDC Phase I,  
Vatva, Ahmedabad-382445,  
Gujarat, India.

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

**Date: 29/08/2023**  
**Place: Ahmedabad**

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

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





**ANNEXURE II 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	(Amount ₹ In lakhs)	
	2022-23	2021-22
Foreign Exchange Earnings	1129.75	1389.79
Foreign Exchange Outgo	2.63	13.56

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

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

**Date: 29/08/2023**  
**Place: Ahmedabad**

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

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



**ANNEXURE III 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 lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	UC Colours and Intermediates Private Limited
2.	Date of becoming subsidiary	23 <sup>rd</sup> October, 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
7.	Reserves & surplus	(11.47)
8.	Total assets	5979.10
9.	Total Liabilities	5974.10
10.	Investments	0.00
11.	Turnover	196.23
12.	Profit before taxation	(1.03)
13.	Provision for taxation	(4800)
14.	Profit after taxation	(1.48)
15.	Proposed Dividend	0.00
16.	% of shareholding*	90.00

\* **Note:** As on March 31, 2023 Shareholding of the company in its subsidiary company, UC Colours and Intermediates Private Limited was 90%.

After the financial year 2022-23, on May 19, 2023 UC Colours and Intermediates Private Limited has issued shares on preferential basis to its directors Mr. Akash Dipakbhai Patel and Mrs. Moksha Romit Shah on conversion of loan and to Ushanti Colour Chem Limited in lieu of Transfer and Sale of Land of the Company situated at Plot No. C-18, GIDC Saykha, Vagra, Bharuch, Gujarat – 392140 to the Subsidiary Company. Consequently, Post Allotment Shareholding of the company in UCCIPL was 80.20%.

On July 18, 2023 UCCIPL had converted its issued and allotted of 14,59,800 Zero Coupon Compulsorily Convertible Debentures of face value of Rs. 10/- each ("ZCCCDs") into 14,59,800 Equity Shares of face value of Rs. 10/- each to the holders of ZCCCDs. On account of such conversion, the Equity Shareholding of the Company in its subsidiary Company has been diluted and reduced from 80.20% to 51.00%.

With effect from July 18, 2023 Shareholding of the company in UC Colours and Intermediates Private Limited revised to 51%.

1. Names of subsidiaries which are yet to commence operations: None.

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.

**Date: 29/08/ 2023**  
**Place: Ahmedabad**

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

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

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

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

Anjali Mukesh Samani  
**Company Secretary**  
(Mem. No. A65647)



**ANNEXURE IV TO THE BOARDS' REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

*[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 **M/S 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, 2023 ("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, 2023 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.

vi) I have relied on the representation made by the Company and its Officers for system and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company are Factories Act, 1948; Industries (Development and Regulation) Act, 1951; Labour Laws and other industrial Laws related to labour and employees appointed by the Company either on its payroll or on contractual bases as related to wages, gratuity, provident fund, ESIC, compensation, etc.; Act prescribed under



prevention and control of pollution; Acts prescribed under environmental protection; Acts prescribed under Direct Taxes and Indirect Taxes; Land Revenue Laws; Labour welfare Act; Law related to Intellectual Property Rights; the Legal Metrology Act, 2009; the Shop and Establishment Act, 1948;

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-NSE EMERGE.

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 during the audit period, the company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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.

**For Hardik Hudda & Associates  
Practicing Company Secretaries**

**Place: Ahmedabad**

**Date: 29/08/2023**

**(CS Hardik Hudda)  
Proprietor  
Membership No: A39621 CP No.: 14697  
Peer Review No: 1805/2022  
UDIN: A039621E000883200**



**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 Hardik Hudda & Associates  
Practicing Company Secretaries**

**Place: Ahmedabad  
Date: 29/08/2023**

**(CS Hardik Hudda)  
Proprietor  
Membership No: A39621 CP No.: 14697  
Peer Review No: 1805/2022  
UDIN: A039621E000883200**



## ANNEXURE V 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
Mrs. Purvi Tapan Trivedi	Member	Independent Director
Mr. Arjun Maunal Gandhi (Up to 31.08.2023)	Member	Non-Executive Director
Mr. Tejas Pravinkumar Shah	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: 29/08/2023**

**Place: Ahmedabad**

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

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



**ANNEXURE VI 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. Minku Shantilal Gandhi Joint Managing Director Mr. Maunal Shantilal Gandhi Joint Managing Director Mr. Arjun Maunal Gandhi Non Executive Non Independent Director	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. Joint Managing Director Joint Managing Director Chief Financial Officer Company Secretary	-
3.	The percentage increase in the median remuneration of employees in the financial year.	-
4.	The number of permanent employees on the rolls of company.	56
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	-
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:**

Both Joint Managing Directors are the Whole Time Directors and others are Non-Whole-Time Directors. The remuneration package of the above Directors was approved by the Board of Directors and which were also approved by the Members of the Company at the General Meeting.

**(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
1.	Shantilal Bhailalbai Gandhi	Senior Employee	Non-Contractual	B.Sc.	12/05/1993	51 Years	Rs. 24,02,400/-	95 Years	Atul Products Limited	Father of Mr. Minku Shantilal Gandhi and Maunal Shantilal Gandhi
2	Shefali Minku Gandhi	Marketing Head	Non-Contractual	Diploma in Fashion Designing	15/12/1993	29 Years	Rs. 13,44,000/-	50 Years	N.A.	Wife of Minku Shantilal Gandhi
3.	Mona Maunal Gandhi	Marketing Head	Non-Contractual	B.com.	15/12/1993	29 Years	Rs. 13,44,000/-	52 Years	N.A.	Wife of Maunal Shantilal Gandhi
4.	Pradip Bhadrilal Parikh	Chief Financial Officer and Head of Account Department	Non-Contractual	B.Com.	01/04/1994	38 Years	Rs. 8,50,717/-	57 Years	N.A.	N.A.
5.	Hemant Sanat Kashyap	Chemist	Non-Contractual	B.Sc.	01/04/2011	28 Years	Rs. 8,57,240/-	53 Years	Meghmani Group	N.A.
6.	Aadit Minku Gandhi	Export Manager	Non-Contractual	B.B.A.	25/07/2020	3 Years	Rs. 6,72,000/-	26 Years	N.A.	Son of Mr. Minku Shantilal Gandhi
7.	Kalpesh Patel	Lab In charge	Non-Contractual	B.Sc.	01/03/2010	17 Years	Rs. 7,90,208/-	45 Years	Umiya Chem	N.A.
8.	Laxmikant Banshidhar Patel	Chemist	Non-Contractual	B.Sc.	12/02/2012	27 Years	Rs. 4,77,867/-	50 years	Chiripal Industries Limited	N.A.
9.	Anjali Mukeshbhai Samani	Company Secretary	Non-Contractual	C.S. LL.B. & B.com.	19/08/2023	2 Years	Rs. 4,80,000	27 Years	Qarmatek Services Private Limited	N.A.
10.	Indrasinh Diwansinh Solanki	Assistant Accountant	Non-Contractual	B.com.	01/01/2023	15 Years	Rs. 4,08,000/-	40 Years	CIPET	N.A.



**Note:** For remuneration received Annual CTC of employees as on March, 31, 2023 is considered.

**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 were 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: 29/08/2023**  
**Place: Ahmedabad**

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

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



## ANNEXURE VII TO THE BOARDS' REPORT

### Management Discussion and Analysis Report

#### Strategic Location:

Ushanti Colour Chem Limited is highly involved in chemical manufacturing and selling activity and its units located at Vatva, Ahmedabad with having annual installed capacity of 2820 MT. Company's total production during the year was 1305.05 MT against which sale was made by Company of 1159.251 MT. Company has completed process to transfer its one of Land located at Saykha, Bharuch to its SPV/Subsidiary for fulfilling the altered object of the Company. The said SPV/Subsidiary has initiated the construction work over there and very soon the production activity will be commenced.

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 sustained its position as the world's fastest-growing major economy after remaining mostly insulated from the gloomy global outlook in FY 2022-23. Throughout this year, the domestic economy demonstrated remarkable resistance to global headwinds. The National Statistical Office's (NSO) second advance estimate reveals that the Indian economy is in a sweet spot and expected to clock a growth rate of 7% in FY 2023-24. Amid global uncertainty, the Indian economy continues to be resilient.

Notwithstanding the fact that the post-pandemic private investment recovery is still in its nascent stage, there are early signs that suggest that India is well-positioned for a robust investment upcycle in both the manufacturing and services sectors.

Overall, India's demand remains conducive to economic growth. India remains bullish about the next fiscal year on the back of its underlying and overall macroeconomic stability. However, it remains cautious about emerging geopolitical and geoeconomic concerns.

The market for dyes and pigments was estimated to be worth US\$ 38.2 billion in 2022 and is expected to grow at a CAGR of 5.3% between 2023 to 2030 reaching a market size of US\$ 57.8 billion by 2030. During the projection period, the Asia-Pacific region is predicted to experience the fastest CAGR growth in product demand. An expanding building sector, rapid industrialisation, and urbanisation, along with rising disposable income in the region's emerging economies, will be the main driving forces of this sector.

The pigment industry has faced many challenges as other businesses due to current geopolitical events – increase in overall inflation, subdued demand, supply chain disruptions, exponential increase in prices of raw materials, energy, and logistics.

#### 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.

India is better placed due to the availability of the ecosystem, feedstock, technology, and compliance required for the industry. The major drivers of the industry include the rising disposable incomes, increasing population, rising demand for cosmetics, growing construction and infrastructure activities, increasing demand from paints and coatings industries and the rising globalisation and urbanisation.

#### C. Segment-wise or product-wise performance.

The Company's business activity falls within a single business segment i.e. Manufacturing Dyes and Intermediates.

#### Financial Performance



(Amount ₹ In lakhs)

Particulars	2022-23	2021-22
Revenue from Operations	4267.83	4775.25
EBDT	340.25	361.91
Profit after Tax	179.70	147.55

During the year under review, your company has earned Revenue from Operation of Rs. 4267.83 lakhs as against Rs. 4775.25 lakhs which recorded reduction of 10.63%.

The Company recorded Earning before Depreciation and Tax of Rs. 340.25 lakhs as against Rs. 361.91 lakhs which recorded a reduction of 5.98%.

The Company recorded Profit after Tax of Rs. 179.70 lakhs as against Rs. 147.55 lakhs which recorded a growth of 21.79%.

#### Geographic Revenue Analysis

(Amount ₹ In lakhs)

Particulars	2022-2023	2021-22
Domestic	3101.41898	3325.99436
Export	1128.79168	1425.33390

#### D. Outlook.

The company expects positivity in revenue and growth in FY 2023-24. Revenue will be generated by focusing on:-

- Reduce cost of the Company in various fields, if possible.
- Increase of local and Exports as much possible.
- 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, if any. 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.



During the year under review, Company earned from its Operation of Rs. 4267.83 lakhs as against Rs. 4775.25 lakhs which recorded a reduction of 10.63%.

The Company recorded Profit before Tax of Rs. 173.11 lakhs as against Rs. 199.47 lakhs which recorded a reduction of 13.22%.

The Company recorded Net Profit of Rs. 179.70 lakhs as against Rs. 147.55 lakhs which recorded a growth of 21.79%.

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 56 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, 2023	FY ended March 31, 2022	% Change between Current FY & Previous FY	Explanation
Current Ratio	1.87	1.19	58.10	The ratio is increased due to increase in current assets.
Debt-Equity Ratio	0.08	0.20	(59.03%)	The ratio is decreased due to loan repayment.
Debt Service Coverage Ratio	N.A.	9.13	N.A.	N.A.
Return on Equity Ratio	4.45	4.46	(-0.34)	N.A.
Inventory turnover ratio	5.89	12.85	(54.16%)	The ratio is decreased due to increase in average inventories.
Trade Receivables turnover ratio	4.35	4.76	(8.66%)	N.A.
Trade payables turnover ratio	4.06	5.63	(27.90%)	The ratio is decreased due to increase in average suppliers.
Net capital turnover ratio	4.12	15.52	(73.49%)	The ratio is decreased due to increase in Net Working Capital.
Net profit ratio	4.21	3.11	(35.57%)	The ratio is increased due to increase in Profit as compare to Turnover.
Return on Capital employed	4.45	6.81	(34.69%)	The ratio is decreased due to increase in capital employed.
Return on investment	44.59	11.22	297.28%	The ratio is increased due to sale of investment.

1. Disclosure of Accounting Treatment.

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

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

**Date: 29/08/2023**  
**Place: Ahmedabad**

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

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



## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the standalone financial statements of USHANTI COLOUR CHEM LIMITED, which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including 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 standalone financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed u/s 133 of the Act read with relevant Rules issued thereunder (as amended) and other 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, 2023;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c) In the case of the Statement of Cash Flow, of its Cash Flows 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 Standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

### Other Information

The Company's Board of Directors is responsible for the presentation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the companies act, 2013.

Our opinion on the Standalone Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management Responsibility 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provision of Act; the accounting and auditing standards and matters which are required to be included in audit report under the provisions of the Act and Rules made there under.

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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider



quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 the mall 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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, 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**". Our report expresses an unmodified opinion on an adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements. ;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, we report that:

According to the records of the company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act; and

- h) 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.
- iv.
- (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The company has neither declared nor paid dividend during the year as per Section 123 of the Companies Act, 2013.
- vi. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.

*For, DJNV & CO.*

**Chartered Accountants**

**Place : Ahmedabad  
Date : 29/05/2023**

**CA Shruti C Shah  
(Partner)  
Membership No. 175839  
UDIN: 23175839BGXUUM4043  
Firm Reg. No.0115145W**



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

**The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of the Company for the year ended March 31, 2023, we report that:**

- (i) In respect of property, plant & equipment (PPE);
- a)
- A The company has maintained reasonable records showing full particulars, quantitative details and situation of Property, Plant and Equipment.
- B. The company is maintaining proper records showing full particulars of intangible assets;
- b) The Company has a program of verification to cover all the items of PPE in a phased manner which, in our opinion, is reasonable having regard the size of the Company and the nature of its assets, Pursuant to the program, certain PPE were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/ registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- d) Company has not revalued its Property, Plant and equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to information and explanations given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of Inventories:-
- a) In respect of its inventories: The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2023 and no material discrepancies were noticed in respect of such confirmations.
- b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of securities of current assets. The discrepancies in quarterly returns or statements filed by the company with the books of accounts are mentioned in note no. 36 of the standalone financial Statements.
- (iii)
- a) During the year the company has not made investments. But the company has provided loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnerships and other parties details are as follows:

(Rs. In Lakhs)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate Amount during the year	Rs. 4250 (From 28/02/2022)	-	Rs. 1307.94	-



Subsidiary (UC Colours and Intermediaries Private Limited)	Rs. 4250 (From 28/02/2022)	-	Rs. 362.94	-
Others (Directors – Maunal Gandhi and Minku Gandhi, Others – Kabra Jewels Private Limited, Krishna Orgochem, Shivam Blackrock, Shree Vadechi Infracsoft Pvt Ltd)	-	-	Rs. 945	-

	Guarantees	Security	Loans	Advances in nature of loans
Balance outstanding as at balance sheet date	Rs. 4250	-	Rs. 1727.65	-
Subsidiary (UC Colours and Intermediaries Private Limited)	Rs. 4250	-	Rs. 863.28	-
Others (Directors – Maunal Gandhi and Minku Gandhi, Others – Kabra Jewels Private Limited, Krishna Orgochem, Shivam Blackrock, Shree Vadechi Infracsoft Pvt Ltd)	-	-	Rs. 864.37	-

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which loans have been granted and guarantees provided by the company during the year as per the above point are not prejudicial to the company's interest.
- c) According to the information and explanations given to us, in respect of loans, payment of interest has been stipulated and receipts are regular.
- d) According to the information and explanations and based on our audit procedures, there is no overdue amount remains outstanding for more than 90 days as at the year-end.
- e) None of the loan, granted and has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) Company has granted loans repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, and providing guarantees.
- (v) According to the information and explanations given to us and based on our audit procedure, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013.
- (vi) The provisions of section 148 (1) of Companies Act, 2013 with regard to maintenance of cost records are not applicable to the Company.
- (vii) In respect of statutory dues:



- a) According to the information and explanations given to us, except for income tax no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, sales tax, wealth tax, goods and service tax, custom duty, excise duty, value added tax, cess were in arrears, as at 31st March, 2023 for a period of more than six months from the date they became payable. In respect of Income Tax, the sum of Rs. 88726.45/- in respect of A.Y.2019-20 is not paid till date.
- b) According to the information and explanations given to us, there are no material dues of income tax or goods and service 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.
- (viii)** According to the information and explanations given to us, there was no transaction found unrecorded in the books of accounts of the company which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)**
- a) According to the information and explanations and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, the company has not obtained any fresh loans so this clause is not applicable.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- f) According to the information and explanations given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x)**
- a) The company has not raised moneys by way of initial public offer or further public offer.
- b) In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment of convertible equity warrants for the purposes for which they were raised.
- (xi)**
- a) 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 explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.
- b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.
- (xii)** In case of Nidhi Company:
- a) In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- b) Since the company is not Nidhi Company, this clause is also not applicable.
- c) Since the company is not Nidhi Company, this clause is also not applicable.
- (xiii)** According to the information and explanations, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv)**
- a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- (xv)** According to the information and explanations given to us, the company has not entered into non-cash transactions with the directors during the year.
- (xvi)**
- a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) Company is not a NBFC hence the reporting in this clause is not required.
- c) Company is Non NBFC. Hence the reporting in this clause is not required.
- d) This clause is not applicable to the company as it is not CIC
- (xvii)** The company has not incurred cash losses in the current financial year and proceeding financial year.
- (xviii)** There being no resignation of the statutory auditors during the year, this clause is not applicable.
- (xix)** "According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due."
- (xx)**
- a) This Clause is not applicable to the company as the provisions of section 135 for CSR are not applicable.
- b) This Clause is not applicable to the company as the provisions of section 135 for CSR are not applicable.



Place : Ahmedabad  
Date : 29/05/2023

For DJNV & Co.  
Chartered Accountants

CA Shruti C Shah  
(Partner)  
Membership No. 175839  
UDIN: 23175839BGXUUM4043  
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 2023 in conjunction with our audit of the standalone 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2023, 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.

**Place : Ahmedabad  
Date : 29/05/2023**

**For, DJNV & Co.  
Chartered Accountants**

**CA Shruti C Shah  
(Partner)  
Membership No. 175839  
UDIN: 23175839BGXUUM4043  
Firm Reg. No.0115145W**



<b>Ushanti Colour Chem Limited</b>			
<b>Standalone Balance Sheet as at 31<sup>st</sup> March 2023</b>			
( ₹ in lacs)			
<b>I. EQUITY AND LIABILITIES</b>	<b>Note No.</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>1) Shareholders' Funds</b>			
a) Share Capital	3	1,030.17	730.17
b) Reserves and Surplus	4	3,744.92	2,147.73
c) Money received against share warrants	5	-	429.38
<b>2) Share application money pending allotment</b>			
<b>3) Non-Current Liabilities</b>			
a) Long-term Borrowings		-	-
b) Deferred Tax Liabilities (net)		-	-
c) Other Long-term Liabilities	6	0.15	0.15
<b>4) Current Liabilities</b>			
a) Short-term Borrowings	7	393.48	665.21
b) Trade Payables	8		
Due to MSME		403.93	422.18
Other than MSME		140.02	339.85
c) Other Current Liabilities	9	216.46	186.90
d) Short-term Provisions	10	31.57	32.28
	<b>Total</b>	<b>5960.70</b>	<b>4953.85</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Property, Plant and Equipments and Intangible Assets			
(i) Property, Plant and Equipments	11	1383.11	1909.31
(ii) Intangible Assets	11	56.35	64.49
(iii) Capital Work-in-progress	11	11.21	36.01
(iv) Intangible Assets under Development	11	4.97	10.97
b) Non-current Investments	12	4.50	17.88
c) Deferred Tax Assets (net)	13	7.78	1.19
d) Long-term Loans and Advances	14	2096.76	737.64
e) Other Non-current Assets	15	173.42	223.89
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	16	649.28	799.34
c) Trade Receivables	17	904.98	1056.64
d) Cash and Cash Equivalents	18	22.19	6.67
e) Short-term Loans and Advances	19	646.15	82.18
f) Other Current Assets	20	0	7.64
	<b>Total</b>	<b>5960.70</b>	<b>4953.85</b>
Significant Accounting Policies	1 & 2		
The accompanying notes are integral part of financial statements			
As per our Report of even date attached			
<b>For, DJNV &amp; Co.</b>		<b>For and on behalf of the Board of directors</b>	
<b>Chartered Accountants</b>		<b>Ushanti Colour Chem Limited</b>	
Firm Reg. No. : 115145W			
(CA Shruti C Shah)	(Maunal S. Gandhi)	(Arjun Gandhi)	(Pradip Parikh)
Partner	Joint MD	Director	CFO
Membership No. 175839	00118559	09254434	AIZPP5478J
UDIN: 23175839BGXUUM4043			A65647
<b>Place : Ahmedabad</b>	<b>Place : Ahmedabad</b>		
<b>Date : 29-05-2023</b>	<b>Date : 29-05-2023</b>		



<b>Ushanti Colour Chem Limited</b>			
<b>Standalone Statement of Profit and Loss for the year ended 31st March, 2023</b>			
(` in lacs)			
	Note No.	As at 31-03-2023	As at 31-03-2022
<b>INCOME</b>			
Revenue from Operations	21	4267.83	4775.25
Other Income	22	384.58	57.02
<b>TOTAL REVENUE</b>		<b>4652.41</b>	<b>4832.27</b>
<b>EXPENSES</b>			
Cost of Material Consumed	23	2600.36	2663.87
Purchase of Stock-in-Trade	24	176.45	195.07
Changes in Inventories	25	21.38	-11.35
Employees Benefits Expenses	26	358.11	348.36
Finance Cost	27	56.67	70.92
Depreciation and Amortization		167.14	162.44
Other Expenses	28	1099.19	1203.48
<b>TOTAL EXPENSES</b>		<b>4479.3</b>	<b>4632.79</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>173.11</b>	<b>199.47</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>173.11</b>	<b>199.47</b>
Extraordinary items		-	-
<b>Profit before Tax</b>		<b>173.11</b>	<b>199.47</b>
Tax Expenses			
Current Tax		0.00	52.15
Deferred Tax		(6.59)	-0.97
Other Tax Exp / Adj. for Earlier year		0.00	0.74
<b>Profit / (loss) for the Period</b>		<b>179.70</b>	<b>147.55</b>
<b>Earnings Per Equity Share</b>			
Basic	29	2.18	2.02
Diluted	29	2.18	2.02
Significant Accounting Policies			
1 & 2			
The accompanying notes are integral part of the financial statements			
As per our report of even date			
<b>For, DJNV &amp; Co.</b>		<b>For and on behalf of the Board of directors</b>	
<b>Chartered Accountants</b>		<b>Ushanti Colour Chem Limited</b>	
Firm Reg. No. : 115145W			
(CA Shruti C Shah)	(Maunal S. Gandhi)	(Arjun Gandhi)	(Pradip Parikh)
Partner	Joint MD	Director	CFO
Membership No. 175839	00118559	09254434	AIZPP5478J
UDIN: 23175839BGXUUM4043			(Anjali Samani)
			CS
			A65647
<b>Place : Ahmedabad</b>	<b>Place : Ahmedabad</b>		
<b>Date : 29-05-2023</b>	<b>Date : 29-05-2023</b>		



Ushanti Colour Chem Limited			
Standalone Statement of Cash Flows for the year ended 31st March, 2023			
			(` in lacs)
Particulars	Note	31 March 2023	31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax		173.09	199.47
Depreciation and Amortisation Expense		167.14	162.44
Provision for tax		-	-
Effect of Exchange Rate Change		(23.60)	-
Loss/(Gain) on Sale / Discard of Assets (Net)		(251.01)	0.01
Bad debt, provision for doubtful debts		-	-
Net Loss/(Gain) on Sale of Investments		-	(0.74)
Non Cash Expenses		-	-
Dividend Income		(2.01)	(2.01)
Interest Income		(107.40)	(33.53)
Finance Costs		56.67	70.93
Operating Profit before working capital changes		12.90	396.57
<b>Adjustment for:</b>			
Inventories		150.06	(207.76)
Trade Receivables		175.26	(758.38)
Other Current Assets		7.64	340.93
Trade Payables		(218.07)	450.29
Other Current Liabilities		43.85	-
Short-term Provisions		(0.41)	-
Cash generated from Operations		171.23	221.64
Tax paid(Net)		0.30	52.15
Net Cash from Operating Activities		170.93	169.49
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(130.26)	(180.79)
Sale of Property, Plant and Equipment		779.26	0.02
Purchase of Investments Property		-	-
Sale of Investment Property		-	-
Purchase of Equity Instruments		-	-
Proceeds from Sale of Equity Instruments		13.38	-
Purchase of Mutual Funds		-	-
Proceeds from Sale / Redemption of Mutual Funds		-	-
Purchase of Preference Shares		-	-
Proceeds from Sale/Redemption of Preference Shares		-	-
Purchase of Government or trust securities		-	-
Proceeds from Sale/Redemption of Government or trust securities		-	-
Purchase of debentures or bonds		-	-



Proceeds from Sale/Redemption of debentures or bonds		-	
Purchase of Other Investments		-	-
Sale / Redemption of Other Investments		-	-
Loans and Advances given		(1,923.09)	-
Proceeds from Loans and Advances		-	-
Investment in Term Deposits		50.46	-
Maturity of Term Deposits		-	-
Interest received		107.40	33.53
Dividend received		2.01	2.01
Net Cash (Used in) Investing Activities		(1,100.85)	(145.23)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Issue of Share Capital		1,288.13	429.38
Buyback of Shares		-	-
Proceeds from Long Term Borrowings		-	-
Repayment of Long Term Borrowings		-	(76.21)
Proceeds from Short Term Borrowings		(0.00)	-
Repayment of Short Term Borrowings		(271.73)	(304.71)
Minority Interest Movement			
Dividends Paid (including Dividend Distribution Tax)		-	
Interest Paid		(70.96)	(70.93)
Net Cash (Used in) / Generated from Financing Activities		945.43	(22.47)
Net (Decrease) in Cash and Cash Equivalents		15.52	1.79
Opening Balance of Cash and Cash Equivalents		6.67	4.88
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	<b>18</b>	<b>22.19</b>	<b>6.67</b>

**Note:**

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

2 Reconciliation of Cash and Cash Equivalents as per the statement of cashflow:

Particulars	31 March 2023	31 March 2022
Balance with banks		
In current Accounts	0.18	3.65
In CC with debit balance	16.83	0.00
Cash on hand	5.18	3.02
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>22.19</b>	<b>6.67</b>



3 Figures in bracket indicate cash outflow.

See accompanying notes to the financial statements

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

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

(CA Shruti C Shah)  
Partner  
Membership No. 175839  
UDIN: 23175839BGXUUM4043

(Maunal S. Gandhi)  
Joint MD  
00118559

(Arjun Gandhi)  
Director  
09254434

(Pradip Parikh)  
CFO  
AIZPP5478J

(Anjali Samani)  
CS  
A65647

Place : Ahmedabad  
Date : 29-05-2023

Place : Ahmedabad  
Date : 29-05-2023



**Ushanti Colour Chem Limited**  
**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2023**

**1. Corporate Information**

Ushanti Colour Chem Limited ('the Company') is engaged in the business of Manufacturing of Dyestuffs, Pigments and Intermediates. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE). The registered office of the company is located at 88/6/7/8 Phase I GIDC, Vatva, Ahmedabad-382445. The Company caters to both domestic and international markets.

**2. Significant Accounting Policies:**

**2.1 Basis of preparation of Financial Statements**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014.

**2.2 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.

**2.3 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.

**2.4 Inventories**

Inventories are valued at lower of cost or net realizable value on FIFO basis. (Batch wise)

**2.5 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.

**2.6 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.

**2.7 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.

**2.8 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.

**2.9 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.

**2.10 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.

#### **2.11 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.

#### **2.12 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.

#### **2.13 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.

#### **2.14 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.

#### **2.15 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 Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023</b>				
<b>Note 3 : Share Capital</b>				<b>(in lacs)</b>
<b>Particulars</b>		<b>31-03-2023</b>		<b>31-03-2022</b>
<b>Authorised Share Capital</b>				
Equity Shares, Rs. 10 par value, 15000000 (Previous Year -15000000) Equity Shares		1500.00		1500.00
Equity Shares, Rs. 10 par value 10301700 (Previous Year -7301700) Equity Shares paid up		1030.17		730.17
<b>Total</b>		<b>1,030.17</b>		<b>730.17</b>
<b>Details of shareholders holding more than 5% share in the company</b>				
	<b>No. of shares as at 31<sup>st</sup> March, 2023</b>	<b>No. of shares as at 31<sup>st</sup> March, 2022</b>	<b>% Held to total Shares</b>	<b>% Held to total Shares</b>
Mr. Shantilal B. Gandhi	17,12,247	16.62%	17,12,247	23.45%
Mr. Minku S. Gandhi	13,73,427	13.33%	13,73,427	18.81%
Mr. Maunal S. Gandhi	13,69,416	13.29%	13,69,416	18.75%
Mrs. Monaben M. Gandhi	-	0.00%	4,83,250	6.62%
Mrs. Shefaliben M. Gandhi	-	0.00%	4,83,250	6.62%
<b>The Reconciliation of the number of shares</b>				
	<b>No. of shares as at 31<sup>st</sup> March, 2023</b>	<b>No. of shares as at 31<sup>st</sup> March, 2022</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Opening Balance	73,01,700	730.17	73,01,700	730.17
Issued during the year	30,00,000	300.00	-	-
Deletion during the year	-	-	-	-
Closing balance	<b>1,03,01,700</b>	<b>1,030.17</b>	<b>73,01,700</b>	<b>730.17</b>
<b>Rights, preferences and restrictions attached to shares</b>				
Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>Shares held by Promoters at the end of the year 31 March 2023</b>				
<b>Name of Promoter</b>	<b>Class of Shares</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>
Mr. Maunal S. Gandhi	Equity	13,69,416	13.29%	<b>0.00%</b>
Mr. Minkubhai S. Gandhi	Equity	13,73,427	13.33%	<b>0.00%</b>
<b>Shares held by Promoters at the end of the year 31 March 2022</b>				
<b>Name of Promoter</b>	<b>Class of Shares</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>
Mr. Maunal S. Gandhi	Equity	13,69,416	18.75%	<b>0.73%</b>
Mr. Minkubhai S. Gandhi	Equity	13,73,427	18.81%	<b>0.73%</b>
<b>Note 4 : Reserves and Surplus</b>				<b>(in lacs)</b>
<b>Particulars</b>		<b>31-03-2023</b>		<b>31-03-2022</b>
<b>Capital Reserves</b>				
Opening Balance		1.00		1.00
Closing Balance		1.00		1.00
<b>Securities Premium</b>				
Opening Balance		968.27		968.27
Add/(Less): Adjustment		1,417.50		-
Closing Balance		2,385.77		968.27
<b>Statement of Profit and loss</b>				



Balance at the beginning of the year	1,178.46	1,030.91
Add: Profit during the year	179.68	147.55
<b>Balance at the end of the year</b>	<b>1358.15</b>	<b>1,178.46</b>
<b>Total</b>	<b>3,744.91</b>	<b>2,147.73</b>

<b>Note 5 : Money received against share warrants</b> (in lacs)		
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Money received against share warrants	-	429.38
<b>Total</b>	<b>-</b>	<b>429.38</b>
Note - 25% application money (subscription price) received in the year 2021-22 for 30,00,000 Convertible Equity Warrants at price of Rs. 57.25 having face value of Rs. 10 each. Balance 75% of the issue price received in the current year 2022-23 and converted to equity shares.		

<b>Note 6 : Other Long Term Liabilities</b> (in lacs)		
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Others		
-Deposits (Payable)	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

<b>Note: 7: Short term Borrowing</b> (in lacs)		
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Secured Loans repayable on demand from banks</b>		
-Cash Credit facilities	-	115.08
Forward Contract Payable	0.33	0.01
Working Capital facilities	154.73	390.99
Unsecured Loans and advances from related parties	238.42	159.13
<b>Total</b>	<b>393.48</b>	<b>665.21</b>

i) Loans repayable on demand from banks:

(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 @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.85% p.a. as on 28/02/2022.

(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. Further, it has been personally guaranteed by Directors and Promoter of the company. It is repayable on demand and carries interest @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.85% p.a. as on 28/02/2022.

ii) Loans and advances from Directors and Related Parties :

Unsecured loans from directors and 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>Note 8 : Trade Payable</b> (in lacs)		
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Due to Micro and Small Enterprises	403.93	422.18
Due to Other	140.02	339.85
<b>Total</b>	<b>543.95</b>	<b>762.03</b>

<b>8.1 Trade Payable ageing schedule as at 31 March 2023</b> (in lacs)					
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than one year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
MSME	403.93	-	-	-	403.93
Others	136.07	-	-	-	136.07
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	3.96	-	-	3.96
<b>Sub Total</b>					<b>543.96</b>
MSME – Undue					-
Others – Undue					-



<b>Total</b>					<b>543.96</b>
<b>8.2 Trade Payable ageing schedule as at 31 March 2022</b> <span style="float: right;">(in lacs)</span>					
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than one year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
MSME	422.18	-	-	-	422.18
Others	335.89	-	-	-	335.89
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	3.96	-	-	-	3.96
<b>Sub Total</b>					<b>762.03</b>
MSME – Undue					
Others – Undue					
<b>Total</b>					<b>762.03</b>
<b>Note 9 : Other Current Liabilities</b> <span style="float: right;">(in lacs)</span>					
<b>Particulars</b>	<b>31-03-2023</b>		<b>31-03-2022</b>		
Interest accrued and due on borrowings	6.29		20.58		
Income received in advance	-		15.87		
<b>Other Payables</b>					
Creditors for Expenses	92.20		142.44		
Other Current Liabilities	-		1.61		
Other Statutory Liabilities	117.97		6.40		
<b>Total</b>	<b>216.46</b>		<b>186.90</b>		
<b>Note 10 : Short Term Provisions</b> <span style="float: right;">(in lacs)</span>					
<b>Particulars</b>	<b>31-03-2023</b>		<b>31-03-2022</b>		
Provision for Employee Benefits	30.68		31.09		
Others					
Provision for Tax Earlier Years	0.89		1.19		
<b>Total</b>	<b>31.57</b>		<b>32.28</b>		

<b>Note 11: Property, Plant and Equipment</b> <span style="float: right;">(` in lacs)</span>										
Name of Assets	Gross Block				Depreciation and Amortization				Net Block	Net Block
	As on 1 Apr 22	Addition	Deduction	As on 31 Mar 23	As on 1 Apr 22	for the year	Deduction	As on 31 Mar 23	As on 31 Mar 23	As on 31 Mar 22
<b>(i) Property, Plant and Equipment</b>										
Factory Land	1.82			1.82	-	-		-	1.82	1.82
Leasehold Land - Dahej*	1,222.39	-	562.96	659.43	53.56	6.59	34.70	25.45	633.98	1,168.83
Office Building	34.36			34.36	5.31	7.52		12.83	21.53	29.05
Factory Building	273.16			273.16	158.56	11.27		169.83	103.33	114.60
Plant and Equipments	1,164.53	152.57		1,317.10	741.56	84.78		826.34	490.77	422.97
Pollution Control Plant	189.57			189.57	109.33	14.74		124.07	65.50	80.24
Furniture &	70.91	0.09		71.00	23.08	12.15		35.23	35.78	47.83



Fixtures										
Vehicles**	146.17	0.50		146.67	120.30	8.84		129.14	17.53	25.88
Office Equipments	17.98	0.18		18.17	11.91	1.14		13.05	5.12	6.08
Electric Fittings	43.17			43.17	32.31	4.99		37.30	5.88	10.87
Computers	15.03	1.71		16.74	13.87	0.99		14.87	1.88	1.16
<b>Total</b>	<b>3,179.10</b>	<b>155.05</b>	<b>562.96</b>	<b>2,771.20</b>	<b>1,269.79</b>	<b>153.00</b>	<b>34.70</b>	<b>1,388.09</b>	<b>1,383.11</b>	<b>1,909.31</b>
<b>Previous Year</b>	<b>2,955.09</b>	<b>224.12</b>	<b>0.12</b>	<b>3,179.10</b>	<b>1,114.79</b>	<b>155.10</b>	<b>0.09</b>	<b>1,269.79</b>	<b>1,909.31</b>	<b>1,840.31</b>

\*\*Vehicles are held in the name of Directors of the company.

**(ii) Intangible Assets**

Computer Software	10.32			10.32	1.86	6.29		8.15	2.17	8.46
Waste Disposal Rights	113.69	6.00		119.69	57.66	7.85		65.51	54.18	56.03
<b>Total</b>	<b>124.01</b>	<b>6.00</b>	<b>-</b>	<b>130.01</b>	<b>59.52</b>	<b>14.14</b>	<b>-</b>	<b>73.66</b>	<b>56.35</b>	<b>64.49</b>
<b>Previous Year</b>	<b>103.32</b>	<b>20.69</b>	<b>-</b>	<b>124.01</b>	<b>52.17</b>	<b>7.34</b>	<b>-</b>	<b>59.52</b>	<b>64.49</b>	<b>51.14</b>

**(iii) Capital Work-in-progress**

<b>(iv) Intangible Assets under Development</b>									11.22	36.01
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**(iii) Capital Work-in-progress**

(` in lacs)

Particulars	31 March 2023	31 March 2022
Opening Balance	36.01	100.29
Add: Addition during the year	82.30	113.82
Less: Capitalised during the year	107.09	178.09
<b>Closing Balance</b>	<b>11.22</b>	<b>36.01</b>

**Capital Work-in-Progress Ageing Scheduled**

(` in lacs)

Capital Work-in-Progress	Amount in CWIP for a period of				31 March 2023	Amount in CWIP for a period of				31 March 2022
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years		Total	Less than 1 year	1 -2 Years	2-3 Years	
Projects in progress	-	0.91	10.31	-	11.22	0.91	11.04	24.07	-	36.01
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**Disclosure for Project Overdue or exceeded its budgeted cost**

(` in lacs)

Capital Work-in-Progress	Project Status	To be Completed				Project Status	To be Completed			
		Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years		Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years



There is no projects whose completion is overdue or has exceeded its cost compared to its original plan.

<b>Intangible assets under development</b>			(` in lacs)	
<b>Particulars</b>	<b>31 March 2023</b>		<b>31 March 2022</b>	
Opening Balance	10.97		10.72	
Add: Addition during the year	6.00		12.54	
Less: Capitalised during the year	12.00		12.29	
<b>Closing Balance</b>	<b>4.97</b>		<b>10.97</b>	

<b>Intangible assets under development ageing Schedule</b>											(` in lacs)	
Intangible assets under development	Amount in CWIP for a period of				31 March 2023	Amount in CWIP for a period of				31 March 2022		
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total		
Projects in progress	-	-	-	4.97	4.97	6.00	-	4.97	-	10.97		
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-		

<b>Disclosure for Project Overdue or exceeded its budgeted cost</b>											(` in lacs)	
Intangible assets under development	Project Status	To be Completed as at 31 March 2023				Project Status	To be Completed as at 31 March 2022					
		Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years		Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years		
There is no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.												

<b>Note 12 : Non-Current Investments</b>			(` in lacs)	
<b>Particulars</b>	<b>31-03-2023</b>		<b>31-03-2022</b>	
Unquoted Trade Investments in Equity Instruments	4.50		4.50	
Unquoted Other Investments in Equity Instruments	-		13.38	
<b>Total</b>	<b>4.50</b>		<b>17.88</b>	

<b>12.1 Details of Investment</b>					(` in lacs)			
Name of Entity		No of Shares	31 March 2023		No of Shares	31 March 2022		
Trade Investment								
U C Colours and Intermediates Private Limited, Unquoted								
Equity Shares of Rs. 10 each fully paid up		45,000	4.50		45,000	4.50		
Non-Trade Investment								
The Kalupur Co. Op. Bank Limited, Unquoted Equity Shares of Rs. 25 each fully paid up		-	-		53,511	13.38		

<b>Note 13 : Deferred tax assets net</b>			(` in lacs)	
<b>Particulars</b>	<b>31-03-2023</b>		<b>31-03-2022</b>	
Deferred tax asset	7.78		1.19	
<b>Total</b>	<b>7.78</b>		<b>1.19</b>	



<b>13.1 Significant Components of Deferred Tax</b> (₹ in lacs)		
Particulars	31-03-2023	31-03-2022
<b>Deferred Tax Asse</b>		
Property, Plant and Equipment and Intangible Assets	7.78	1.19
<b>Gross Deferred Tax Asset (A)</b>	<b>7.78</b>	<b>1.19</b>
<b>Deferred Tax Liability</b>		
<b>Gross Deferred Tax Liability (B)</b>	-	-
<b>Net Deferred Tax Asset (A)-(B)</b>	<b>7.78</b>	<b>1.19</b>
<b>13.2 Significant components of Deferred Tax charged during the year</b> (₹ in lacs)		
Particulars	31-03-2023	31-03-2022
Property, Plant and Equipment and Intangible Assets	-6.59	-0.97
<b>Total</b>	<b>-6.59</b>	<b>-0.97</b>
<b>Note 14 : Long Term Loans and Advances</b> (₹ in lacs)		
Particulars	31-03-2023	31-03-2022
<b>Capital Advances</b>		
Others	0.31	193.56
<b>Long Term Loans and Advances to related parties</b>		
-Advance to Directors	307.51	-
- Advance to Subsidiary	863.28	536.17
<b>Other Loans and Advances (Unsecured, Considered good)</b>		
-Balances with Statutory / Govt. Authorities (long term)	5.00	5.00
-Receivable for Land	919.53	-
-Other Advances - Long Term	1.13	1.63
-Other long Term Loans and Advances	-	1.28
<b>Total</b>	<b>2,096.76</b>	<b>737.64</b>
<p>i) Loans and Advances to subsidiary: Loans and Advances provided to subsidiary U C Colours and Intermediates Private Limited is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a. (P.Y. 7% p.a.)</p> <p>ii) Loans and Advances to directors: Loans and Advances provided to directors is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a. (P.Y. N.A.)</p>		
<b>Note 15 : Other Non-current Assets</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Security Deposits	173.42	223.89
<b>Total</b>	<b>173.42</b>	<b>223.89</b>
<b>Note 16: Inventories</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Raw materials	292.60	420.76
Finished goods	353.96	375.34
Packing Material	2.72	3.23
<b>Total</b>	<b>649.28</b>	<b>799.34</b>
<b>Note 17: Trade receivables</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Unsecured considered good	904.98	1,056.64





<b>Total</b>	<b>904.98</b>	<b>1,056.64</b>

**Note 17.1: Trade Receivables ageing schedule as at 31 March 2023** (` in lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables- considered good	325.62	69.91	-	-	-	395.53
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>						<b>395.53</b>
Undue - considered good						509.45
Undue - considered doubtful						-
Provision for doubtful debts						-
	<b>Total</b>					<b>904.98</b>

**Note 17.2: Trade Receivables ageing schedule as at 31 March 2022** (` in lacs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables- considered good	495.94	-	-	-	-	495.94
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>						<b>495.94</b>
Undue - considered good						560.70
Undue - considered doubtful						-
Provision for doubtful debts						-
<b>Total</b>						<b>1,056.64</b>

**Note 18: Cash and cash equivalents** (` in lacs)



Particulars	31 March 2023	31 March 2022
Cash on hand	5.18	3.02
Balances with banks in current accounts	0.18	3.65
Others		
-CC with debit balance	16.83	-
<b>Total</b>	<b>22.19</b>	<b>6.67</b>
<b>Note 19: Short term loans and advances</b> ( ` in lacs)		
Particulars	31 March 2023	31 March 2022
Advance Income Tax (Net of provision for taxes)	64.12	1.61
<b>Other loans and advances (Unsecured, considered good)</b>		
-Advance to suppliers	2.11	-
-Balances with Statutory / Govt. Authorities	5.41	67.06
-Forward Contract Receivable	0.90	-
-Loans to Employees	3.49	3.01
-Other Advances	1.59	-
-Other Short Term Loans and Advances	556.86	-
-Prepaid Expenses	11.67	10.50
<b>Total</b>	<b>646.15</b>	<b>82.18</b>
<b>Note 20: Other current assets</b> ( ` in lacs)		
Particulars	31 March 2023	31 March 2022
Interest accrued but not due	-	7.64
<b>Total</b>	<b>-</b>	<b>7.64</b>
<b>Note 21: Revenue from operations</b> ( ` in lacs)		
Particulars	31 March 2023	31 March 2022
<b>Sale of products</b>		
-Sale of products ( Finished & Traded, Gross)	4,228.22	4,751.23
-Scrap Sales	2.00	0.10
<b>Other operating revenues</b>		
-Consultancy Income	11.05	2.21
-Export incentives	26.56	21.71
<b>Total</b>	<b>4,267.83</b>	<b>4,775.25</b>
<b>Note 22: Other Income</b> ( ` in lacs)		
Particulars	31 March 2023	31 March 2022
<b>Interest Income</b>		
- On Bank Deposits	0.07	5.46
- Others	107.33	28.07
Dividend Income	2.01	2.01
<b>Others</b>		
-Foreign Exchange Gain (net)	23.60	19.11
-Miscellaneous Income	-	0.04



-Premium on Forward Contract	0.56	2.18
-Profit on sale of Land	251.01	-
-Sundry Balance written off	-	0.15
<b>Total</b>	<b>384.58</b>	<b>57.02</b>
<b>Note 23: Cost of Material Consumed</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Raw Material Consumed</b>		
Opening stock	420.76	224.17
Purchases	2,472.19	2,860.47
Less: Closing stock	292.60	420.76
<b>Total</b>	<b>2,600.36</b>	<b>2,663.87</b>
<b>Total</b>	<b>2,600.36</b>	<b>2,663.87</b>
<b>Note 24: Purchases of stock in trade</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Alpha/Pigment Dyes	44.77	24.68
Direct Dyes	127.13	94.57
Reactive Dyes	4.55	75.82
<b>Total</b>	<b>176.45</b>	<b>195.07</b>
<b>Note 25: Change in Inventories of work in progress and finished goods</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Opening Inventories</b>		
Finished Goods	375.34	363.99
<b>Less: Closing Inventories</b>		
Finished Goods	353.96	375.34
<b>Total</b>	<b>21.38</b>	<b>(11.35)</b>
<b>Note 26: Employee benefit expenses</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Salaries and wages</b>		
-Directors Remuneration	141.14	134.40
-Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI	205.08	212.33
-Contribution to provident and other funds		
-Gratuity Fund Contribution	11.62	1.36
-Staff welfare expenses	0.27	0.28
<b>Total</b>	<b>358.11</b>	<b>348.37</b>
<b>Note 27: Finance costs</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Interest expense</b>		
-Bank Charges and Commission	0.11	-
-Interest paid to Banks and Financial Institutions	29.89	30.41
-Other Interest Paid	21.57	24.97
<b>Other borrowing costs</b>		
-Bank Charges and Commission	5.10	15.54
<b>Total</b>	<b>56.67</b>	<b>70.92</b>
Note: 1. The Company has availed interest subvention of Rs.6,08,174/- during the period (P.Y : Rs. 25,37,216/-) from bank on working capital facility which has been reduced from interest expenses.		



2. The Company has availed interest subvention of Rs. N.A. during the period (P.Y : Rs. 26,386/-) from SIDBI under capital expansion scheme which has been reduced from interest expenses.  
3. Interest to MSME is not provided as per the explanation provided by the management after confirmation letters from the parties that the payment made is within due dates.

<b>Note 28: Other expenses</b> <span style="float: right;">(` in lacs)</span>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Auditors' Remuneration	2.70	2.70
Commission	3.62	9.19
Insurance	18.38	20.89
Rent	8.70	8.70
Repairs to buildings	7.39	9.02
Repairs to machinery	53.87	74.69
Rates and taxes	1.53	2.16
<b>Selling &amp; Distribution Expenses</b>		
-Other Sales and Distribution Expenses	6.98	9.78
-Sales Promotion and Advertisement	5.74	1.28
Travelling Expenses	12.75	9.18
<b>Miscellaneous expenses</b>		
-Interest on TDS	0.01	-
-Others	5.08	4.54
Donation	-	0.10
Import Expense	0.11	0.21
Laboratory Expenses	7.08	5.13
Labour and processing charges	58.58	87.89
Legal and Professional Fees	12.70	11.90
Loss on Sale/Disposal of Assets	-	0.01
Office Maintenance	7.07	6.05
Packing Material Consumed	8.48	44.80
Pollution Control Expenses	114.33	188.95
Power, Fuel and Water	703.63	627.01
Safety Expenses	0.44	1.24
Security Expense	7.58	9.71
Shipping Expenses	37.64	51.24
Stationary, Printing and Other Office Expenses	8.37	9.99
Telephone and Communication	2.18	1.96
Transportation Charges	-	1.31
Vehicle Running and Maintenance	4.25	3.85
<b>Total</b>	<b>1,099.19</b>	<b>1,203.48</b>

<b>Note 29: Earning per share</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit attributable to equity shareholders (` in lacs)	179.68	147.55
Weighted average number of Equity Shares	82,35,330	73,01,700
Earnings per share basic (Rs)	2.18	2.02
Earnings per share diluted (Rs)	2.18	2.02
Face value per equity share (Rs)	10	10
<b>Note 30: Auditors' Remuneration</b> <span style="float: right;">(` in lacs)</span>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>



<b>Payments to auditor as</b>		
- Auditor	2.50	2.50
- for other services	0.20	0.20
<b>Total</b>	<b>2.70</b>	<b>2.70</b>

**Note 31: Contingent Liabilities and Commitments** (` in lacs)

Particulars	31 March 2023	31 March 2022
Corporate Guarantees given for Subsidiary Company Financial Facilities (UC Colours and Intermediates Pvt Ltd.)	4,250.00	4,250.00
<b>Total</b>	<b>4,250.00</b>	<b>4,250.00</b>

**Note 32: Earnings in Foreign Currencies** (` in lacs)

Particulars	31 March 2023	31 March 2022
Export of Goods calculated on FOB basis	1,129.75	1,389.79
<b>Total</b>	<b>1,129.75</b>	<b>1,389.79</b>

**Note 33: Expenditure made in Foreign Currencies** (` in lacs)

Particulars	31 March 2023	31 March 2022
Other Matters	0.01	-
Commission	2.20	13.56
Travelling	0.41	-
<b>Total</b>	<b>2.63</b>	<b>13.56</b>

<b>Note 34: Related Party Disclosure</b>		
(i) List of Related Parties	Relationship	Relationship
Minku S. Gandhi.	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Maunal S. Gandhi	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
CS Anjali Samani	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
CS Archita Jitendra Shah	Key Managerial Personnel (KMP)	Key Managerial



		Personnel (KMP)	
CFO Pradip B Parikh	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)	
Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)	
Heli Akash Garala	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)	
Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel	Relative of Key Managerial Personnel	
Shantibhai B. Gandhi	Relative of Key Managerial Personnel	Relative of Key Managerial Personnel	
Smt. Mona M. Gandhi	Relative of Key Managerial Personnel	Relative of Key Managerial Personnel	
Arjun M. Gandhi	Relative of Key Managerial Personnel	Relative of Key Managerial Personnel	
Aadit M. Gandhi	Relative of Key Managerial Personnel	Relative of Key Managerial Personnel	
HUF Industries	Enterprise in which Relative of KMP is interested as member	Enterprise in which Relative of KMP is interested as member	
UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	Subsidiary Company	
<b>(ii) Related Party Transactions</b>		(` in lacs)	
<b>Particulars</b>	<b>Relationship</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Loan Accepted			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	493.05	751.75
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	506.45	621.50



- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	45.90	92.00
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	-	4.00
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.50	-
Loan Repaid			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	430.53	735.25
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	525.57	553.78
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	32.87	151.15
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	0.56	11.20
- Arjun M. Gandhi	Relative of Key Managerial Personnel	-	6.59
- Aadit M. Gandhi	Relative of Key Managerial Personnel	9.55	44.53
Directors Remuneration			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	67.20	69.32
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	67.20	69.32
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	6.74	6.74
Salary			
- CS Archita Jitendra Shah	Key Managerial Personnel (KMP)	-	1.35
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	8.51	8.24
- Heli Akash Garala	Key Managerial Personnel (KMP)	1.84	1.50
- Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel	13.44	12.00
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	24.02	24.02
- Smt. Mona M. Gandhi	Relative of Key Managerial Personnel	13.44	12.00
- Aadit M. Gandhi	Relative of Key Managerial Personnel	7.46	6.74
- CS Anjali Samani	Key Managerial Personnel (KMP)	2.62	-
Other Interest Paid			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	8.74	4.68



- Maunal S. Gandhi	Key Managerial Personnel (KMP)	9.95	5.37
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	2.38	6.55
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	0.01	0.20
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.31	3.78
<b>Rent Expense</b>			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	8.70	8.70
<b>Loan Given</b>			
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.30	1.50
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	362.94	0.01
- CS Anjali Samani	Key Managerial Personnel (KMP)	0.42	-
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	150.00	-
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	150.00	-
<b>Rent Deposit Given</b>			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	-	50.00
<b>Consultancy Income</b>			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	11.05	2.22
<b>Interest income</b>			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	63.47	19.95
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	3.76	-
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	3.76	-
<b>Loan received back</b>			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	92.95	518.21
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.35	-
<b>Sale of Land</b>			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	779.26	-
<b>Sale of products ( Finished &amp; Traded, Gross)</b>			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	53.66	-





<b>(iii) Related Party Balances</b>				(` in lacs)
<b>Particulars</b>	<b>Relationship</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	
Unsecured Loans and advances from related parties				
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	132.96	63.11	
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	71.66	82.36	
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	40.10	24.93	
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	-	0.55	
- Aadit M. Gandhi	Relative of Key Managerial Personnel	-	8.77	
Provision for employee benefits				
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	3.07	2.82	
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	3.07	2.82	
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.71	0.60	
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	0.46	0.68	
- Heli Akash Garala	Key Managerial Personnel (KMP)	-	0.30	
- Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel	0.80	0.81	
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	1.93	2.00	
- Smt. Mona M. Gandhi	Relative of Key Managerial Personnel	0.80	0.81	
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.46	0.72	
Loans to Employees				
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	1.39	1.50	
- CS Anjali Samani	Key Managerial Personnel (KMP)	0.38	-	
Advance to subsidiary				
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	863.28	536.17	
Trade Receivable				
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	26.80	0.74	
Unquoted Trade Investments in Equity Instruments				



- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	4.50	4.50
Rent Deposit receivable			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	50.00	50.00
Receivable for Land			
- UC Colours and Intermediates Pvt Ltd.	Subsidiary Company	919.53	-
Advance to Director			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	153.76	-
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	153.76	-

**Note 35: Loans and Advances given to Related Parties** (₹ in lacs)

Type of Borrower	31 March 2023		31 March 2022	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Promoters	307.51	26.27%	-	0.00%
Subsidiary	863.28	73.73%	536.17	100.00%
<b>Total</b>	<b>1,170.79</b>	<b>100.00%</b>	<b>536.17</b>	<b>100.00%</b>

**Note 36: Security of Current Assets Against Borrowings**

Particulars	June, 2022	September, 2022	December, 2022	March, 2023
Inventory as per Quarterly Return filed with Bank	705.84	568.99	663.96	642.97
<b>Add:</b>				
Valuation Difference	-	-	-	-
Difference due to Physical verification	-	-	-	-
Purchase Bill accounted later	-	-	-	6.31
others 1	-	-	-	-
others 2	-	-	-	-
<b>Less:</b>				
Valuation Difference	-	2.26	5.58	-
Difference due to Physical verification	-	-	-	-
Sale Bill accounted later	-	-	-	-



By mistake WIP added	60.69	-	-	-
Purchase Bill accounted twice	-	-	40.12	-
Expense entry booked in purchase	-	-	54.85	-
<b>Inventory as per Books of Account</b>	<b>645.15</b>	<b>566.73</b>	<b>563.41</b>	<b>649.28</b>
<b>Reason for Material Dcrepancies</b>	The figures provided in the bank were on a provisional basis which were subject to finalization.	-	The figures provided in the bank were on a provisional basis which were subject to finalization..	-
<b>Particulars</b>				
	<b>June, 2022</b>	<b>September, 2022</b>	<b>December, 2022</b>	<b>March, 2023</b>
Trade Receivable as per Quarterly Return filed with Bank	849.04	848.74	491.24	580.54
<b>Add:</b>				
Valuation Difference				
Difference due to Physical verification				
Purchase Bill accounted later				
others 1 due to post dated chqs posting in current month		40.85		
others 2 bk paymt advice not received in time and also some party deposited cheque directly to our account.			6.26	19.40
<b>Less:</b>				
Valuation Difference				
Difference due to Physical verification				
Sale Bill accounted later				
others 1 due to bank receipt entry done later.	3.27			
others 2				
<b>Trade Receivable as per Books of Account</b>	<b>845.77</b>	<b>889.59</b>	<b>497.50</b>	<b>599.94</b>
<b>Reason for Material Dcrepancies</b>	-	-	-	-



Particulars	June, 2022	September, 2022	December, 2022	March, 2023
Trade Payable as per Quarterly Return filed with Bank	-	196.38	25.29	111.39
<b>Add:</b>				
Valuation Difference				
Difference due to Physical verification				
Purchase Bill accounted later				
others 1	460.39	515.62	488.80	430.46
others 2				
<b>Less:</b>				
Valuation Difference				
Difference due to Physical verification				
Sale Bill accounted later				
others 1				
others 2				
<b>Trade Payable as per Books of Account</b>	<b>460.39</b>	<b>712.00</b>	<b>514.09</b>	<b>541.85</b>
<b>Reason for Material Dcrepancies</b>	The Figures were provided for export debtors balances as the bank provided us wrong format.			
<b>Notes 37: Ratio Analysis</b>				
Particulars	Numerator/Denominator	31 March 2023	31 March 2022	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.87	1.19	58.10%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$	0.08	0.20	-59.03%
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$	N.A.	9.13	N.A.



(d) Return on Equity Ratio	<u>Profit after Tax</u>	4.45%	4.46%	-0.34%
	Average Shareholder's Equity			
(e) Inventory turnover ratio	<u>Total Turnover</u> Average Inventories	5.89	12.85	-54.16%
(f) Trade receivables turnover ratio	<u>Total Turnover</u> Average Account Receivable	4.35	4.76	-8.66%
(g) Trade payables turnover ratio	<u>Total Purchases</u> Average Account Payable	4.06	5.63	-27.90%
(h) Net capital turnover ratio	<u>Total Turnover</u> Net Working Capital	4.12	15.52	-73.49%
(i) Net profit ratio	<u>Net Profit</u> Total Turnover	4.21%	3.11%	35.57%
(j) Return on Capital employed	<u>Earning before interest and taxes</u> Capital Employed	4.45%	6.81%	-34.69%
(k) Return on investment	<u>Return on Investment</u> Total Investment	44.59%	11.22%	297.28%
(a) Current Ratio - The ratio is increased due to increase in current assets.				
(b) Debt-Equity Ratio - The ratio is decreased due to loan repayment.				
(e) Inventory turnover ratio - The ratio is decreased due to increase in average inventories.				
(g) Trade payables turnover ratio - The ratio is decreased due to increase in average suppliers.				
(h) Net capital turnover ratio - The ratio is decreased due to increase in Net Working Capital.				
(i) Net profit ratio - The ratio is increased due to increase in Profit as compare to Turnover.				
(j) Return on Capital employed - The ratio is decreased due to increase in capital employed.				
(k) Return on investment - The ratio is increased due to sale of investment.				



**Notes 38: Other Statutory Disclosures as per the Companies Act, 2013**

The Company does not have anything to report in respect of the following:

- Benami properties
- Trading or investment in crypto or virtual currency
- Giving/receiving of any loan or advance or funds with the understanding that the recipient shall lend, invest, provide security or guarantee on behalf of the Company/funding party
- Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment
- Charges or satisfaction not registered with ROC beyond statutory period
- Title deeds in respect of freehold immovable properties not being held in the name of the Company.
- Transactions with struck-off companies
- Non-compliance with number of layers as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of Layers) Rules, 2017.
- Wilful Defaulter by any bank or financial institution or other lender.

**Notes 39: Regrouping**

Previous year's figures have been re-grouped, re-classified and re-arranged whenever necessary.

**Notes 40: Other Notes**

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 as required under the act has been given. The interest has not been provided as per the explanation provided by the management after confirmation letters from the parties that the payment is made within due dates.

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 Shruti C Shah)**  
**Partner**  
**Membership No. 175839**  
**UDIN: 23175839BGXUUM4043**

**(Maunal S. Gandhi)**  
**Joint MD**  
**00118559**

**(Arjun Gandhi)**  
**Director**  
**09254434**

**(Pradip Parikh)**  
**CFO**  
**AIZPP5478J**

**(Anjali Samani)**  
**CS**  
**A65647**

**Place : Ahmedabad**  
**Date : 29-05-2023**

**Place : Ahmedabad**  
**Date : 29-05-2023**



## 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 subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2023, and the consolidated Statement of Profit and Loss 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, 2023;
- 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.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated AS Financial Statement and our auditor's report thereon.

Our opinion on the Consolidated AS Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated AS Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those charged with Governance for the 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.





Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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

1. 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, 2023 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, 2023 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 to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, we report that:

According to the records of the company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.



- h) 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:
- vii. There were no pending litigations which would impact the consolidated financial position of the Group.
  - viii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - ix. 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.
  - x.
    - 1 The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - 2 The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - 3 Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
  - xi. The company has neither declared nor paid dividend during the year as per Section 123 of the Companies Act, 2013.
  - xii. As per the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' Report, according to the information and explanations given to us and based on the CARO report issued by us for the Holding Company and based on CARO report issued in respect of an subsidiary company whose financial information has been considered in the Consolidated Financial Statements and to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Place : Ahmedabad  
Date : 29/05/2023

*For, DJNV & CO.*  
**Chartered Accountants**  
**CA Shruti C Shah**  
**(Partner)**  
**Membership No.175839**  
**UDIN: 23175839BGXUUN9188**  
**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<sup>st</sup> March 2023 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<sup>st</sup> March 2023, 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 : 29/05/2023**

**CA Shruti C Shah  
(Partner)  
Membership No. 175839  
UDIN: 23175839BGXUUN9188  
Firm Reg. No.0115145W**



Ushanti Colour Chem Limited			
Consolidated Balance Sheet as at 31st March, 2023			
(Rs. In Lacs)			
I. EQUITY AND LIABILITIES	Note	As at 31-03-2023	As at 31-03-2022
<b>1) Shareholders' Funds</b>			
a) Share Capital	3	1,030.17	730.17
b) Reserves and Surplus	4	3,630.91	2,115.28
c) Money received against share warrants	5	-	429.37
<b>1) Minority Interest</b>		(0.65)	(0.50)
<b>2) Share application money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long-term Borrowings	6	2,885.76	810.76
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long term Liabilities	7	0.15	0.15
d) Long Term Provisions		-	-
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	8	1,162.33	842.83
b) Trade Payables	9		
Due to MSME		539.41	422.18
Other than MSME		140.03	339.85
c) Other Current Liabilities	10	601.97	316.39
d) Short-term Provisions	11	31.57	32.28
	<b>Total</b>	<b>10,021.65</b>	<b>6,038.76</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Property, Plant and Equipments and Intangible Assets			
(i) Tangible Assets	12	2176.30	1909.75
(ii) Intangible Assets	12	57.20	64.49
(iii) Capital Work-in-progress	12	3815.19	1,028.38
(iv) Intangible Assets under Development	12	4.97	10.97
b) Non-current Investments	13	0.00	13.38
c) Deferred Tax Assets (net)	14	7.41	1.24
d) Long-term Loans and Advances	15	313.96	201.47
e) Other Non-current Assets	16	241.66	262.93
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	17	649.28	799.34
c) Trade Receivables	18	1058.17	1055.90
d) Cash and Cash Equivalents	19	96.77	23.44
e) Short-term Loans and Advances	20	1600.01	556.64
f) Other Current Assets	21	0.73	110.83
	<b>Total</b>	<b>10021.65</b>	<b>6038.76</b>
Significant Accounting Policies	1 & 2		
The accompanying notes are integral part of the financial statements			
As per our Report of even date attached			
<b>For, DJNV &amp; Co.</b>		<b>For and on behalf of the Board of directors</b>	
<b>Chartered Accountants</b>		<b>Ushanti Colour Chem Limited</b>	
Firm Reg. No. : 115145W			
(CA Shruti C Shah)	(Maunal S. Gandhi)	(Arjun Gandhi)	(Pradip Parikh) (Anjali Samani)
Partner	Joint MD	Director	CFO CS
Membership No. 112249	00118559	09254434	AIZPP5478J A65647
UDIN: 22112249AKDEMG3412			
<b>Place:</b> Ahmedabad	<b>Place:</b> Ahmedabad		
<b>Date:</b> 29-05-2023	<b>Date:</b> 29-05-2023		



<b>Ushanti Colour Chem Limited</b>			
<b>Consolidated Statement of Profit and Loss for the year ended 31st March, 2023</b>			
			(Rs. In Lacs)
	Note	As at 31-03-2023	As at 31-03-2022
<b>Income</b>			
Revenue from Operations	22	4399.35	4773.04
Other Income	23	321.92	39.73
<b>Total Income</b>		<b>4721.26</b>	<b>4812.76</b>
<b>Expenses</b>			
Cost of Material Consumed	24	2600.36	2663.87
Purchase of Stock-in-Trade	25	321.35	195.08
Changes in Inventories	26	21.38	(11.35)
Employees Benefits Expenses	27	362.04	348.37
Finance Cost	28	56.67	79.68
Depreciation and Amortization		167.75	162.92
Other Expenses	29	1099.88	1206.94
<b>Total Expenses</b>		<b>4629.42</b>	<b>4645.50</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>91.84</b>	<b>167.27</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>91.84</b>	<b>167.27</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>91.84</b>	<b>167.27</b>
Tax Expenses			
Current Tax		-	52.15
Deferred Tax		(6.17)	(1.02)
Other Tax Exp / Adj. for Earlier year		0.03	0.74
<b>Profit / (loss) for the Period</b>		<b>97.98</b>	<b>115.39</b>
<b>Less: Share in Profit/(Loss) of Minority Interest</b>		<b>(0.15)</b>	<b>(1)</b>
<b>Profit / (loss) for the Period for Equity holders</b>		<b>98.13</b>	<b>116.39</b>
<b>Earning Per Equity Share</b>			
Basic	30	1.19	1.59
Diluted	30	1.19	1.59
Significant Accounting Policies	1 & 2		
The accompanying notes are integral part of the financial statements			
As per our Report of even date attached			
<b>For, DJNV &amp; Co.</b>		<b>For and on behalf of the Board of directors</b>	
<b>Chartered Accountants</b>		<b>Ushanti Colour Chem Limited</b>	
Firm Reg. No. : 115145W			
(CA Shruti C Shah)	(Maunal S. Gandhi)	(Arjun Gandhi)	(Pradip Parikh)
Partner	Joint MD	Director	CFO
Membership No. 112249	00118559	09254434	AIZPP5478J
UDIN: 22112249AKDEMG3412			A65647
<b>Place:</b> Ahmedabad	<b>Place:</b> Ahmedabad		
<b>Date:</b> 29-05-2023	<b>Date:</b> 29-05-2023		



Ushanti Colour Chem Limited			
Consolidated Cash Flow as at 31st March, 2023			
(in lacs)			
Particulars	Note	31 March 2023	31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax		91.84	167.27
Depreciation and Amortisation Expense		167.75	162.92
Provision for tax		-	-
Effect of Exchange Rate Change		(23.60)	-
Loss/(Gain) on Sale / Discard of Assets (Net)		(251.01)	0.01
Bad debt, provision for doubtful debts		-	-
Net Loss/(Gain) on Sale of Investments		-	-
Other tax adjustment		-	(0.74)
Dividend Income		(2.01)	(2.01)
Interest Income		(44.74)	(33.53)
Finance Costs		56.67	70.93
<b>Operating Profit before working capital changes</b>		<b>(5.10)</b>	<b>364.84</b>
Adjustment for:			
Inventories		150.06	(207.76)
Trade Receivables		21.32	(117.91)
Other Current Assets		110.10	(276.04)
Trade Payables		(82.59)	575.78
Other Current Liabilities		285.58	-
Short-term Provisions		(0.70)	-
Cash generated from Operations		478.68	338.92
Tax paid(Net)		0.03	52.15
<b>Net Cash from Operating Activities</b>		<b>478.65</b>	<b>286.77</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(2,956.83)	(1,004.95)



Sale of Property, Plant and Equipment		-	0.02
Purchase of Investments Property		-	-
Sale of Investment Property		-	-
Purchase of Equity Instruments		-	-
Proceeds from Sale of Equity Instruments		13.38	-
Purchase of Mutual Funds		-	-
Proceeds from Sale / Redmption of Mutual Funds		-	-
Purchase of Preference Shares		-	-
Proceeds from Sale/Redemption of Preference Shares		-	-
Purchase of Government or trust securities		-	-
Proceeds from Sale/Redemption of Government or trust securities		-	-
Purchase of debentures or bonds		-	-
Proceeds from Sale/Redemption of debentures or bonds		-	-
Purchase of Other Investments		-	-
Sale / Redemption of Other Investments		-	-
Loans and Advances given		(1,155.85)	-
Proceeds from Loans and Advances		-	-
Investment in Term Deposits		21.27	-
Maturity of Term Deposits		-	-
Interest received		44.74	33.53
Dividend received		2.01	2.01
<b>Net Cash (Used in) Investing Activities</b>		<b>(4,031.28)</b>	<b>(969.39)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Issue of Share Capital		1,288.13	429.38
Buyback of Shares		-	-
Proceeds from Long Term Borrowings		2,075.00	-
Repayment of Long Term Borrowings		-	(261.70)
Proceeds from Short Term Borrowings		319.50	588.57
Repayment of Short Term Borrowings		-	-
Minority Interest Movement			
Dividends Paid (including Dividend Distribution Tax)		-	-
Interest Paid		(56.67)	(70.93)





Net Cash (Used in) / Generated from Financing Activities		3,625.96	685.32
<b>Net (Decrease) in Cash and Cash Equivalents</b>		73.32	2.69
Opening Balance of Cash and Cash Equivalents		23.44	20.76
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
<b>Closing Balance of Cash and Cash Equivalents</b>	19	<b>96.77</b>	<b>23.44</b>

**Note:**

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

2 Reconciliation of Cash and Cash Equivalents as per the statement of cashflow:

Particulars	31 March 2023	31 March 2022
Balance with banks		
In current Accounts	73.09	5.02
In CC with debit balance	16.83	0.00
Deposits with original maturity for more than 12 months	0.00	15.00
Cash on hand	6.85	3.42
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>96.77</b>	<b>23.44</b>

3 Figures in bracket indicate cash outflow.

See accompanying notes to the financial statements

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

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

(CA Shruti C Shah)  
Partner  
Membership No. 112249  
UDIN: 22112249AKDEMG3412  
**Place:** Ahmedabad  
**Date:** 29-05-2023

(Maunal S. Gandhi)  
Joint MD  
00118559

(Arjun Gandhi)  
Director  
09254434

(Pradip Parikh)  
CFO  
AIZPP5478J

(Anjali Samani)  
CS  
A65647

**Place:** Ahmedabad  
**Date:** 29-05-2023



**Ushanti Colour Chem Ltd.**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2023**

**1. Corporate Information**

**Ushanti Colour Chem Limited** ('the Company') is engaged in the business of Manufacturing of Dyestuffs, Pigments and Intermediates. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on National Stock Exchange (BSE). The registered office of the company is located at 88/6/7/8 Phase I GIDC, Vatva, Ahmedabad-382445. The Company caters to both domestic and international markets.

**2. Significant Accounting Policies:**

**2.1 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.

**2.2 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.

**2.3 Property, Plant and Equipment**

**(e) Measurement**

**(iv) Land**

Land is initially recognized at cost.

**(v) 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.

**(vi) 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.



**(f) Depreciation and Amortization**

**(iv) Leasehold Land**

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

**(v) 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.

**(vi) 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.

**(g) 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.

**(h) 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.

**2.4 Inventories**

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

**2.5 Revenue Recognition**

(iv) 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.

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

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

**2.6 Purchase and Expenses**

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

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

**2.7 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.

**2.8 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.

## **2.9 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.

## **2.10 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.

## **2.11 Foreign Currency Transactions**

- (v) 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.
- (vi) Monetary items denominated in foreign currencies at the period/year-end are restated at period/year-end rates.
- (vii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (viii) 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.

## **2.12 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.

## **2.13 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.

## **2.14 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.

## **2.15 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 & Los



<b>Note 3: Share Capital</b>					(` in lacs)
<b>Particulars</b>	<b>31 March 2023</b>		<b>31 March 2022</b>		
<b>Authorised Share Capital</b>					
Equity Shares, Rs. 10 par value, 15000000 (Previous Year -15000000) Equity Shares	1,500.00		1,500.00		
<b>Issued, Subscribed and Fully Paid up Share Capital</b>					
Equity Shares, Rs. 10 par value 10301700 (Previous Year -7301700) Equity Shares paid up	1,030.17		730.17		
<b>Total</b>	<b>1,030.17</b>		<b>730.17</b>		
<b>(i) Reconciliation of number of shares</b>					
<b>Particulars</b>	<b>31 March 2023</b>		<b>31 March 2022</b>		
<b>Equity Shares</b>	<b>No. of shares</b>	<b>(` in lacs)</b>	<b>No. of shares</b>	<b>(` in lacs)</b>	
Opening Balance	73,01,700	730.17	73,01,700	730.17	
Issued during the year	30,00,000	300.00	-	-	
Deletion during the year	-	-	-	-	
<b>Closing balance</b>	<b>10301700</b>	<b>1030.17</b>	<b>73,01,700</b>	<b>730.17</b>	
<b>(ii) Rights, preferences and restrictions attached to shares</b>					
Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.					
<b>(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company</b>					
<b>Equity Shares</b>	<b>31 March 2023</b>		<b>31 March 2022</b>		
<b>Name of Shareholder</b>	<b>No. of shares</b>	<b>In %</b>	<b>No. of shares</b>	<b>In %</b>	
Mr. Shantilal B. Gandhi	17,12,247	16.62%	17,12,247	23.45%	
Mr. Minkubhai S. Gandhi	13,73,427	13.33%	13,73,427	18.81%	
Mr. Maunal S. Gandhi	13,69,416	13.29%	13,69,416	18.75%	
Mrs. Monaben M. Gandhi	-	0.00%	4,83,250	6.62%	
Mrs. Shefaliben M. Gandhi	-	0.00%	4,83,250	6.62%	
<b>(iv) Shares held by Promoters at the end of the year 31 March 2023</b>					
<b>Name of Promoter</b>	<b>Class of Shares</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>	
Mr. Maunal S. Gandhi	Equity	13,69,416	13.29%	0.00%	
Mr. Minkubhai S. Gandhi	Equity	13,73,427	13.33%	0.00%	
<b>Shares held by Promoters at the end of the year 31 March 2022</b>					
<b>Name of Promoter</b>	<b>Class of</b>	<b>No. of</b>	<b>% of total</b>	<b>% Change</b>	



	Shares	Shares	shares	during the year
Mr. Maunal S. Gandhi	Equity	13,69,416	18.75%	0.73%
Mr. Minkubhai S. Gandhi	Equity	13,73,427	18.81%	0.73%

**Note 4: Reserves and Surplus** (` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Capital Reserves</b>		
Opening Balance	1.00	1.00
Closing Balance	1.00	1.00
<b>Securities Premium</b>		
Opening Balance	968.27	968.27
Add: Transfer from P&L	1,417.50	-
Closing Balance	2,385.77	968.27
<b>Statement of Profit and loss</b>		
Balance at the beginning of the year	1,146.02	1,029.62
Add: Profit during the year	98.13	116.39
<b>Balance at the end of the year</b>	1,244.14	1,146.02
<b>Total</b>	<b>3,630.91</b>	<b>2,115.28</b>

**Note 5: Money received against share warrants** (` in lacs)

Particulars	31 March 2023	31 March 2022
Money received against share warrants	-	429.37
<b>Total</b>	<b>-</b>	<b>429.37</b>

Note - 25% application money (subscription price) received in the year 2021-22 for 30,00,000 Convertible Equity Warrants at price of Rs. 57.25 having face value of Rs. 10 each. Balance 75% of the issue price received in the current year 2022-23 and converted to equity shares.

**Note 6: Long term borrowings** (` in lacs)

Particulars	31 March 2023	31 March 2022
Secured Term loans from banks	2,383.90	305.62
Unsecured Bonds/debentures		
-Debentures	501.86	505.14
<b>Total</b>	<b>2,885.76</b>	<b>810.76</b>

i) For Secured Term Loan from Bank :  
The loan is repayable in 96 EMI including 12 EMI moratorium period.  
- Loan amounting Rs. 25,00,00,000 is sanctioned for the purpose of purchase of Plant & machineries, Utilities & Equipment and for Building construction.  
- The loan is secured against:

1. Hypothication of current assets and movable fixed assets
2. Mortgage charge on factory land and building situated at C-18, GIDC, Saykha, Dist. Bharuch – 392140 in the name of Ushanti Colour Chem Ltd.
3. Personal guarantee of directors and relatives.
4. Corporate guarantee of Ushanti Colour Chems Ltd.



ii) For Debentures:  
595840 Zero coupon Compulsory Convertible Debentures allotted on 02/03/2021 and 863960 allotted on 08/03/2021 @ Rs. 10/- convertible at the end of 5 months from the date of allotment.  
- On 15/02/2022 the date of conversion changed with mutual consent of allottees by giving a notice of Conversion to the Company on or before 01 March, 2031.  
- 359160 Unsecured 0% to 12% Variable Coupon bearing Convertible Debentures of Rs.100/- each were allotted which are convertible with mutual consent of allottees by giving a notice of Conversion to the Company on or before 01 March, 2031.

**Note 7: Other Long term liabilities** (` in lacs)

Particulars	31 March 2023	31 March 2022
Others		
-Deposits (Payable)	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

**Note 8: Short term borrowings** (` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Secured Loans repayable on demand from banks</b>		
-Cash Credit facilities	-	115.08
-Forward Contract Payable	0.34	0.01
-Working Capital facilities	154.73	390.99
Unsecured Loans and advances from related parties	894.24	335.30
Unsecured Other loans and advances		
-Other Loans and Advances (Inter Corporate Deposit)	113.02	1.45
<b>Total</b>	<b>1,162.33</b>	<b>842.83</b>

i)Loans and advances from Directors and Related Parties :  
- Holding Company - Unsecured loans from directors and 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.)  
- Subsidiary Company - Loan from Directors & other related Parties are repayable on demand and carries interest @ 9.25% p.a. (P.Y. 7% p.a.).

ii)Loans repayable on demand from banks:  
(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 @ 9% p.a. as on 26/06/2020 and 8.5% as on 10/07/2020.  
(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. Further, it has been personally guaranteed by Directors and Promoter of the company. It is repayable on demand and carries interest @ 9% p.a. as on 26/06/2020 and 8.5% as on 10/07/2020.

iii)For Inter Corporate Deposit:  
Loans from inter corporate companies are taken @ 9.25% interest p.a. (P.Y. 7% interest p.a.)

**Note 9: Trade payables** (` in lacs)

Particulars	31 March 2023	31 March 2022
Due to Micro and Small Enterprises	539.41	422.18
Due to others	140.03	339.85
<b>Total</b>	<b>679.44</b>	<b>762.03</b>

**Note 9.1: Trade Payable ageing schedule as at 31 March 2023** (` in lacs)



Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	539.41	-	-	-	539.41
Others	136.07	-	-	-	136.07
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	3.96	-	3.96	-
<b>Sub total</b>					<b>679.44</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>679.44</b>

**Note 9.2: Trade Payable ageing schedule as at 31 March 2022** (` in lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	422.18	-	-	-	422.18
Others	335.89	-	-	-	335.89
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	3.96	-	-	-	3.96
<b>Sub total</b>	<b>762.03</b>	-	-	-	<b>762.03</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>762.03</b>

**Note 10: Other current liabilities** (` in lacs)

Particulars	31 March 2023	31 March 2022
Interest accrued and due on borrowings	39.09	33.16
Income received in advance	-	15.87
<b>Other payables</b>		
-Creditors for Expenses	373.51	253.84
-Other Current Liabilities	-	1.61
-Other Statutory Liabilities	133.68	11.91
-Retention money	55.69	-
<b>Total</b>	<b>601.97</b>	<b>316.39</b>





<b>Note 11: Short term provisions</b>			(` in lacs)
Particulars	31 March 2023	31 March 2022	
Provision for employee benefits	30.68	31.09	
Others			
-Provision for Tax Earlier Years	0.89	1.19	
<b>Total</b>	<b>31.57</b>	<b>32.28</b>	

**Note: 12 Property, Plant and Equipment** (` in lacs)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	Net Block
	As on 1 Apr 22	Addition	Deduction	As on 31 Mar 23	As on 1 Apr 22	for the year	Deduction	As on 31 Mar 23	As on 31 Mar 23	As on 31 Mar 22

**(i) Property, Plant and Equipment**

Factory Land	1.82	-	-	1.82	-	-		-	1.82	1.82
Leasehold Land - Dahej*	1,222.39	779.26	562.96	1,438.69	53.56	6.59	34.70	25.45	1,413.24	1,168.83
Office Building	34.36			34.36	5.31	7.52		12.83	21.53	29.05
Factory Building	273.16			273.16	158.56	11.27		169.83	103.33	114.60
Plant and Equipments	1,164.53	161.33		1,325.86	741.56	85.24		826.80	499.06	422.97
Pollution Control Plant	189.57			189.57	109.33	14.74		124.07	65.50	80.24
Furniture & Fixtures	71.14	5.29		76.43	23.12	12.14		35.26	41.17	48.01
Vehicles**	146.17	0.50		146.67	120.30	8.84		129.14	17.53	25.88
Office Equipments	17.98	0.18		18.17	11.91	1.14		13.05	5.12	6.08
Electric Fittings	43.17			43.17	32.31	4.99		37.30	5.88	10.87
Computers	15.72	1.71		17.44	14.31	0.99		15.30	2.13	1.41
<b>Total</b>	<b>3,180.02</b>	<b>948.27</b>	<b>562.96</b>	<b>3,565.33</b>	<b>1,270.27</b>	<b>153.46</b>	<b>34.70</b>	<b>1,389.03</b>	<b>2,176.30</b>	<b>1,909.75</b>
<b>Previous Year</b>	<b>2,955.09</b>	<b>224.12</b>	<b>0.12</b>	<b>3,179.10</b>	<b>1,114.79</b>	<b>155.10</b>	<b>0.09</b>	<b>1,269.79</b>	<b>1,909.31</b>	<b>1,840.31</b>

\*\*Vehicles are held in the name of Directors of the company.

**(ii) Intangible Assets**

Computer Software	10.32			10.32	1.86	6.29		8.15	2.17	8.46
Waste Disposal Rights	113.69	7.00		120.69	57.66	7.99		65.65	55.04	56.03



				-				-	-	-
<b>Total</b>	124.01	7.00	-	131.01	59.52	14.29	-	73.80	57.20	64.49
<b>Previous Year</b>	103.32	20.69	-	124.01	52.17	7.34	-	59.52	64.49	51.14

**(iii) Capital Work-in-progress** 3,815.19 1,028.38

**(iv) Intangible Assets under Development** 4.97 10.97

**(iii) Capital Work-in-progress** (` in lacs)

Particulars	31 March 2023	31 March 2022
Opening Balance	1028.38	269.41
Add: Addition during the year	2893.91	937.92
Less: Capitalised during the year	107.09	178.95
<b>Closing Balance</b>	<b>3,815.19</b>	<b>1,028.38</b>

**Capital Work-in-Progress Ageing Schedule** (` in lacs)

Capital Work-in-Progress	Amount in CWIP for a period of				31 March 2023	Amount in CWIP for a period of				31 March 2022
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	2,858.31	946.57	10.31	-	3,815.19	825.01	179.31	24.07	-	1,028.38
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**Disclosure for Project Overdue or exceeded its budgeted cost** (` in lacs)

Capital Work-in-Progress	Project Status	To be Completed				Project Status	To be Completed			
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years
There is no projects whose completion is overdue or has exceeded its cost compared to its original plan.										

**Intangible assets under development** (` in lacs)

Particulars	31 March 2023	31 March 2022
Opening Balance	10.97	10.72
Add: Addition during the year	6.00	12.54



Less: Capitalised during the year	12.00	12.29
<b>Closing Balance</b>	<b>4.97</b>	<b>10.97</b>

**Intangible assets under development ageing Schedule** (` in lacs)

Intangible assets under development	Amount in CWIP for a period of				31 March 2023	Amount in CWIP for a period of				31 March 2022
	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	4.97	4.97	6.00	-	4.97	-	10.97
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**Disclosure for Project Overdue or exceeded its budgeted cost** (` in lacs)

Intangible assets under development	To be Completed as at 31 March 2023					To be Completed as at 31 March 2022				
	Project Status	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years	Project Status	Less than 1 year	1 -2 Years	2-3 Years	More than 3 Years
There is no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.										

**Note 13: Non current investments** (` in lacs)

Particulars	31 March 2023	31 March 2022
Unquoted Other Investments in Equity Instruments	-	13.38
<b>Total</b>	-	<b>13.38</b>

**Note 13.1: Details of Investments** (` in lacs)

Name of Entity	No of Shares	31 March 2022
Non-Trade Investment		
The Kalupur Co. Op. Bank Limited, Unquoted		
Equity Shares of Rs. 25 each fully paid up	53,511	13.38

**Note 14: Deferred tax assets net** (` in lacs)

Particulars	31 March 2023	31 March 2022
Deferred tax asset	7.41	1.24
<b>Total</b>	<b>7.41</b>	<b>1.24</b>



<b>Note 14.1: Significant Components of Deferred Tax</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
<b>Deferred Tax Asset</b>		
Property, Plant and Equipment and Intangible Assets	7.41	1.24
Add: Deferred Tax Assets	-	-
<b>Gross Deferred Tax Asset (A)</b>	<b>7.41</b>	<b>1.24</b>
<b>Deferred Tax Liability</b>		
Less: Deferred Tax Liability		-
<b>Gross Deferred Tax Liability (B)</b>	-	-
<b>Net Deferred Tax Asset (A)-(B)</b>	<b>7.41</b>	<b>1.24</b>
<b>Note 14.2: Significant components of Deferred Tax charged during the year</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Property, Plant and Equipment and Intangible Assets	(6.17)	(1.02)
<b>Total</b>	<b>(6.17)</b>	<b>(1.02)</b>
<b>Note 15: Long term loans and advances</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Capital Advances	0.31	193.56
Loans and advances to related parties		
-Advance to Director	307.51	-
<b>Other loans and advances (Unsecured, considered good)</b>		
-Balances with Statutory / Govt. Authorities (long term)	5.01	5.00
-Other Advances - Long Term	1.13	1.63
-Other long Term Loans and Advances	-	1.28
<b>Total</b>	<b>313.96</b>	<b>201.47</b>
i) Loans and Advances to directors:		
Loans and Advances provided to directors is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. N.A.)		
<b>Note 16: Other non current assets</b> (₹ in lacs)		
Particulars	31 March 2023	31 March 2022
Security Deposits	241.66	262.93
<b>Total</b>	<b>241.66</b>	<b>262.93</b>



<b>Note 17: Inventories</b>			(` in lacs)
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	
Raw materials	292.60	420.76	
Finished goods	353.96	375.34	
<b>Total</b>	<b>646.56</b>	<b>796.11</b>	
<b>Note 18: Trade receivables</b>			(` in lacs)
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	
Unsecured considered good	1,058.17	1,055.90	
<b>Total</b>	<b>1,058.17</b>	<b>1,055.90</b>	

<b>Note 18.1: Trade Receivables ageing schedule as at 31 March 2023</b>							(` in lacs)
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>	
	<b>Less than 6 months</b>	<b>6 months- 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
Undisputed Trade receivables-considered good	317.95	230.76	-	-	-	548.72	
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-	
Disputed Trade Receivables considered good	-	-	-	-	-	-	
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	
<b>Sub total</b>						<b>548.72</b>	
Undue - considered good	-	-	-	-	-	509.45	
<b>Total</b>						<b>1,058.17</b>	

<b>Note 18.2: Trade Receivables ageing schedule as at 31 March 2022</b>							(` in lacs)
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>	
	<b>Less than 6 months</b>	<b>6 months- 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
Undisputed Trade receivables-considered good	495.19	-	-	-	-	495.19	
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-	



Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total						<b>495.19</b>
Undue - considered good	-	-	-	-	-	560.70
<b>Total</b>						<b>1,055.90</b>

**Note 19: Cash and cash equivalents** (` in lacs)

Particulars	31 March 2023	31 March 2022
Cash on hand	6.85	3.42
Balances with banks in current accounts	73.09	5.02
Others		
-CC with debit balance	16.83	-
<b>Cash and cash equivalents - total</b>	<b>96.77</b>	<b>8.44</b>
Other Bank Balances		
Deposits with original maturity for more than 12 months	-	15.00
<b>Total</b>	<b>96.77</b>	<b>23.44</b>

**Note 20: Short term loans and advances** (` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Advance Income Tax (Net of provision for taxes)</b>		
-TCS/TDS	0.13	-
-Others	68.77	1.61
<b>Other loans and advances (Unsecured, considered good)</b>		
-Advance to suppliers	2.11	-
-Balances with Statutory / Govt. Authorities	770.16	253.89
-Capital Advances	184.33	287.63
-Forward Contract Receivable	0.90	-
-Loans to Employees	3.49	3.01
-Other Advances	1.59	-
-Other Short Term Loans and Advances	556.86	-
-Prepaid Expenses	11.67	10.50
<b>Total</b>	<b>1,600.01</b>	<b>556.64</b>

**Note 21: Other current assets** (` in lacs)



Particulars	31 March 2023	31 March 2022
Interest accrued but not due	-	7.64
Interest Accrued on Deposits	-	0.04
Interest Receivable	0.60	-
Preliminary Expense	0.13	0.12
Pre-operative Expense	-	103.03
<b>Total</b>	<b>0.73</b>	<b>110.83</b>

**Note 22: Revenue from operations**

(` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Sale of products</b>		
-Sale of products ( Finished & Traded, Gross)	4,174.56	4,751.23
-Scrap Sales	2.00	0.10
-Others	196.23	-
Other operating revenues		
-Export incentives	26.56	21.71
<b>Total</b>	<b>4,399.35</b>	<b>4,773.04</b>

**Note 23: Other Income**

(` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Interest Income</b>		
- On Bank Deposits	0.21	8.12
- Others	43.87	8.12
-Others	0.67	-
Dividend Income	2.01	2.01
<b>Others</b>		
-Foreign Exchange Gain (net)	23.60	19.11
-Miscellaneous Income	-	0.04
-Premium on Forward Contract	0.56	2.18
-Profit on sale of Land	251.00	-
-Sundry Balance written off	-	0.15
<b>Total</b>	<b>321.92</b>	<b>39.73</b>

**Note 24: Cost of Material Consumed**

(` in lacs)

Particulars	31 March 2023	31 March 2022
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<b>Raw Material Consumed</b>		
Opening stock	420.76	224.17
Purchases	2,472.19	2,860.47
Less: Closing stock	292.60	420.76
<b>Total</b>	<b>2,600.36</b>	<b>2,663.87</b>
<b>Total</b>	<b>2,600.36</b>	<b>2,663.87</b>

**Note 25: Purchases of stock in trade** (` in lacs)

Particulars	31 March 2023	31 March 2022
Alpha/Pigment Dyes	44.77	24.68
Direct Dyes	127.13	94.57
Reactive Dyes	4.55	75.82
Stock in Trade	144.90	-
<b>Total</b>	<b>321.35</b>	<b>195.07</b>

**Note 26: Change in Inventories of work in progress and finished goods** (` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Opening Inventories</b>		
Finished Goods	375.34	363.99
<b>Less: Closing Inventories</b>		
Finished Goods	353.96	375.34
<b>Total</b>	<b>21.38</b>	<b>(11.35)</b>

**Note 27: Employee benefit expenses** (` in lacs)

Particulars	31 March 2023	31 March 2022
<b>Salaries and wages</b>		
-Directors Remuneration	141.14	134.40
-Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI	205.08	212.33
-Others	3.93	-
Contribution to provident and other funds		
-Gratuity Fund Contribution	11.62	1.36
Staff welfare expenses	0.27	0.28
<b>Total</b>	<b>362.04</b>	<b>348.37</b>

**Note 28: Finance costs** (` in lacs)

Particulars	31 March 2023	31 March 2022





<b>Interest expense</b>		
-Bank Charges and Commission	0.11	8.75
-Interest paid to Banks and Financial Institutions	29.89	30.41
-Other Interest Paid	21.57	24.97
<b>Other borrowing costs</b>		
-Bank Charges and Commission	5.10	15.55
<b>Total</b>	<b>56.67</b>	<b>79.68</b>

Note:

1. The Company has availed interest subvention of Rs.2537216/- during the period (P.Y : Rs. 1554048/-) from bank on working capital facility which has been reduced from interest expenses.
2. The Company has availed interest subvention of Rs.26386/- during the period (P.Y : Rs. 353519/-) from SIDBI under capital expansion scheme which has been reduced from interest expenses.
3. Interest to MSME is not provided as per the explanation provided by the management after confirmation letters from the parties that the payment made is within due dates.

**Note 29: Other expenses**

(` in lacs)

Particulars	31 March 2023	31 March 2022
Auditors' Remuneration	2.90	2.85
Commission	3.62	9.19
Insurance	18.38	20.89
Power and fuel	0.08	-
Rent	8.70	8.70
Repairs to buildings	7.39	9.02
Repairs to machinery	53.87	74.69
Rates and taxes	1.52	2.16
<b>Selling &amp; Distribution Expenses</b>		
-Other Sales and Distribution Expenses	6.98	9.78
-Sales Promotion and Advertisement	5.74	1.28
-Others	0.27	-
Travelling Expenses	12.75	9.18
<b>Miscellaneous expenses</b>		
-Interest on TDS	0.01	-
-Others	5.09	4.54
Donation	-	0.10
Import Expense	0.11	0.21
Laboratory Expenses	7.08	5.13



Labour and processing charges	58.58	87.89
Legal and Professional Fees	12.70	11.90
Legal Expense	-	3.32
Loss on Sale/Disposal of Assets	-	0.01
Office Maintenance	7.07	6.05
Packing Material Consumed	8.48	44.80
Pollution Control Expenses	114.33	188.95
Power, Fuel and Water	703.63	627.01
Professional Tax Expense	0.03	-
Safety Expenses	0.44	1.24
Security Expense	7.58	9.71
Shipping Expenses	37.64	51.24
Stationary, Printing and Other Office Expenses	8.37	9.99
Telephone and Communication	2.18	1.96
Transportation Charges	-	1.31
Vehicle Running and Maintenance	4.25	3.85
Website Expense	0.11	-
<b>Total</b>	<b>1,099.88</b>	<b>1,206.95</b>

<b>Note 30: Earning per share</b>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit attributable to equity shareholders (` in lacs)	98.13	116.39
Weighted average number of Equity Shares	82,35,330	73,01,700
Earnings per share basic (Rs)	1.19	1.59
Earnings per share diluted (Rs)	1.19	1.59
Face value per equity share (Rs)	10	10
<b>Note 31: Auditors' Remuneration</b> <span style="float: right;">(` in lacs)</span>		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Payments to auditor as</b>		
- Auditor	2.70	2.65
- for other services	0.20	0.20
<b>Total</b>	<b>2.90</b>	<b>2.85</b>



<b>Note 32: Contingent Liabilities and Commitments</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Estimated Amount of contracts remaining to be executed on Capital Accounts and not provided for	68.90	4,841.04
<b>Total</b>	<b>68.90</b>	<b>4,841.04</b>
<b>Note 33: Earnings in Foreign Currencies</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Export of Goods calculated on FOB basis	1,129.75	1,389.79
<b>Total</b>	<b>1,129.75</b>	<b>1,389.79</b>
<b>Note 34: Expenditure made in Foreign Currencies</b> (₹ in lacs)		
<b>Particulars</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Other Matters	0.01	-
Commission	2.20	13.56
Travelling	0.41	-
<b>Total</b>	<b>2.63</b>	<b>13.56</b>

<b>Note 35: Related Party Disclosure</b>	
<b>(i) List of Related Parties</b>	<b>Relationship</b>
Minku S. Gandhi.	Key Managerial Personnel (KMP)
Maunal S. Gandhi	Key Managerial Personnel (KMP)
CS Anjali Samani	Key Managerial Personnel (KMP)
CS Archita Jitendra Shah	Key Managerial Personnel (KMP)
CFO Pradip B Parikh	Key Managerial Personnel (KMP)
Arjun Maunal Gandhi	Key Managerial Personnel (KMP)
Heli Akash Garala	Key Managerial Personnel (KMP)
Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel
Shantibhai B. Gandhi	Relative of Key Managerial Personnel
Smt. Mona M. Gandhi	Relative of Key Managerial Personnel
Arjun M. Gandhi	Relative of Key Managerial Personnel
Aadit M. Gandhi	Relative of Key Managerial Personnel
HUF Industries	Enterprise in which Relative of KMP is interested as member
Kalpana Champaklal Shah	Relative of Key Managerial Personnel
Champakbhai A Shah (For 2021-22)	Key Managerial Personnel (KMP)



Akash Dipakbhai Patel	Key Managerial Personnel (KMP)
Moksha R Shah	Key Managerial Personnel (KMP)
Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested
Jay Chloro Chem Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested
Nirbhay Rasayan Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested
Champakbhai A Shah (For 2022-23)	Relative of Key Managerial Personnel
Dipak Babulal Patel HUF	Enterprise in which KMP/Relative of KMP are interested
Dipak Babulal Patel	Relative of Key Managerial Personnel
Kalpana Dipakbhai Patel	Relative of Key Managerial Personnel
Romit Champaklal Shah	Relative of Key Managerial Personnel
Riya Ronit Shah	Relative of Key Managerial Personnel

<b>(ii) Related Party Transactions</b>		(` in lacs)	
<b>Particulars</b>	<b>Relationship</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Loan Accepted			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	493.05	751.75
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	506.45	621.50
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	45.90	92.00
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	-	4.00
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.50	-
Loan Repaid			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	430.53	735.25
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	525.57	553.78
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	32.87	151.15
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	0.56	11.20
- Arjun M. Gandhi	Relative of Key Managerial Personnel	-	6.59
- Aadit M. Gandhi	Relative of Key Managerial Personnel	9.55	44.53
- Akash Dipakbhai Patel	Key Managerial Personnel (KMP)	7.24	40.00
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	-	2.00
- Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	1.45	1.61
- Champakbhai A Shah (For 2022-23)	Relative of Key Managerial Personnel	0.47	-
Directors Remuneration			



- Minku S. Gandhi.	Key Managerial Personnel (KMP)	67.20	69.32
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	67.20	69.32
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	6.74	6.74
Salary			
- CS Archita Jitendra Shah	Key Managerial Personnel (KMP)	-	1.35
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	8.51	8.24
- Heli Akash Garala	Key Managerial Personnel (KMP)	1.84	1.50
- Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel	13.44	12.00
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	24.02	24.02
- Smt. Mona M. Gandhi	Relative of Key Managerial Personnel	13.44	12.00
- Aadit M. Gandhi	Relative of Key Managerial Personnel	7.46	6.74
- CS Anjali Samani	Key Managerial Personnel (KMP)	2.62	-
Other Interest Paid			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	8.74	4.68
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	9.95	5.37
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	2.38	6.55
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	0.01	0.20
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.31	3.78
Rent Expense			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	8.70	8.70
Loan Given			
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.30	1.50
- CS Anjali Samani	Key Managerial Personnel (KMP)	0.42	-
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	150.00	-
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	150.00	-
Rent Deposit Given			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	-	50.00
Loans taken			
- Akash Dipakbhai Patel	Key Managerial Personnel (KMP)	165.42	170.00
- Moksha R Shah	Key Managerial Personnel (KMP)	286.19	105.00
- Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative	19.50	-



	of KMP are interested		
- Jay Chloro Chem Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	90.00	-
Loan received back			
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.35	-
Purchase of Product			
- Nirbhay Rasayan Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	136.00	-
Loans repaid			
- Moksha R Shah	Key Managerial Personnel (KMP)	0.62	-
Interest income			
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	3.76	-
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	3.76	-
Debenture issued			
- Dipak Babulal Patel HUF	Enterprise in which KMP/Relative of KMP are interested	-	28.00
- Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	-	31.00
- Dipak Babulal Patel	Relative of Key Managerial Personnel	-	55.00
- Kalpana Dipakbhai Patel	Relative of Key Managerial Personnel	-	37.00
- Romit Champaklal Shah	Relative of Key Managerial Personnel	-	20.00
- Riya Ronit Shah	Relative of Key Managerial Personnel	-	3.00
- Kalpana Champaklal Shah	Relative of Key Managerial Personnel	-	5.00
- Akash Dipakbhai Patel	Key Managerial Personnel (KMP)	-	107.16
- Champakbhai A Shah (For 2021-22)	Key Managerial Personnel (KMP)	-	20.00
- Moksha R Shah	Key Managerial Personnel (KMP)	-	53.00

**(iii) Related Party Balances**

(` in lacs)

Particulars	Relationship	31 March 2023	31 March 2022
Unsecured Loans and advances from related parties			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	132.96	63.11
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	71.66	82.36
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	40.10	24.93
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	-	0.55



- Aadit M. Gandhi	Relative of Key Managerial Personnel	-	8.77
- Jay Chloro Chem Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	93.51	-
- Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	19.52	1.45
- Akash Dipakbhai Patel	Key Managerial Personnel (KMP)	297.59	120.08
- Champakbhai A Shah (For 2021-22)	Key Managerial Personnel (KMP)	-	0.47
- Moksha R Shah	Key Managerial Personnel (KMP)	358.24	55.62
Provision for employee benefits			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	3.07	2.82
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	3.07	2.82
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	0.71	0.60
- Arjun Maunal Gandhi	Key Managerial Personnel (KMP)	0.46	0.68
- Heli Akash Garala	Key Managerial Personnel (KMP)	-	0.30
- Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel	0.80	0.81
- Shantibhai B. Gandhi	Relative of Key Managerial Personnel	1.93	2.00
- Smt. Mona M. Gandhi	Relative of Key Managerial Personnel	0.80	0.81
- Aadit M. Gandhi	Relative of Key Managerial Personnel	0.46	0.72
Loans to Employees			
- CFO Pradip B Parikh	Key Managerial Personnel (KMP)	1.39	1.50
- CS Anjali Samani	Key Managerial Personnel (KMP)	0.38	-
Trade Payable due to MSME			
- Nirbhay Rasayan Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	135.48	-
Unsecured Debentures			
- Moksha R Shah	Key Managerial Personnel (KMP)	53.00	53.00
- Champakbhai A Shah (For 2021-22)	Key Managerial Personnel (KMP)	20.00	20.00
- Dipak Babulal Patel HUF	Enterprise in which KMP/Relative of KMP are interested	67.16	28.00
- Champak Chemicals Pvt Ltd	Enterprise in which KMP/Relative of KMP are interested	31.00	31.00
- Dipak Babulal Patel	Relative of Key Managerial Personnel	55.00	55.00
- Kalpana Dipakbhai Patel	Relative of Key Managerial Personnel	105.00	37.00
- Romit Champaklal Shah	Relative of Key Managerial Personnel	20.00	20.00



- Riya Ronit Shah	Relative of Key Managerial Personnel	3.00	3.00
- Kalpana Champaklal Shah	Relative of Key Managerial Personnel	5.00	5.00
- Akash Dipakbhai Patel	Key Managerial Personnel (KMP)	-	107.16
Rent Deposit receivable			
- HUF Industries	Enterprise in which Relative of KMP is interested as member	50.00	50.00
Advance to Director			
- Minku S. Gandhi.	Key Managerial Personnel (KMP)	153.76	-
- Maunal S. Gandhi	Key Managerial Personnel (KMP)	153.76	-

<b>Note 36: Loans and Advances given to Related Parties</b>				(` in lacs)	
	Amount outstanding	% of Total	Amount outstanding	% of Total	
Promoters	307.51	100.00%	-	0.00%	
<b>Total</b>	<b>307.51</b>	<b>100.00%</b>	-	<b>0.00%</b>	

<b>Note 37: Security of Current Assets Against Borrowings</b>				
Particulars	June, 2022	September, 2022	December, 2022	March, 2023
Inventory as per Quarterly Return filed with Bank	705.84	568.99	663.96	642.97
<b>Add:</b>				
Valuation Difference	-	-	-	-
Difference due to Physical verification	-	-	-	-
Purchase Bill accounted later	-	-	-	6.31
others 1	-	-	-	-
others 2	-	-	-	-
<b>Less:</b>				
Valuation Difference	-	2.26	5.58	-
Difference due to Physical verification	-	-	-	-
Sale Bill accounted later	-	-	-	-
By mistake WIP added	60.69	-	-	-
Purchase Bill accounted twice	-	-	40.12	-
Expense entry booked in purchase	-	-	54.85	-
<b>Inventory as per Books of Account</b>	<b>645.15</b>	<b>566.73</b>	<b>563.41</b>	<b>649.28</b>
<b>Reason for Material Discrepancies</b>	The figures	-	The figures	-





	provided in the bank were on a provisional basis which were subject to finalisation.		provided in the bank were on a provisional basis which were subject to finalisation.	
<b>Particulars</b>	<b>June, 2022</b>	<b>September, 2022</b>	<b>December, 2022</b>	<b>March, 2023</b>
Trade Receivable as per Quarterly Return filed with Bank	849.04	848.74	491.24	580.54
<b>Add:</b>				
Valuation Difference				
Difference due to Physical verification				
Purchase Bill accounted later				
others 1 due to post dated chqs posting in current month		40.85		
others 2 bk paymt advice not received in time and also some party deposited cheque directly to our account.			6.26	19.40
<b>Less:</b>				
Valuation Difference				
Difference due to Physical verification				
Sale Bill accounted later				
others 1 due to bank receipt entry done later.	3.27			
others 2				
<b>Trade Receivable as per Books of Account</b>	<b>845.77</b>	<b>889.59</b>	<b>497.50</b>	<b>599.94</b>
<b>Reason for Material Discrepancies</b>	-	-	-	-
<b>Particulars</b>	<b>June, 2022</b>	<b>September, 2022</b>	<b>December, 2022</b>	<b>March, 2023</b>
Trade Payable as per Quarterly Return filed with Bank	-	196.38	25.29	111.39
<b>Add:</b>				
Valuation Difference				
Difference due to Physical verification				
Purchase Bill accounted later				
others 1	460.39	515.62	488.80	430.46
others 2				
<b>Less:</b>				
Valuation Difference				



Difference due to Physical verification				
Sale Bill accounted later				
others 1				
others 2				

<b>Trade Payable as per Books of Account</b>	<b>460.39</b>	<b>712.00</b>	<b>514.09</b>	<b>541.85</b>
<b>Reason for Material Discrepancies</b>	The figures provided for export debtors balances as the bank has provided us wrong format.			

<b>Note 38: Ratio Analysis</b>				
<b>Particulars</b>	<b>Numerator/Denominator</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>Change in %</b>
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.38	1.30	5.54%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$	0.87	0.50	72.00%
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$	N.A.	8.34	N.A.
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	2.47%	3.52%	-29.73%
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	6.07	12.85	-52.74%
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	4.16	4.77	-12.67%
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	3.88	5.63	-31.11%
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	4.73	8.02	-40.97%
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	2.23%	2.45%	-8.95%
(j) Return on Capital employed	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	1.71%	5.01%	-65.97%
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	44.59%	11.22%	297.28%
(b) Debt-Equity Ratio - The ratio is increased due to disbursement of Term Loan.				



(d) Return on Equity Ratio - The ratio is decreased due to loss incurred during the year.
(e) Inventory turnover ratio - The ratio is decreased due to increase in average inventories.
(g) Trade payables turnover ratio - The ratio is decreased due to increase in average suppliers.
(h) Net capital turnover ratio - The ratio is decreased due to increase in Net Working Capital.
(i) Net profit ratio - The ratio is decreased due to loss incurred during the year.
(j) Return on Capital employed - The ratio is decreased due to increase in capital employed.
(k) Return on investment - The ratio is increased due to sale of investment.

**Note 39: Other Statutory Disclosures as per the Companies Act, 2013**

The Company does not have anything to report in respect of the following:

- Benami properties
- Trading or investment in crypto or virtual currency
- Giving/receiving of any loan or advance or funds with the understanding that the recipient shall lend, invest, provide security or guarantee on behalf of the Company/funding party
- Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment
- Charges or satisfaction not registered with ROC beyond statutory period
- Title deeds in respect of freehold immovable properties not being held in the name of the Company.
- Transactions with struck-off companies
- Non-compliance with number of layers as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of Layers) Rules, 2017.
- Wilful Defaulter by any bank or financial institution or other lender.

**Note 40: Regrouping**

Previous year's figures have been re-grouped, re-classified and re-arranged whenever necessary.

**Note 41: Other Notes**

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 as required under the act has been given. The interest has not been provided as per the explanation provided by the management after confirmation letters from the parties that the payment is made within due dates.

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 Shruti C Shah)  
Partner  
Membership No. 112249  
UDIN: 22112249AKDEMG3412

(Maunal S. Gandhi)  
Joint MD  
00118559

(Arjun Gandhi)  
Director  
09254434

(Pradip Parikh)  
CFO  
AIZPP5478J

(Anjali Samani)  
CS  
A65647

**Place:** Ahmedabad  
**Date:** 29-05-20223

**Place:** Ahmedabad  
**Date:** 29-05-2023



**Route Map of the venue for 30th Annual General Meeting of M/s. Ushanti Colour Chem Limited**

**Date & Time:** Wednesday, 27<sup>th</sup> September, 2023 at 02:00 p.m.

**Venue:** 88/8, GIDC Phase I, Vatva, Ahmedabad-382445, Gujarat, India





**30th 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 30th Annual General Meeting of the Company held on Wednesday, the 27<sup>th</sup> day of September, 2023 at 02:00 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 30th Annual General Meeting of members of the Company, to be held on Wednesday at the 27<sup>th</sup> day of September, 2023 at 02.00 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 31 <sup>st</sup> March, 2023 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 31 <sup>st</sup> March, 2023 and Report of Auditors thereon.		
2	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.		



Special business			
3	Approval of terms and conditions for payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company.		
4	Approval of terms and conditions for payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the Company.		
5	Appointment of Mr. Shantilal Bhailal Gandhi (DIN: 00118509) as a Chairman and Non-Executive Director of the Company.		
6	Approval of the material Related party transactions with UC Colours and Intermediates Private Limited, a Subsidiary of the Company		
7	To create, offer, issue and allot upto 400,000 (four lakh) fully paid up equity shares of face value of INR 10/- (Rupees ten only) each at an issue price of INR 70/- (Rupees seventy only) each including a premium of INR 60/- (Rupees sixty only) each ("equity Shares") aggregating upto INR 2.80 CRORES (Rupees Two Crores Eighty Lakhs Only) to the Non-Promoters/Public Investors on a private and preferential basis pursuant to provisions of Section 23(1)(B), 42, 62(1) (C) and other applicable provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SEBI (LODR) Regulations, 2015 and other applicable laws.		

Signed this ..... day of ..... 2023

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 30th 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.