

MANUFACTURERS AND EXPORTERS OF  
DYESTUFFS, PIGMENTS & INTERMEDIATES



**Colour Chem Limited**

....making the world more colourful

Formerly known as Ushanti Colour Chem Pvt. Ltd.

**Date: 06/09/2022**

To,  
The Manager-Listing Department,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051,  
Maharashtra, India

**Ref: Ushanti Colour Chem Limited; Symbol: UCL, Series: SM**

Respected Sir/Madam,

**Subject: Submission of Annual Report of the Company for the Financial Year 2021-22 pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to captioned subject, pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of the Company for the Financial Year 2021-22 and please note that 29<sup>th</sup> Annual general Meeting of the Company is scheduled to be held on Friday, 30<sup>th</sup> September, 2022, 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.

Kindly take the notice of the same and acknowledge the receipt.

For, Ushanti Colour Chem Limited


Heli Akash Garala  
**Company Secretary and Compliance Officer**

**Place: Ahmedabad**

**ENCL: - Annual Report of the Company for the Financial Year 2021-22**



Plot No. 88/6/7/8, GIDC, Phase I, Vatva, Ahmedabad - 382 445. (INDIA)

**Ph.:** 91 - 79 - 25833315, 25894903 **M.:** +91 - 9879768621

**E.:** maunal@ushanti.com **W.:** www.ushanti.com

**CIN No. L24231GJ1993PLC019444**





*Ushanti*  
Colour Chem Limited (UCL)

(CIN: L24231GJ1993PLC019444)

## 29TH ANNUAL REPORT 2021-22

...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.



**Colour Chem Limited**

### Corporate Information

<b>Name of Company</b>	Ushanti Colour Chem Limited
<b>CIN</b>	L24231GJ1993PLC019444
<b>Financial Year</b>	2021-22
<b>Registered Office</b>	88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India.
<b>Phone No.</b>	079-25833315, 079-25894903
<b>Fax No.</b>	Not Available
<b>Email ID</b>	admin@ushanti.com, csucl@ushanti.com
<b>Website</b>	www.ushanti.com

### Board of Directors

Sr. No.	Name of Director	DIN	Designation
1.	Minku Shantilal Gandhi	00118617	Chairman and 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
6.	Tejas Pravinkumar Shah	09715481	Independent Director ( w.e.f 29 <sup>th</sup> August,2022)

### 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
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
Tejas Pravinkumar Shah	Member	Independent Director

#### **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
Arjun Maunal Gandhi	Member	Non-Executive Non-Independent Director



<b>Company Secretary &amp; Compliance Officer</b>	Archita Jitendrakumar Shah (Up to 20.10.2021)
	Heli Akash Garala (W.e.f. 21.10.2021)
	Email ID: <a href="mailto:csucl@ushanti.com">csucl@ushanti.com</a>
<b>Chief Financial Officer</b>	Pradip Bhadrilal Parikh
	Email ID: <a href="mailto:cfo@ushanti.com">cfo@ushanti.com</a>
<b>Internal Auditor</b>	Mital Dipeshbhai Shah
	Email ID: <a href="mailto:accounts@ushanti.com">accounts@ushanti.com</a>
<b>Statutory Auditors</b>	M/s. DJNV & Co Chartered Accountants (Firm Registration No. 115145W)
	Address: 2nd Floor, H.N. House, Opp. Muktaivan Colour Lab, Stadium Circle, Navrangpura, Ahmedabad-380009, Gujarat, India
	Email ID: <a href="mailto:info@djnv.in">info@djnv.in</a>
<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: <a href="mailto:huddahardik@yahoo.com">huddahardik@yahoo.com</a>
<b>Bankers</b>	The Kotak Mahindra Bank Limited
	The Kalupur Commercial Co-operative Bank Limited
	ICICI Bank
	Bank of Baroda
<b>Registrar &amp; Transfer Agent</b>	M/s. Bigshare Services Private Limited (CIN: U99999MH1994PTC076534)
	Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai — 400093
	Email ID: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>

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	





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## Letter from the Chairman

**Dear Stakeholders of Ushanti,**

I, Minku Shantilal Gandhi on behalf of Board of Directors of the Company, extend a warm welcome to all of you to this 29th Annual General Meeting of the Company. It brings me immense pleasure to put forth the 29th Annual Report of your Company, Ushanti Colour Chem Limited for the Financial Year 2021-2022. I would like to thank all our shareholders who have reposed their trust in the Company.

The year 2021-2022 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 29 years ago.

Presently, while the world is facing enormous challenges due to the COVID-19 pandemic and the Russia Ukraine crises we are moving resolutely to address these challenges with determination and hard work.

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

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

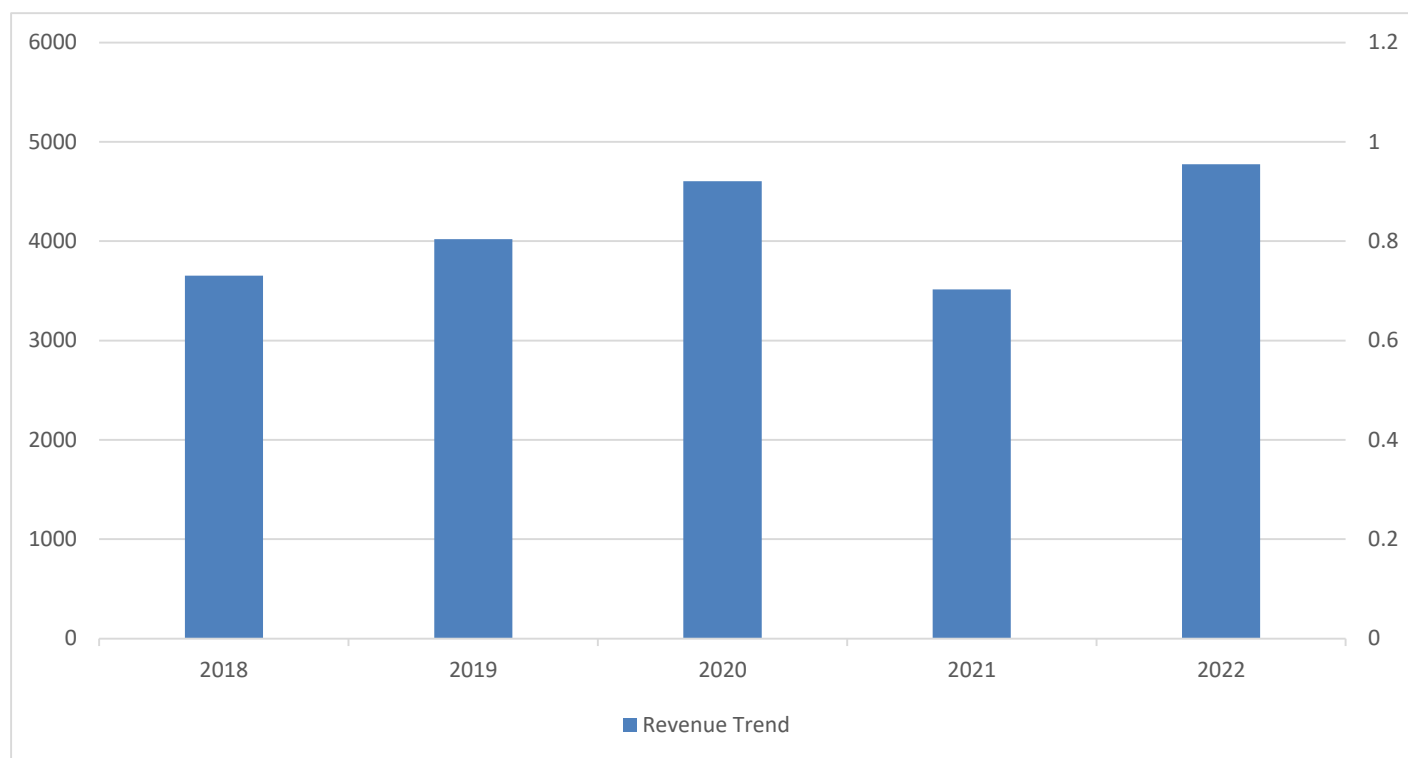


Colour Chem Limited

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

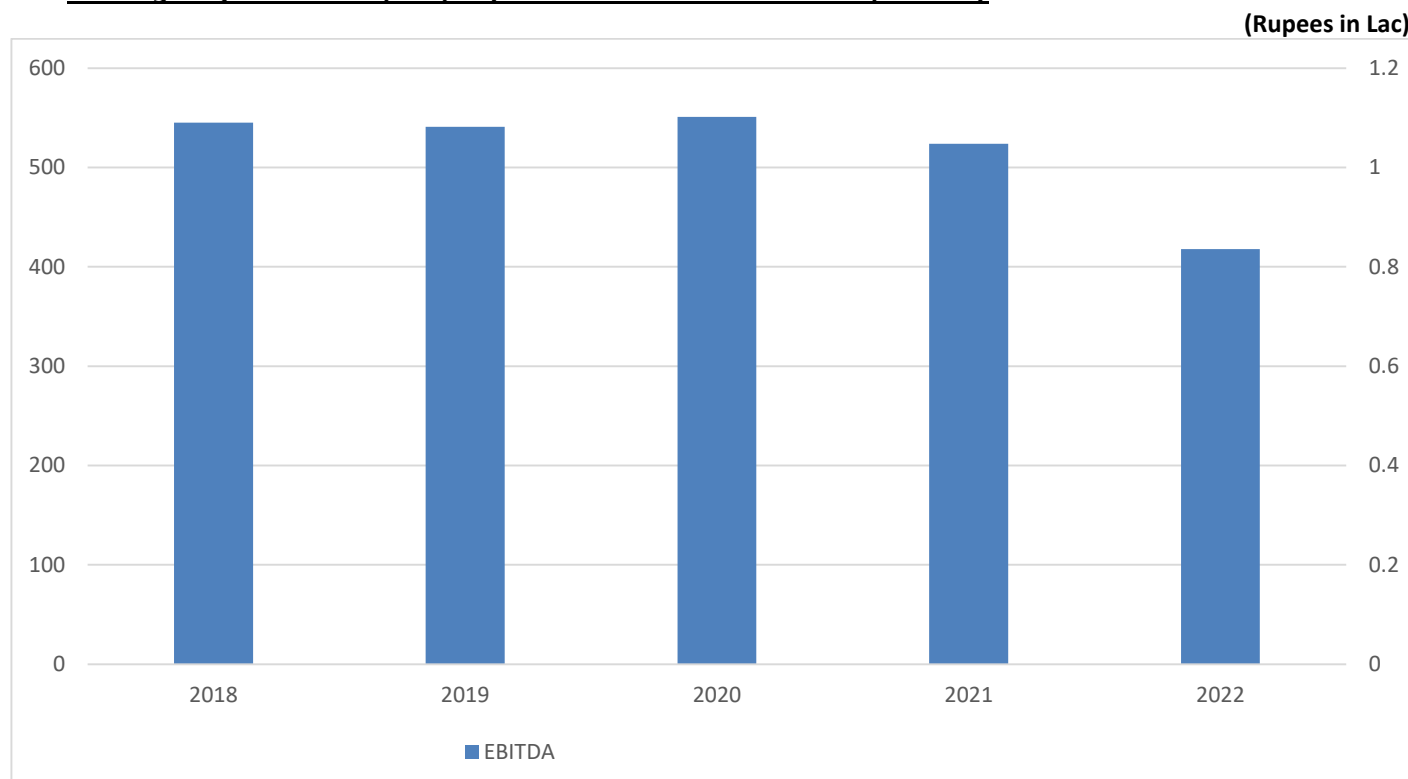
**Performance Highlights**

● **Revenue Trend**



(Rupees in Lac)

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



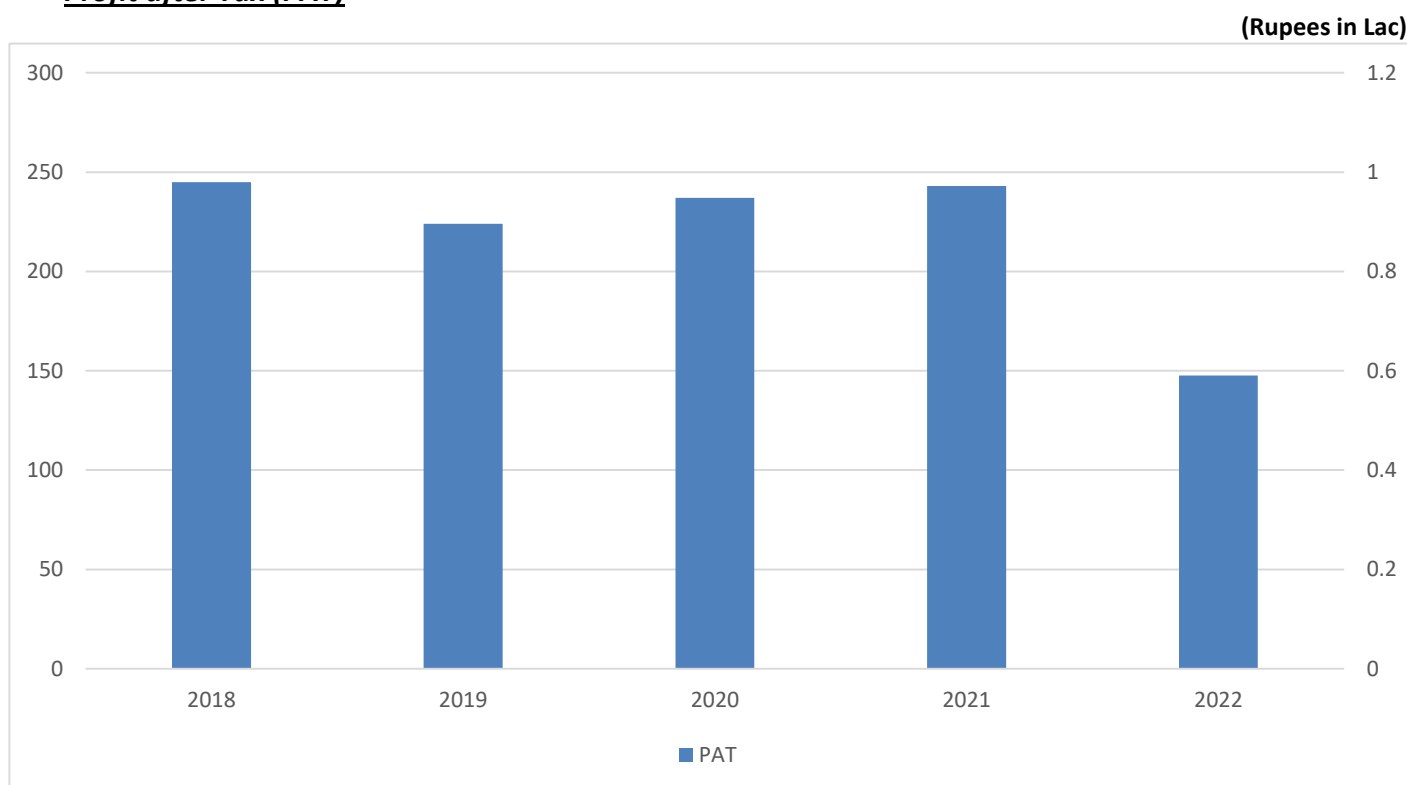
(Rupees in Lac)





Colour Chem Limited

● **Profit after Tax (PAT)**



With the best wishes to all,

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



**USHANTI COLOUR CHEM LIMITED**

**CIN: L24231GJ1993PLC019444**

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

**Tel. No.:** 079-25833315/94903

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

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

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of M/s. Ushanti Colour Chem Limited (CIN: L24231GJ1993PLC019444) will be held on Friday, **30<sup>th</sup> day of September, 2022 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:-

**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, 2022 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, 2022 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, 2022 and Report of Auditors thereon.

**"RESOLVED THAT** audited Consolidated financial statements of the company for the financial year ended March 31, 2022 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. Arjun Maunal Gandhi (DIN: 09254434), 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. Arjun Maunal Gandhi (DIN: 09254434) 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. To Appoint Mr. Tejas Pravinkumar Shah (DIN: 09715481) as a Director (Non-Executive) Independent of the Company,**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Tejas Pravinkumar Shah (DIN: 09715481) who was appointed as an Additional Director (Non-Executive Independent) of the Company by the Board of Directors w.e.f. August 29<sup>th</sup>, 2022 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years"

**"RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorised to file necessary e-forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above resolution"



**4. To Re-appoint Mr. Maunal Shantilal Gandhi (DIN: 00118559) as Joint Managing Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s), enactment(s) or re-enactments(s) thereof for the time being in force) and subject to such approvals, as may be required, consent of the members/shareholders of the Company be and are hereby accorded to the re-appointment of **Mr. Maunal Shantilal Gandhi (DIN: 00118559)** as joint Managing Director of the Company for a further period of five years effective from February 15, 2023 till February 14, 2028, upon the terms and conditions and at such remuneration as recommended by the Nomination and Remuneration Committee, details of which are given hereunder:

- a) **Tenure:** Five years commencing from February 15, 2023 to February 14, 2028.
- b) **Remuneration:** Kindly recall, at the 27<sup>th</sup> Annual General Meeting of the company held on Thursday, 20<sup>th</sup> August, 2020, at which members had accorded consent for the payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the w.e.f. February 15, 2021 till February 14, 2024 as per Schedule V to the Companies Act, 2013. Other details are set out in the explanatory statement.
- c) **Other terms and conditions:** Other terms of appointment with Mr. Maunal Shantilal Gandhi are such as are customarily contained in appointments of a similar nature.

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto”.

**5. To re appoint Mr. Minku Shantilal Gandhi (DIN: 00118617) as Joint Managing Directors of the Company**

To consider and, if thought fit, to pass with or without modification(s), following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s), enactment(s) or re-enactments(s) thereof for the time being in force) and subject to such approvals, as may be required, consent of the members/shareholders of the Company be and are hereby accorded to the re-appointment of **Mr. Minku Shantilal Gandhi (DIN: 00118617)** as joint Managing Director of the Company for a further period of five years effective from February 15, 2023 till February 14, 2028, upon the terms and conditions and at such remuneration as recommended by the Nomination and Remuneration Committee, details of which are given hereunder:

- a) **Tenure:** Five years commencing from February 15, 2023 to February 14, 2028.
- b) **Remuneration:** Kindly recall the resolution no. 09 and notes to it passed at 27<sup>th</sup> Annual General Meeting of the company held on Thursday, 20<sup>th</sup> August, 2020, in which members had accorded consent for the payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company w.e.f. February 15, 2021 till February 14, 2024 as per Schedule V to the Companies Act, 2013. Other details are set out in the explanatory statement.
- c) **Other terms and conditions:** Other terms of appointment with Mr. Minku Shantilal Gandhi are such as are customarily contained in appointments of a similar nature.

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto”.



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**6. To re-appoint Mrs. Hanisha Jinish Patel (DIN: 07190911) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Hanisha Jinish Patel (DIN: 07190911), who was appointed as an Independent Director for a term of five(5) consecutive years from January 31, 2018 to January 30, 2023, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second and final term of five(5) consecutive years i.e. from January 31, 2023 up to January 30, 2028."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee(s) thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle all matters, any question or difficulty that may arise in regard to aforesaid proposal".

**7. To re-appoint Mrs. Purvi Tapan Trivedi (DIN: 08064080) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Purvi Tapan Trivedi (DIN: 08064080), who was appointed as an Independent Director for a term of five(5) consecutive years from January 31, 2018 to January 30, 2023, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second and final term of five(5) consecutive years i.e. from January 31, 2023 up to January 30, 2028."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee(s) thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle all matters, any question or difficulty that may arise in regard to aforesaid proposal".

**Registered Office:**

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

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

**Date:** 02/09/2022

**Place:** Ahmedabad

Heli Akash Garala

**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 Wednesday, 28th September, 2022. 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. M/S Buntly Hudda & Associates 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. List of Directors seeking appointment /re-appointment in the ensuing Annual General Meeting is attached herewith as Annexure-I. We request to refer the same.

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, September 02, 2022.

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive) and same will be re-opened from Saturday, October 01, 2022 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).



## Colour Chem Limited

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: 02.09.2022**

**Place: Ahmedabad**

Heli Akash Garala

**Company Secretary**

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

#### Item no. 3

The Board of Directors has appointed Mr. Tejas Pravinkumar Shah (DIN: 09715481) as an Additional Director of the company with effect from 29<sup>th</sup> August, 2022 on the recommendation of Nomination and Remuneration Committee. As per the provisions of section 161(1) of the Act, he holds office of Additional director up to this Annual General Meeting of the Company, and is eligible for appointment as an Independent Director. The Company has received a notice under section 160(1) of the Act proposing his candidature for the office of Director of the company, along with the requisite deposit. The profile and specific areas of expertise of Mr. Tejas Pravinkumar Shah is provided in annexed to this notice.

The resolution seeks approval of the members in terms of section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Tejas Pravinkumar Shah.

Except Mr. Tejas Pravinkumar Shah, none of other Directors and Key Managerial Personnel of the company or their relatives is, in any way, concerned or interested in the Resolution set out at item no.3 of the Notice.





**Item no. 4**

The members of the Company had appointed Mr. Maunal Shantilal Gandhi (DIN: 00118559) as joint Managing Directors of the Company for a period of Five years with effect from February 15, 2018. Since the term of his office is going to expire on February 15, 2023, the Board of Directors of the Company at its meeting held on August 29 2022 has approved the re-appointment of Mr. Maunal Shantilal Gandhi (DIN: 00118559) as the Joint Managing Directors of the Company for a period of five years with effect from February 16, 2023 subject to the approval of the members at the ensuing Annual General Meeting of the Company on the terms and conditions. He is not disqualified from being re-appointed as Directors in terms of Section 164 of the Companies Act, 2013 ("the Act"). The Board is of opinion that their re-appointment is properly justified, considering his contribution in the growth of the Company.

Kindly recall the 27<sup>th</sup> Annual General Meeting of the Company, held on Thursday, August 29, 2020, resolution no.10 in which Members had given consent for the remuneration of Mr. Maunal Shantilal Gandhi (DIN: 00118617) for the period of 3 years, w.e.f. February 15, 2021 till February 14, 2024 as per Schedule V to the Companies Act, 2013. Nomination and Remuneration committee on considering the ending period on 14<sup>th</sup> February, 2024 passed at the 27<sup>th</sup> Annual General Meeting held on Thursday, August 29, 2020, recommend that there should be no changes in remuneration of Mr. Maunal Shantilal Gandhi. On taking consideration recommendation of Nomination and Remuneration committee there is no changes in remuneration of Mr. Maunal Gandhi. His Remuneration will be the same as decided at the Annual general Meeting held on Thursday, August 29, 2020.

**Item No. 5**

The members of the Company had appointed Mr. Minku Shantilal Gandhi (DIN: 00118617) as Joint Managing Directors of the Company for a period of Five years with effect from February 15, 2018. Since the term of his office is going to expire on February 15, 2023, the Board of Directors of the Company at its meeting held on August 29 2022 has approved the re-appointment of Mr. Minku Shantilal Gandhi (DIN: 00118617) as Joint the Managing Directors of the Company for a period of five years with effect from February 16, 2023 subject to the approval of the members at the ensuing Annual General Meeting of the Company on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee. He is not disqualified from being re-appointed as Directors in terms of Section 164 of the Companies Act, 2013 ("the Act"). The Board is of opinion that their re-appointment is properly justified, considering his contribution in the growth of the Company.

Kindly recall the 27<sup>th</sup> Annual General Meeting of the Company, held on Thursday, August 29, 2020, resolution no.09 in which Members had given consent for the remuneration of Mr. Minku Shantilal Gandhi (DIN: 00118617) for the period of 3 years, w.e.f. February 15, 2021 till February 14, 2024 as per Schedule V to the Companies Act, 2013. Nomination and Remuneration committee on considering the ending period on 14<sup>th</sup> February, 2024 passed at the 27<sup>th</sup> Annual General Meeting held on Thursday, August 29, 2020, recommend that there should be no changes in remuneration of Mr. Minku Shantilal Gandhi. On taking consideration recommendation of Nomination and Remuneration committee there is no changes in remuneration of Mr. Minku Gandhi. His Remuneration will be the same as decided at the Annual general Meeting held on Thursday, August 29, 2020.

**Item No.6**

Mrs. Hanisha Jinish Patel (DIN: 07190911) has been appointed as an Independent Director of the Company on January 31, 2018 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mrs. Hanisha Jinish Patel, the Independent Director of the Company expires on January 30, 2023. The Board of Directors, at its meeting held on August 29, 2022, subject to the approval of the Members, has considered and approved the re-appointment of Mrs. Hanisha Jinish Patel as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from January 31, 2023 to January 30, 2028.

Further based on the result of the performance evaluation and her active participation and contribution as Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee Member of the Company, the Nomination and Remuneration Committee of the Board has recommended that her continued association as Independent Director, would be of immense benefit to the Company and it is desirable to continue to avail her services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing her candidature for the office of Directors. The Company has received declaration from Mrs. Hanisha Jinish Patel to the effect that she meet the





criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, as Director she fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mrs. Hanisha Jinish Patel, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 6 of the accompanying Notice for the approval of Members as a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mrs. Hanisha Jinish Patel is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Brief profile along with other particulars of Mrs. Hanisha Jinish Patel, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

**Item No. 7**

Mrs. Purvi Tapan Trivedi (DIN: 08064080) has been appointed as an Independent Director of the Company on January 31, 2018 for a term of five years pursuant to provisions of Companies Act, 2013. The existing term of appointment of Mrs. Purvi Tapan Trivedi, the Independent Director of the Company expires on January 30, 2023. The Board of Directors, at its meeting held on August 29, 2022, subject to the approval of the Members, has considered and approved the re-appointment of Mrs. Purvi Tapan Trivedi as Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years with effect from January 31, 2023 to January 30, 2028.

Further based on the result of the performance evaluation and her active participation and contribution as Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee Member of the Company, the Nomination and Remuneration Committee of the Board has recommended that her continued association as Independent Director, would be of immense benefit to the Company and it is desirable to continue to avail her services as the Independent Director of the Company. Therefore, the Board proposes to seek approval of the Members of the Company.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing her candidature for the office of Directors. The Company has received declaration from Mrs. Purvi Tapan Trivedi to the effect that she meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and as per the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, as Director she fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Approval of Members is solicited for re-appointment of Mrs. Purvi Tapan Trivedi, as Independent Director, in terms of applicable provisions of the Act.

The Directors recommend the resolution as set out at Item No. 7 of the accompanying Notice for the approval of Members as a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mrs. Purvi Tapan Trivedi is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.



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Brief profile along with other particulars of Mrs. Purvi Tapan Trivedi, as required under provisions of Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

**Registered Office:**

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

**For and on behalf of the Board**

**Ushanti Colour Chem Limited**

**Date: 02/09/2022**

**Place: Ahmedabad**

Heli Akash Garala

**Company Secretary**



**Annexure I to the Notice**

Information of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, in accordance Companies Act, 2013 and Secretarial Standards, as on the date of Notice.

Name of Director	Mr. Minku Shantilal Gandhi	Mr. Maunal Shantilal Gandhi	Mr. Arjun Maunal Gandhi	Hanisha Jinish Patel	Purvi Tapan Trivedi	Mr. Tejas Pravinkumar Shah
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
DIN	00118617	00118559	09254434	07190911	08064080	09715481
Date of Birth and age	February 21, 1970 and 52 years	21 <sup>st</sup> February, 1970 and 51 years	02 <sup>nd</sup> February, 1998 and 24 years	29 <sup>th</sup> January, 1991 and 31 years.	24 <sup>th</sup> June, 1969 and 53 years	3 <sup>rd</sup> June, 1964 and 58 years
Qualification	Bachelor of Commerce from Gujarat University	Master of Business Administration (MBA) from University of Central Oklahoma and Bachelor of Commerce from Gujarat University	Bachelors of Business Administration (BBA) in Economics and Financial Management from Middlesex University, UK.  He has Completed Diploma in Digital Printing technology from IGNOU and pursuing B.Sc in Chemistry from IGNOU	Master of Pharmacy from Gujarat University Technical Knowledge of Chemical System. Diploma in International Business Management from Ahmedabad Management Association.	Master of Science and Bachelor of Science from Gujarat University. Doctorate of Philosophy from Gujarat University	Bachelor of Commerce from Maharaja Sayajirao University and Master of Business Administration (MBA) North Maharashtra University, Jalgaon Maharashtra
Expertise	He is associated with the company since 1993 and he has more than 20 years of experience in Chemical industry. He is mainly involved in production and purchase department of the Company.	He is associated with the company since 1993 and he has more than 27 years of experience in Chemical industry. He is mainly involved in the area of marketing, finance and R&D of the company.	He is associated with Ushanti since 2019 and he has considerable experience in the field of industrial chemistry. He is primarily involved in the R&D and quality control departments and also leads the production department of the Company.	She is associated with company since 2018 and She has technical knowledge of chemical syntheses. She is on the board of Hygeia Ortho Private Limited as a director	She is associated with company since 2018 and she has expertise in public relations and management.	He has specialized knowledge of Finance and marketing and having experience of more than 22 years.
Date of Appointment	Appointed as Director on May 12, 1993, Change in	Appointed as a Director on 15 <sup>th</sup> December, 1993, Change in	Appointed as an Non-Executive Non-Independent Director on the	Appointed as an Independent Director for a term of five(5)	Appointed as an Independent Director for a term of five(5)	Appointed as an Additional Independent Director as on



## Colour Chem Limited

	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.	Designation made on 15 <sup>th</sup> February, 2018 as Joint Managing Director for the period of 5 years w.e.f. 15 <sup>th</sup> February, 2018. In terms of Section 152 of the Companies Act, 2013, he is liable for retires by rotation at the meeting and being eligible for himself for re-appointment.	Board of the company as on 31 <sup>st</sup> July, 2021 and regularised as a Director in this general meeting. In terms of Section 152 of the Companies Act, 2013, he is liable for retires by rotation at the meeting and being eligible for himself for re-appointment.	consecutive years from January 31, 2018 to January 30, 2023, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation.	consecutive years from January 31, 2018 to January 30, 2023, being eligible, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation.	29 <sup>th</sup> August, 2022 and who holds office up to the date of this Annual General Meeting as a Non - Executive Independent Director of the Company, not liable to retire by rotation for whom consent of the members of the company is accorded in this AGM.
List of other Companies in which Directorship held	01	01	00	01	00	00
Chairman/ Member of the Committee of Board other Companies	Chairman- M/s. UC Colours and Intermediates Private Limited	Nil	Nil	Nil	Nil	Nil
Number of Shares held in the Company as on 31 <sup>st</sup> March, 2022	1373427	1369416	11	Nil	Nil	Nil
Relationship between Directors inter se	He is Brother of Mr. Maunal Shantilal Gandhi, Joint Managing Director of the Company.	He is Brother of Mr. Minku Shantilal Gandhi, Joint Managing Director of the Company and Father of Mr. Arjun Maunal Gandhi, Additional Director of the company.	He is a son of Mr. Maunal Shantilal Gandhi, Joint Managing Director of the company and nephew of Mr. Minku Shantilal Gandhi, Joint Managing Director of the company.	She is not related to any of the Directors of the Company or Key Managerial Personnel of the Company.	She is not related to any of the Directors of the Company or Key Managerial Personnel of the Company.	He is not related to any of the Directors of the Company or Key Managerial Personnel of the Company.



## Boards' Report

To the Members,

Your Directors are pleased to present the 29<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, 2022.

### Financial Results

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2022 is summarized below:

(Rs. In Rs.)

Financial Highlights	Standalone		Consolidated	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Revenue from Operations	477525010	351584097	477303510	351455097
Other Income	5702189	4809887	3972840	4809887
<b>Total Income</b>	<b>483227199</b>	<b>356393984</b>	<b>481276350</b>	<b>356264984</b>
<b>Total Expenses</b>	<b>463279947</b>	<b>323115686</b>	<b>464549830</b>	<b>323115686</b>
<b>Profit before Exceptional and Extra Ordinary items and Taxation</b>	<b>19947252</b>	<b>33278298</b>	<b>16726520</b>	<b>33149298</b>
Less: Exceptional items	0	0	0	0
<b>Profit before Extra -Ordinary items and Taxation</b>	<b>19947252</b>	<b>33278298</b>	<b>16726520</b>	<b>33149298</b>
Less: Extra -Ordinary items	0	0	0	0
<b>Profit before Taxation</b>	<b>19947252</b>	<b>33278298</b>	<b>16726520</b>	<b>33149298</b>
Less: Current Tax	5215000	8370000	5215000	8370000
Add: Deferred Tax	(97000)	384000	(101800)	384000
Less: Other Tax Exp./Adj. for Earlier year	73824	255450	73824	255450
<b>Profit After Tax</b>	<b>14755428</b>	<b>24268848</b>	<b>11539490</b>	<b>24139848</b>
<b>Less: Share in Profit/(Loss) of Minority Interest</b>	<b>0</b>	<b>0</b>	<b>(99960)</b>	<b>0</b>
<b>Profit for the year</b>	<b>14755428</b>	<b>24268848</b>	<b>11639450</b>	<b>24139848</b>

### Performance / Highlights of the Company

During the year under review, Company earned from its Operation of Rs.4775.25 lacs as against Rs. 3515.84 lacs which recorded addition of 35.82%.

Other Income during FY 2021-22 was 57.02 Rs. lacs as against Rs.48.10 lacs which recorded a growth of 18.54%.

The Company recorded Profit before Tax of Rs.199.47 lacs as against Rs. 332.78 lacs which recorded a reduction of 40.05%.

### Business Outlook

India accounts for 16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of 15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14<sup>th</sup> in exports and 8<sup>th</sup> in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a Compound annual growth rate (CAGR) of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025. The Indian government recognises chemical



industry as a key growth element and forecast to increase share of the chemical sector to 25% of the GDP in the manufacturing sector by 2025.

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

### 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 2021-22 as per provisions of the Act and Rules thereto, is available on the Company's website at [http://www.ushanti.com/financialInfo/1662449528665\\_785.pdf](http://www.ushanti.com/financialInfo/1662449528665_785.pdf).

### Board Meetings conducted during the year under review

During the Financial year 2021-22, 13 (Thirteen) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Meetings were conducted on 27<sup>th</sup> May, 2021, 28<sup>th</sup> June, 2021, 22<sup>nd</sup> July, 2021, 31<sup>st</sup> July, 2021, 16<sup>th</sup> August, 2021, 26<sup>th</sup> August, 2021, 21<sup>st</sup> October, 2021, 12<sup>th</sup> November, 2021, 1<sup>st</sup> December, 2021, 1<sup>st</sup> February, 2022, 4<sup>th</sup> February, 2022, 28<sup>th</sup> February, 2022 and 16<sup>th</sup> March, 2022.

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	13
Mr. Minku Shantilal Gandhi	Joint Managing Director	13	13
Mr. Shailesh Indradaman Patwari	Independent Director	2	1
Mrs. Hanisha Jinish Patel	Independent Director	13	12
Mrs. Purvi Tapan Trivedi	Independent Director	13	12
Mr. Arjun Maunal Gandhi	Non-Executive Non-Independent Director	9	9

### Annual General Meeting and Extra Ordinary General Meeting

The 28<sup>th</sup> Annual General Meeting (AGM) of the Company was held on **Saturday, 25<sup>th</sup> day of September, 2021 at 03.30 p.m.**

### Extra Ordinary General Meeting

The 1<sup>st</sup> Extra Ordinary General Meeting for the year 2021-2022 of the company was held on Saturday, 5<sup>th</sup> day of March, 2022 at 11:00 AM through Video Conferencing (VC) or other Audio Video Means (OAVM) in compliance with the applicable provisions of the Companies Act.

### Directors' Responsibility Statement

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

a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed and there are no material departures from the same,



## Colour Chem Limited

b) 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, 2022 and of the profit of the Company for the year ended on that date,

c) 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,

d) 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 initiated the construction work at Plot No. C-18 situated at GIDC, Saykha Industrial Estate, Bharuch-392140, Gujarat, India. By the end of the year 2023 the project will be completed and company will start production by first half of the 2024. The utilization of IPO money is as under;

Sr. No.	Object as stated In the Prospectus	Modified Object	Amount proposed to be utilized	Actual amount utilized for the Object stated in the Prospectus	Unutilized Amount	Amount of Deviation/Variation for the quarter according to applicable object
1.	To finance setting up of Dyestuff Pigment and Intermediates manufacturing facility at GIDC	To finance setting up of Dyestuff, Pigment, Chemical and Intermediates manufacturing facility	300.00	300.00	-	-





## Colour Chem Limited

	Saykha Industrial Estate, Bharuch;	in Gujarat either by UCL or by Special Purpose Vehicle ("SPV")				
2.	Repayment/pre-payment of certain secured borrowings availed by our Company	-	580.00	653.00	-	-
3.	General corporate purposes	-	225.60	173.55	-	-
4.	Issue Related Expenses	-	50.00	50.51	-	-

### Status of the Warrant Utilization money:

The Company has passed special resolution on Extra-Ordinary General Meeting held on 05th March, 2022 issued 30,00,000 convertible equity warrants at the price of Rs. 57.25 on the preferential basis of which utilization of money is mentioned as under;

Sr. No.	Object as stated In the explanatory statement to the notice for the General Meeting	Amount proposed to be utilized	Actual amount utilized for the Objects stated in the explanatory statement to the notice for the General Meeting	Unutilized Amount	Amount of Deviation/Variation for the quarter according to applicable object
1.	To augment the funds for the expansion and diversification of the business of the Company.	For anyone or combination of one or more objects	6277716	-	-
2.	To meet the long term working capital requirements of the Company.		--	--	--
3.	To repay the debt of the Company.		34359982	-	--
4.	For meeting any nature of capital expenditure to be incurred for expansion and diversification including to manufacture any new product.		693975	-	--
5	Investment in Subsidiary Company (ies).		--	--	--
6	For general corporate purpose		1568327	--	--
	Total	42937500*	42900000	37500	--

\*The Company has received the amounts from the issue of 30, 00,000 Convertible Equity Warrants at the price of Rs. 57.25/- each:

(a) INR 4, 29, 37,500/- on account of Warrants subscription money being 25% of the issue price.

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 year 2022-2023.



## Share Capital

During the year under review, the company has increased its present Authorized Share Capital of INR 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of INR 10/- (Rupees Ten only) each to INR 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten only) each by creating additional 50,00,000 (Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten Only), of which shareholder's approval taken in the extra ordinary general meeting held as on Saturday, 5<sup>th</sup> day of March, 2022.

## Issue of Convertible Equity Warrants.

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 and SEBI (ICDR) Regulations 2015 and other applicable provisions Company has issued and allotted 30,00,000 convertible Equity Warrants at face value of Rs.10/- each at the issue price of Rs.57.25/- each which includes a premium of INR 47.25/- to the Promoters and Promoters Group and Non-Promoters.

## 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. 21, 47, 72,990/- (Rupees Twenty Crore Seventeen Thousand Five Hundred Sixty Only) as Reserve and Surplus as on 31/03/2022.

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

Sr. No.	Particulars	Amount (In Rs.)
1.	Balance at the beginning of the year	10,30,91,060/-
2.	Current Year's Profit	1,47,55,430/-
3.	Amount of Securities Premium during period/year	9,68,26,500/-
4.	Interim Dividend Paid	-
5.	Addition/(deduction) of Capital Reserve	1,00,000/-
	<b>Total</b>	<b>21,47,72,990/-</b>

## Dividend

Considering the capital requirement for ongoing business expansion during the year 2021-22, the Board of Directors do not recommend 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, 2022 as per Section 135(1) of the Companies Act, 2013 and rules made there-under.

## Directors and Key Managerial Personnel

In accordance with the provision of Section 152 of the Companies Act, 2013, at this Annual General Meeting (AGM) Mr. Arjun Maunal Gandhi (DIN: 09254434), 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.

Ms. Archita Jitendrakumar Shah, Company Secretary of the Company has gave her resignation from the post of Company Secretary and Compliance Officer of the company w.e.f. close of business hours of 20<sup>th</sup> October, 2021 and Mrs. Heli Akash Garala has been appointed as the Company Secretary and Compliance Officer of the company w.e.f 21<sup>st</sup> October, 2021.

The Board Comprise of the followings as on 31<sup>st</sup> March, 2022:

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.	Pradip Bhadrilal Parikh	Chief Financial Officer	-
7.	Heli Akash Garala	Company Secretary	-

After the closure of the Financial year 2021-2022, Mr. Tejas Pravinkumar Shah (DIN: 09715481) is appointed as an Independent Director of the company on 29<sup>th</sup> August, 2022. The notice convening the AGM includes the proposal for regularisation of his appointment as an 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

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

#### **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.

Site visits to plant is organized for the Directors to enable them to understand the operations 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 [http://www.ushanti.com/policies/1658141819053\\_581.pdf](http://www.ushanti.com/policies/1658141819053_581.pdf).

#### **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, 2022. 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 2021-22 are available for inspection by any Member at the Registered Office of your Company, during normal business hours on all working days, up to the date of the Annual General Meeting of the Company, a copy of which can also be sought by any Member on making a written request to the Secretarial Department of your Company in this regard.

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

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

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

#### **Deposits**

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

Pursuant to the provisions of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 Company has accepted Rs. 14,65,25,000/- during the FY 21-22 from the Directors of the Company.



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

### **Statutory Auditors**

M/s. ANA & Associates, 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 29<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, 2022.

### **Secretarial Auditors**

The Board appointed M/s. Hardik Hudda and Associates Company Secretaries LLP, Ahmedabad to conduct Secretarial Audit of the Company for the financial year 2021-22. 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 2021-22.

### **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 27<sup>th</sup> May, 2021, 28<sup>th</sup> June, 2021, 26<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 1<sup>st</sup> February, 2022 and 4<sup>th</sup> February, 2022. The Nomination and Remuneration Committee re-constitute as on 31<sup>st</sup> July, 2021. The composition of the Committee and the details of meetings attended by its members are given below:



## Colour Chem Limited

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. 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 4 (Four) times viz 28<sup>th</sup> June, 2021, 31<sup>st</sup> July, 2021, 26<sup>th</sup> August, 2021 and 21<sup>st</sup> October, 2021. The Nomination and Remuneration Committee re-constitute as on 31<sup>st</sup> July, 2021. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Status	No. of Committee Meeting entitled	No. of Committee Meeting attended
Mrs. Hanisha Jinish Patel	Chairman	4	4
Mr. Arjun Maunal Gandhi	Member	4	4
Mrs. Purvi Tapan Trivedi	Member	4	4

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

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

The Policy of Nomination and Remuneration Committee has been placed before Website of the Company at [www.ushanti.com](http://www.ushanti.com) and the same has been also disclosed under 'Annexure 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 4 (Four) times viz 28<sup>th</sup> June, 2021, 26<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 4<sup>th</sup> February, 2022. The Stake Holder's Relationship Committee re-constitute as on 31<sup>st</sup> July, 2021. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Status	No. of Committee Meeting entitled	No. of Committee Meeting attended
Mrs. Purvi Tapan Trivedi	Chairman	4	4
Mr. Arjun Maunal Gandhi	Member	4	4
Mrs. Hanisha Jinish Patel	Member	4	4

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on 31<sup>st</sup> March, 2022.



## 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 any grievances received by company. The Vigil Mechanism is available on the website of the Company at [www.ushanti.com](http://www.ushanti.com).

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

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

## Particulars of Employees

Disclosures with respect to remuneration of employees as per Section 197 of the Companies Act, 2013, read with Rule 5(1) & 5(2)\*\* of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 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 require to give disclosure as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, List of top ten employees and details thereof mentioned in the annexure.

## Website

[www.ushanti.com](http://www.ushanti.com) is the website of the Company. All the requisite details, 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. 30 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.

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

**Date: 02/09/2022**

**Place: Ahmedabad**

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

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


**ANNEXURE I TO THE BOARDS' REPORT**
**Form No. 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, 2022, 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. 12.00 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. 12.00 Lakhs	BM 28/08/2018	Nil
3.	Arjun Maunal Gandhi-Director and 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. 6.74 Lakhs	BM 21/07/2020 and 04/01/2021	Nil
5.	Shantilal Bhailalbhair 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	01/04/2021 to 31/03/2022	Rent payable to HUF Industries for lease of Plot- Rs. 8.70 Lakhs	BM 28/08/2018 AGM 29/09/2018	Nil
			From the date of the Resolution	Rent Deposit to HUF Industries for Plot 88/7, GID.C. Estate, Vatva, Phase I, Ahmedabad- 382445, Gujarat, India - Rs. 50 Lakhs	BM 01/02/2022	

Here please note that Company has passed the resolution in its Audit Committee and Board meeting dated 19<sup>th</sup> December, 2019 for sale of Plot No. C-18 situated at GIDC, Saykha Industrial Estate, Bharuch-392140, Gujarat, India. On 26<sup>th</sup> March, 2021, Company entered into an Agreement to Sell (Banakhat) with UC Colours and Intermediates Private Limited and Deed of



## Colour Chem Limited

Assignment which will sign end of the September. The Company has made necessary compliance under sub-section (1) of Section 188 of the Companies Act, 2013 and has obtained approval from shareholders if required. Further, please note that the company has passed the resolution in its Audit Committee and Board Meeting dated 1<sup>st</sup> February, 2022 for payment of Rent Deposit to HUF Industries.

**Registered Office:**

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

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

**Date: 02/09/2022**

**Place: Ahmedabad**

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

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



## ANNEXURE II TO THE BOARDS' REPORT

### 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	2021-22 (Amount in Rs.)	2020-21 (Amount in Rs.)
Foreign Exchange Earnings	Rs. 13,72,87,240.00/-	Rs. 15,56,01,435.07/-
Foreign Exchange Outgo	Rs.13,55,603.00/-	Rs. 22,32,487.00/-

#### Registered Office:

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

#### For and on behalf of the Board

Ushanti Colour Chem Limited

Date:02/09/2022

Place: Ahmedabad

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

Maunal Shantilal Gandhi  
Joint Managing Director  
(DIN: 00118559)



### ANNEXURE III TO THE BOARDS' REPORT

#### Form AOC-1

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

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

#### PART "A": SUBSIDIARIES

(Amount in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	UC Colours and Intermediates Private Limited
2.	Date of becoming subsidiary	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	5,00,000.00
7.	Reserves & surplus	(9,99,580)
8.	Total assets	16,49,77,560
9.	Total Liabilities	16,49,77,560
10.	Investments	0.00
11.	Turnover	0.00
12.	Profit before taxation	(10,04,380)
13.	Provision for taxation	(4800)
14.	Profit after taxation	(999580)
15.	Proposed Dividend	0.00
16.	% of shareholding	90.00

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

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

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

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

#### Registered Office:

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

For and on behalf of the Board  
Ushanti Colour Chem Limited

Date: 02/09/2022

Place: Ahmedabad

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

Maunal Shantilal Gandhi  
Joint Managing Director  
(DIN: 00118559)

Pradip Bhadrilal Parikh  
Chief Financial Officer  
(PAN: AIZPP5478J)

Heli Akash Garala  
Company Secretary  
(Mem. No. A49256)



**ANNEXURE IV TO THE BOARDS' REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[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, 2022 ("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, 2022 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



## Colour Chem Limited

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:** 02/09/2022

**(CS Hardik Hudda)  
Proprietor  
Peer Review No: 1805/2022  
ACS: 39621 COP: 14697  
UDIN: A039621D000893562**





**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: 02/09/2022**

**(CS Hardik Hudda)**  
**Proprietor**  
**Peer Review No: 1805/2022**  
**ACS: 39621 COP: 14697**  
**UDIN: A039621D000893562**



## 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:

Name of Directors	Status	Designation
Mrs. Hanisha Jinish Patel	Chairman	Independent Director
Mrs. Purvi Tapan Trivedi	Member	Independent Director
Mr. Arjun Maunal Gandhi	Member	Non-Executive 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:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- 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.



## Colour Chem Limited

- 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: 02/09/2022**

**Place: Ahmedabad**

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

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



**Colour Chem Limited**

## 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	30.56 30.56	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	- - - 24.92	-
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.		59	-
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	2.50%  -	-
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, Remuneration is as per the remuneration policy of the company.	-	-

#### Notes:

1. Both Joint Managing Directors are the Whole Time Directors and others are Non-Whole-Time Directors, who are paid only sitting fees, if any for attending the meetings of the Board and Committees thereof. Hence ratios are provided only for Whole Time Directors. The remuneration package of the above Directors was approved by the Board of Directors and which were also approved by the Members of the Company at the General Meeting.

For the Computation of median remuneration of the employees of the Company for the Financial Year 2021-22, Gross Salary paid to each employee is taken into consideration.

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

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

Sr. No.	Employee Name	Designation	Nature of employment whether contractual or non-contractual	Qualification of the employee	Date of Joining	Experience	Remuneration Received (in Rs.)	Age	Last employment held by employee	Relative of any Director/ Manager of the Company
1.	Shantilal Bhailalbai Gandhi	Senior Employee	Non-Contractual	B.Sc	12/05/1993	51 Years	Rs. 24,02,400/-	94 Years	Atul Products Limited	Father of Mr. Minku Shantilal



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										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/-	49 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/-	51 Years	N.A.	Wife of Maunal Shantilal Gandhi
4.	Pradip Bhadrikal Parikh	Chief Financial Officer and Head of Account Department	Non-Contractual	B.Com	01/04/1994	28 Years	Rs. 8,24,240/-	56 Years	N.A.	N.A.
5.	Hemant Sanat Kashyap	Chemist	Non-Contractual	B.Sc	01/04/2011	28 Years	Rs. 8,63,321/-	52 Years	Meghmani Group	N.A.
6.	Arjun Maunal Gandhi	Assistant Manager in Plant	Non-Contractual	BBA	01/07/2019	3 Years	Rs. 7,48,800/-	24 Years	N.A.	Son of Mr. Maunal Shantilal Gandhi
7.	Aadit Minku Gandhi	Export Manager	Non-Contractual	BBA	25/07/2020	2 Year	Rs. 7,48,800/-	25 Years	N.A.	Son of Mr. Minku Shantilal Gandhi
8.	Kalpesh Patel	Lab In charge	Non-Contractual	B.Sc	01/03/2010	16 Years	Rs. 8,03,260/-	44 Years	Umiya Chem	N.A.
9.	Laxmikant Banshidhar Patel	Chemist	Non-Contractual	B.Sc	12/02/2012	26 Years	Rs. 4,77,867/-	49 years	Chiripal Industries Limited	N.A.
10.	Alpesh J. Kothiya	Chemist	Non-Contractual	B.Sc	01/05/2016	9 Years	Rs. 3,81,332/-	32 Years	Bodal Chemicals Limited	N.A.

**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.



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

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

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

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

**Registered Office:**

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

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

**Date: 02/09/2022**

**Place: Ahmedabad**

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

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





**ANNEXURE VII TO THE BOARDS' REPORT**

**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 1499.93 MT against which sale was made by Company of 1356.37 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.**

The Indian Dye and Dyestuffs Industry is an important aspect of the Indian Chemical Industry that significantly contributes to the latter's growth. According to a recent survey, The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

EMR's meticulous research methodology delves deep into the industry, covering the macro and micro aspects of the industry. Based on its types, the dyes market includes azo, acid, direct, disperse, oil soluble, reactive, sulphur, vat and solubilized vat dyes, along with food colours. The pigments market, based on product types, is segmented into optical whitening agents, organic pigments, pigment emulsion, and inorganic pigments. Dyes find application in textile, food, paper, and leather among others, whereas pigments find application in paint and coatings, plastics, printing inks, and textile, among others.

The COVID-19 outbreak had a significant impact on the synthetic dye market, as governments globally imposed lockdowns, and suspended domestic & international transportation services to contain the virus. Manufacturing and supply of various materials, including synthetic dye was affected as facilities were shut down and the movement of people and goods were restricted.

The disruptions in the supply of synthetic dyes impacted India's production, as the import of raw materials from China was restricted due to the COVID-19 outbreak. The majority of synthetic dye manufacturing units in India (Gujarat and Maharashtra) depend on the raw materials from China. For instance, 470 textile units in Tripura, India require 500 tons of synthetic dyes each month, disruption in the supply of synthetic dyes led them to look for alternatives such as natural dyes.

Despite the fact that India started out as an importer for dyes, due to persistent growth, India now exports dyes and dyestuffs to mostly all the countries it once imported them from. India exports dyes to various major economies such as USA, Turkey, Bangladesh, China as well as Germany.

The India dyes and pigments market is being driven by the growth of the India pigments market. The dyes and pigments market was valued at approximately USD 33030 million in 2020. The Indian Dyes and Pigments market is anticipated to grow at a substantial CAGR of 11% during the forecast period. The production value of the pigments industry in India reached a volume of nearly 133.52 million tons. The India dyes and pigments market accounts for almost a quarter of the global market.

**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.



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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 Rs.)

Particulars	2021-22	2020-21
Revenue from Operations	47,75,25,010.00/-	35,15,84,097.00/-
EBDT	3,61,91,330.00/-	4,73,73,731.00/-
Profit after Tax	1,47,55,428.00/-	2,42,68,848.00/-

During the year under review, your company has earned Revenue from Operation of Rs. 477.52 lacs as against Rs. 351.58 lacs which recorded a growth of 35.82%.

The Company recorded Earning before Depreciation and Tax of Rs. 361.91 lacs as against Rs. 473.74 lacs which recorded a reduction of 23.60%.

The Company recorded Profit after Tax of Rs. 147.55 lacs as against Rs. 242.69 lacs which recorded a reduction of 39.20%.

### Geographic Revenue Analysis

(Amount in Rs.)

Particulars	2021-2022	2020-21
Domestic	33,25,99,436.16/-	18,52,31,168/-
Export	14,25,33,390.50/-	15,99,74,534/-

### D. Outlook.

The company expects positivity in revenue and growth in FY 2022-23. 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. 477.52 lacs as against Rs. 351.58 lacs which recorded a growth of 35.82%.

The Company recorded Profit before Tax of Rs. 199.47 lacs as against Rs. 332.78 lacs which recorded a reduction of 40.06%.

The Company recorded Net Profit of Rs. 147.55 lacs as against Rs. 242.69 lacs which recorded a reduction of 39.20%.

**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 50 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, 2022	FY ended March 31, 2021	% Change between Current FY & Previous FY	Explanation
Current Ratio,	1.19	1.38	(13.90)	N.A.
Debt-Equity Ratio	0.00	0.03	(100%)	In current year company has repaid term loans so the ratio will not be applicable in current year.
Debt Service Coverage Ratio	12.87	6.11	110.47%	In current year company has repaid term loans on 19/08/2021 so after words no installment was there so the ratio increased.
Return on Equity Ratio	446.15	888.86	(49.81%)	In current year the company has issued convertible equity warrants due to that the ratio is decreased.
Inventory turnover ratio	10.51	7.48	40.59%	In previous year, consumption of raw material was low



## Colour Chem Limited

				because of Covid. In current year consumption increased.
Trade Receivables turnover ratio	4.76	3.72	27.90%	Credit period decreased in the current year.
Trade payables turnover ratio	5.63	6.39	(11.94%)	N.A.
Net capital turnover ratio	15.52	6.09	157.72%	Ratio improved due to increase in sales and reduction in working capital.
Net profit ratio	3.11	7.03	(55.83%)	Ratio decreased due to high manufacturing expense
Return on Capital employed	8.18	14.00	(41.61)	Ratio decreased due to issue of convertible equity warrants.
Return on investment	4.46	8.65	(48.41)	Ratio decreased due to issue of convertible equity warrants.

### 2. Disclosure of Accounting Treatment.

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

#### Registered Office:

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

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

**Date: 02/09/2022**

**Place: Ahmedabad**

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

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



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

### USHANTI COLOUR CHEM LIMITED

### Report on the audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of **USHANTI COLOUR CHEM LIMITED**, which comprise the Balance Sheet as at 31 March 2022, 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, 2022;
- 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

(a) **Trade Payables:**

Company has identified and classified Trade Payable into micro enterprise, small enterprise, Medium enterprise and other payable as required by MSMED act, 2006 on the basis of available information only. However, interest as per MSME Act for the Payment Outstanding for more than 45 Days has not been provided for. Further, Trade payables balances are subject to confirmation.

(b) **Trade Receivables:**

Trade Receivables balances are subject to confirmation.

- (c) Though the company has maintained sufficient information in respect of the non-payments in respect of suppliers whose input tax credit on GST has been availed. But in view of our test check, we are not in position to fully verify the amount in tax credit reversible in respect of creditors who are not paid for more than 180 days.

#### 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 Standalone AS Financial Statement and our auditor's report thereon.

Our opinion on the Standalone 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 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 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.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022, 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





## Colour Chem Limited

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.

The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iii.

- (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.

- iv. The company has not declared and paid dividend during the year as per Section 123 of the Companies Act, 2013.

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

**CA NIRAV R CHOKSI**  
**(Partner)**

**Membership No. 112249**  
**UDIN: 22112249AKDDFR9546**  
**Firm Reg. No.0115145W**

**Place: Ahmedabad**  
**Date: 26/05/2022**



**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, 2022, 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 except Land at Saykha GIDC C-18, for which agreement to sale is made on 26/03/2021 with subsidiary company i.e. UC Colours and Intermediaries Private Limited and as per Letter of extension for transfer of Land, the same is extended till 25/03/2023. 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 2022 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 quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the company.
- (iii)
- (a) During the year the company has not made investments but has provided loans or advances in the nature of loans and also provided guarantee to companies, firms, Limited Liability Partnerships and other parties details are as follows:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate Amount during the year	Rs. 42,50,00,000 (From 28/02/2022)	-	Rs. 5,18,21,360	-
Subsidiary	Rs. 42,50,00,000 (From 28/02/2022)	-	Rs. 5,18,21,360	-

	Guarantees	Security	Loans	Advances in nature of loans
Balance outstanding as at balance sheet date	Rs. 42,50,00,000	-	Rs. 5,36,16,731	-
Subsidiary	Rs. 42,50,00,000	-	Rs. 5,36,16,731	-

- (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, 2022 for a period of more than six months from the date they became payable. In respect of Income Tax, the sum of Rs. 118452/- 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 subsidiaries, joint ventures or associate companies.
- (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 where ever 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 period under audit."
- (xv) According to the information and explanations given to us, the company has entered into non-cash transactions with the directors during the year, by assuming directly related liabilities, which in our opinion is covered under the provisions of section 192 of the Act, and for which approval has been obtained in a general meeting of the company.
- (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.
- (xxi) There are no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

**Place: Ahmedabad**  
**Date: 26/05/2022**

**CA NIRAV R CHOKSI**  
**(Partner)**  
**Membership No. 112249**  
**UDIN: 22112249AKDDFR9546**  
**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 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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



## Colour Chem Limited

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 2022, 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 : 26/05/2022

CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN: 22112249AKDDFR9546  
Firm Reg. No.0115145W





**Colour Chem Limited**

Ushanti Colour Chem Limited			
Standalone Balance Sheet as at 31 <sup>st</sup> March 2022			
			(Rs. In Thousands)
I. EQUITY AND LIABILITIES	Note No.	As at 31-03-2022	As at 31-03-2021
<b>1) Shareholders' Funds</b>			
a) Share Capital	3	73017.00	73017.00
b) Reserves and Surplus	4	214772.99	200017.56
c) Money received against share warrants	5	42937.50	-
<b>2) Share application money pending allotment</b>			
<b>3) Non-Current Liabilities</b>			
a) Long-term Borrowings	6	-	7621.17
b) Deferred Tax Liabilities (net)		-	-
c) Other Long-term Liabilities	7	15.00	15.00
<b>4) Current Liabilities</b>			
a) Short-term Borrowings	8	66521.50	96992.15
b) Trade Payables	9		
Due to MSME		42218.12	9531.83
Other than MSME		33984.60	22885.83
c) Other Current Liabilities	10	18690.46	16805.38
d) Short-term Provisions	11	3227.54	3868.43
	<b>Total</b>	<b>495384.71</b>	<b>430754.36</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Property, Plant and Equipments and Intangible Assets			
(i) Property, Plant and Equipments	12.1	190930.83	184030.59
(ii) Intangible Assets	12.2	6449.04	5114.45
(iii) Capital Work-in-progress	12.3	3601.12	10028.53
(iv) Intangible Assets under Development	12.4	1096.67	1071.67
b) Non-current Investments	13	1787.78	1787.78
c) Deferred Tax Assets (net)	14	119.00	22.00
d) Long-term Loans and Advances	15	73764.25	8798.11
e) Other Non-current Assets	16	22388.58	13177.51
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	17	79934.09	59158.15
c) Trade Receivables	18	105664.03	93798.69
d) Cash and Cash Equivalents	19	667.18	42743.01
e) Short-term Loans and Advances	20	8217.90	9210.92
f) Other Current Assets	21	764.24	1812.95
	<b>Total</b>	<b>495384.71</b>	<b>430754.36</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>Chartered Accountants</b> Firm Reg. No. : 115145W  (CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 22112249AKDDFR9546 <b>Place : Ahmedabad</b> <b>Date : 26-05-2022</b>		<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>  (Maunal S. Gandhi) (Minku S. Gandhi) (Pradip Parikh) (Heli Garala) Joint MD Joint MD CFO CS 0118559 00118617 AIZPP5478J A49256  <b>Place : Ahmedabad</b> <b>Date : 26-05-2022</b>	



**Colour Chem Limited**

Ushanti Colour Chem Limited			
Standalone Statement of Profit and Loss for the year ended 31st March, 2022			
		(Rs. In Thousands)	
	Note No.	As at 31-03-2022	As at 31-03-2021
<b>INCOME</b>			
Revenue from Operations	22	477525.01	351584.10
Other Income	23	5702.19	4809.89
<b>TOTAL REVENUE</b>		<b>483227.20</b>	<b>356393.98</b>
<b>EXPENSES</b>			
Cost of Material Consumed	24	266387.36	168027.95
Purchase of Stock-in-Trade	25	19507.07	10222.13
Changes in Inventories	26	-1135.32	-4363.24
Employees Benefits Expenses	27	34836.64	32340.75
Finance Cost	28	7092.53	6020.02
Depreciation and Amortization	12	16244.08	14095.43
Other Expenses	29	120347.58	96772.64
<b>TOTAL EXPENSES</b>		<b>463279.95</b>	<b>323115.69</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>19947.25</b>	<b>33278.30</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>19947.25</b>	<b>33278.30</b>
Extraordinary items		-	-
<b>Profit before Tax</b>		<b>19947.25</b>	<b>33278.30</b>
Tax Expenses			
Current Tax		5215.00	8370.00
Deferred Tax		-97.00	384.00
Other Tax Exp / Adj. for Earlier year		73.82	255.45
<b>Profit / (loss) for the Period</b>		<b>14755.43</b>	<b>24268.85</b>
<b>Earnings Per Equity Share</b>			
Basic		2.02	3.32
Diluted		2.02	3.32
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 Nirav R Choksi)		(Maunal S. Gandhi)	(Minku S. Gandhi)
Partner		Joint MD	Joint MD
Membership No. 112249		0118559	00118617
UDIN: 22112249AKDDFR9546			
		(Pradip Parikh)	(Heli Garala)
		CFO	CS
		AIZPP5478J	A49256
<b>Place : Ahmedabad</b>		<b>Place : Ahmedabad</b>	
<b>Date : 26-05-2022</b>		<b>Date : 26-05-2022</b>	



**Colour Chem Limited**

Ushanti Colour Chem Limited		
Standalone Statement of Cash Flows for the year ended 31st March, 2022		
	(Rs. In Thousands)	
	As at 31-03-2022	As at 31-03-2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	19947.25	33278.30
Adjustment for :		
Depreciation and amortization	16244.08	14095.43
Finance Cost	7092.53	6020.02
Dividend Income	(200.67)	-
Interest Income	(3353.40)	(3164.59)
(Profit) / Loss on Sale Of Investments	-	(16.15)
(Profit) / Loss on Sale of Assets	1.07	(210.95)
Waste Disposal Reversal Income	-	(254.86)
Other MAT / Tax Adjustment	(73.82)	-
<b>Operating profit before working capital changes</b>	<b>39657.03</b>	<b>49747.20</b>
Adjustments for Changes in Working Capital		
Trade receivables	(11865.33)	(2247.96)
Long-term and short-term loans & advances	(63973.13)	(2406.25)
Other non-current and current assets, other bank balances	34092.60	7166.09
Trade payables, short-term & long-term provisions, Other current & non-current liabilities	45029.25	5011.24
(Increase) / decrease in inventories	(20775.94)	(13035.89)
<b>Cash Generated from operations</b>	<b>(17492.55)</b>	<b>(5512.77)</b>
Taxes (Paid) / Refund	(5215.00)	(8625.45)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>16949.49</b>	<b>35608.98</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets / CWIP	(18079.07)	(18924.61)
Sale of Fixed Assets	1.50	785.00
Sale / Purchase of Investments	-	16.15
(Increase)/Decrease in Other Bank Balances	-	(11432.69)
Dividend Income	200.67	-
Interest Income	3353.40	3164.59
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(14523.50)</b>	<b>(26391.56)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(7092.53)	(6020.02)
Money received against share warrants	42937.50	-
Proceeds/(Repayment) of Short-term borrowings(Net)	(30470.65)	25635.20
Proceeds/(Repayment) of Long-term borrowings(Net)	(7621.17)	(28803.69)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(2246.86)</b>	<b>(9188.51)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (D) (A+B+C)</b>	<b>179.13</b>	<b>28.91</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>488.05</b>	<b>459.13</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>667.18</b>	<b>488.05</b>
<div> <div> <b>For, DJNV &amp; Co.</b>  <b>Chartered Accountants</b>  Firm Reg. No. : 115145W   (CA Nirav R Choksi)  Partner  Membership No. 112249  UDIN: 22112249AKDDFR9546  <b>Place : Ahmedabad</b>  <b>Date : 26-05-2022</b> </div> <div> <b>For and on behalf of the Board of directors</b>  <b>Ushanti Colour Chem Limited</b>   (Maunal S. Gandhi) (Minku S. Gandhi) (Pradip Parikh) (Heli Garala)  Joint MD Joint MD CFO CS  0118559 00118617 AIZPP5478J A49256   <b>Place : Ahmedabad</b>  <b>Date : 26-05-2022</b> </div> </div>		



**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 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.

**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.



Ushanti Colour Chem Limited				
Notes to Standalone Financial Statements for the year ended 31 <sup>st</sup> March 2022				
	As at 31-03-2022		As at 31-03-2021	
<b>Note 3 : Share Capital</b>				
<b>Authorised Share Capital</b>				
1,50,00,000 shares of Rs. 10 each*	15,00,00,000		10,00,00,000	
			-	
<b>Issued, Subscribed and Paid-Up</b>				
73,01,700 Shares of Rs. 10 Each Fully Paid Up	7,30,17,000		7,30,17,000	
<b>Forfeited Shares (Amount originally paid-up)</b>				
10,000 Shares of Rs. 10 Each Fully Paid Up	-		1,00,000	
The company has only 1 class of shares referred to as Equity shares having face value of Rs. 10 /- Each holder of Equity share is entitled to 1 vote per share.				
* The company has increased its present Authorized Share Capital of INR 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of INR 10/- (Rupees Ten only) each to INR 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten only) each by creating additional 50,00,000 (Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten Only), of which shareholder's approval taken in the extra ordinary general meeting held as on Saturday, 5th day of March,2022.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.				
<b>Details of shareholders holding more than 5% share in the company</b>	<b>No. of shares as at 31<sup>st</sup> March, 2022</b>	<b>No. of shares as at 31<sup>st</sup> March, 2021</b>	<b>% Held to total Shares</b>	<b>% Held to total Shares</b>
Mr. Shantilal B. Gandhi	17,12,247	17,12,247	23.45%	23.45%
Mr. Minku S. Gandhi	13,73,427	13,63,427	18.81%	18.67%
Mr. Maunal S. Gandhi	13,69,416	13,59,427	18.75	18.62%
Mrs. Monaben M. Gandhi	4,83,250	4,83,250	6.62%	6.62%
Mrs. Shefaliben M. Gandhi	4,83,250	4,83,250	6.62%	6.62%
	<b>54,21,590</b>	<b>54,01,601</b>	<b>74.25</b>	<b>73.98%</b>
<b>The Reconciliation of the number of shares outstanding and the amount of share capital</b>	<b>No. of shares as at 31st March, 2022</b>	<b>No. of shares as at 31st March, 2021</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Shares at the beginning of the year	73,01,700	73,01,700	7,30,17,000	7,30,17,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end of the year	73,01,700	73,01,700	7,30,17,000	7,30,17,000
<b>Terms/right attached to equity shares</b>				
The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitle to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>Rs. In Thousands</b>				
<b>Note 4 : Reserves and Surplus</b>	<b>As at 31-03-2022</b>		<b>As at 31-03-2021</b>	
<b>Securities Premium</b>				
Opening Balance	96826.50		96826.50	
Addition during the year	-		-	
Less: Preliminary Expenses	-		-	
	<b>96826.50</b>		<b>96826.50</b>	
<b>Capital Reserve</b>				





## Colour Chem Limited

Opening Balance;	100	-
Addition during the year	-	100.00
Closing Balance	<b>100.00</b>	<b>100.00</b>
<b>Surplus i.e., balance in Statement of Profit and Loss</b>		
Opening Balance	103091.06	78822.21
Add : Profit for the year	14755.43	24268.85
Add Any Other Adjustments	-	-
Less: Any Other Adjustments	-	-
Closing Balance	117846.49	103091.06
<b>Total</b>	<b>214772.99</b>	<b>200017.56</b>
<b>Note 5 : Money received against share warrants</b>		
Money received against share warrants	42937.50	-
<b>Total</b>	<b>42937.50</b>	-
Note - 25% application money (subscription price) received 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 will be payable at the time of exercising the entitlement attached to warrants to subscribe to Equity shares i.e. within the tenure of 18 months from the date of allotment of warrants.		
<b>Note 6 : Long Term Borrowings</b>		
Secured		
Term Loan Secured from Banks *	-	12771.39
Car Loans **	-	351.90
	-	13123.29
Less: Current Maturities of Long Term Borrowings	-	5502.12
	-	7621.17
<b>Total</b>		
<p>* Secured Against Building and Plant and Machinery.</p> <p>** Car loan is Against Hypothecation of Car</p> <p>Note : Term Loan is Repayable in 36 instalments and Interest @ 10.25% p.a</p> <p>Note: Loan from Directors &amp; other related Parties are carried at 12% p.a. interest and without any stipulation of repayments.</p> <p>((a) Term loan [closing balance Rs. NIL (P. Y. Rs. 2821175/-)]-carries interest @ 9.35% to 9.95% p.a. The loan is repayable in 78 monthly installments comprising first 77 installments of Rs. 255500/- each and last 78th installment of Rs. 326500/- excluding interest from 10-10-2016 and last installment due on 10-03-2023. Due to prepayment of Rs. 1500000/- on 26-06-2018, installment changed to Rs. 229185/-. On 19/08/2021, entire outstanding loan was repaid.</p> <p>The loan is secured by way of :</p> <p>(i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security</p> <p>(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors</p> <p>(iii) Personal guarantee of Directors and Promoter of the company.</p> <p>Current Maturity of long-term borrowings is Rs. NIL (P.Y. Rs.2750220/-)</p> <p>(b) Term loan [closing balance Rs. NIL/- (P. Y. Rs. 4200000 )]-carries interest @ 8.04% p.a. The loan is repayable in 57 monthly installments comprising first 24 installments of Rs. 200000/- each, next 25 to 48 installments of Rs. 250000/- and last 49 to 57 installments of Rs. 300000/- excluding interest from 03-10-2018 and last installment due on 03/06/2023. On 19/08/2021, entire outstanding loan was repaid.</p> <p>The loan is secured by way of :</p> <p>(i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security</p> <p>(ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors</p> <p>(iii) mortgage in favour of SIDBI of the Plot No 42, Phase VI, Sanand, Kalol Road, Village Nasmed, Kalol, Gandhinagar, Gujarat 382155 owned jointly by Smt Shefali Minku Gandhi &amp; Mona Maunal Gandhi.</p> <p>(iv) Hypothecation of all the borrower's movables acquired under the previous project financed by SIDBI. (v) Personal guarantee of</p>		



## Colour Chem Limited

Directors and Promoter of the company.  
Current Maturity of long-term borrowings is Rs. NIL (P.Y. Rs. 3000000)

### Car Loan\*\*

(a) Vehicle loan [closing balance NIL(P. Y.NIL)]-carries interest @ 8.35% p.a. The loan is repayable in 60 monthly installments of Rs. 30668/- each along with interest from 05-04-2017 and last installment due on 05-03-2022. The loan is secured by hypothecation of the vehicle purchased there against. Current Maturity of long-term borrowings is Rs. NIL (P.Y.Rs.351896/-)

<b>Note 7 : Other Long Term Liabilities</b>		
Others		
Deposits (Payable)	15.00	15.00
<b>Total</b>	<b>15.00</b>	<b>15.00</b>
<b>Note 8 : Short Term Borrowings</b>		
Current Maturities of Long Term Borrowings	-	5502.12
Loans and Advances from related parties (Unsecured)	15913.24	16689.30
<b>Loans repayable on demands</b>		
From Banks (Secured)		
Cash Credit facilities	11508.39	8790.98
Working Capital facilities	39098.50	66009.76
Forward Contract Payable	1.37	-
<b>Total</b>	<b>66521.50</b>	<b>96992.15</b>
<b>Loans and advances from Directors and Related Parties :</b>		
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>Loans repayable on demand from banks:</b>		
(a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 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.		
<b>Rs. In Thousands</b>		
<b>Note 9 : Trade Payables</b>		
Due to MSME	42218.12	9531.83
Other than MSME	33984.60	22885.83
<b>Total</b>	<b>76202.72</b>	<b>32417.66</b>
<b>Note 10 : Other Current Liabilities</b>		
Advances from Customers	1587.23	-
Interest accrued and due on borrowings	2058.02	2743.51
Interest accrued but not due on borrowings	-	63.94
<b>Other Payables</b>		
Creditors for Expenses	14243.56	13345.59
Other Statutory Liabilities	640.38	652.34
Other Current Liabilities	161.26	-
<b>Total</b>	<b>18690.46</b>	<b>16805.38</b>
<b>Note 11 : Short Term Provisions</b>		
Provision for Employee Benefits	3109.09	2284.86
Provision for Tax (Net of Advance Tax and TDS)	-	1319.81
Provision for Tax Earlier Years (Net of Advance Tax and TDS)	118.45	263.76
<b>Total</b>	<b>3227.54</b>	<b>3868.43</b>



12.1 : Property, Plant and Equipment										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022	Upto 31-03-2021	For the year	Deletions/ Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Factory Land	181.80	-	-	181.80	-	-	-	-	181.80	181.80
Leasehold Land – Dahej*	122238.65	-	-	122238.65	4129.67	1226.25	-	5355.93	116882.73	118108.98
Office Building	-	3435.69	-	3435.69	-	531.19	-	531.19	2904.50	-
Factory Building	27315.83	-	-	27315.83	14603.52	1252.71	-	15856.24	11459.60	12712.31
Plant and Equipments	107005.09	9460.32	12.07	116453.34	65687.27	8478.24	9.50	74156.02	42297.32	41317.82
Pollution Control Plant	15004.84	3952.28	-	18957.12	9532.58	1400.57	-	10933.15	8023.96	5472.26
Furniture & Fixtures	1877.40	5213.70	-	7091.10	1404.14	903.95	-	2308.09	4783.01	473.26
Vehicles**	14617.33	-	859373	14617.33	10744.97	1284.70	-	12029.67	2587.66	3872.36
Office Equipments	1729.16	69.21	-	1798.37	1053.96	136.76	-	1190.71	607.65	675.20
Electric Fittings	4073.51	243.98	-	4317.49	3005.08	225.58	-	3230.66	1086.82	1068.43
Computers	1465.90	37.30	-	1503.20	1317.71	69.71	-	1387.42	115.77	148.18
<b>Total</b>	<b>295509.50</b>	<b>22412.48</b>	<b>12.07</b>	<b>317909.91</b>	<b>111478.91</b>	<b>15509.67</b>	<b>9.50</b>	<b>126979.08</b>	<b>190930.83</b>	<b>184030.59</b>
Previous Year	286452.56	9916.31	859.37	295509.50	98645.16	13619.07	785.32	111478.91	184030.59	187807.40
* For Land at Sakhya C-18, agreement to sale is made on 26/03/2021 with U C Colour Intermediaries Pvt Ltd which is subsidiary company of the holding company i.e. Ushanti Colour Chem Ltd and as per Letter of extension for transfer of Land, the same is extended till 25/03/2023.										
** Vehicles are held in the name of Directors of the company.										
12.2 : Intangible Assets										
Description of Assets	Gross Block				Amortization				Net Block	
	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022	Upto 31-03-2021	For the year	Deletions/ Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Computer Software	192.16	840.00	-	1032.16	140.10	46.00	-	186.10	846.06	52.06
Waste Disposal Rights	10139.50	1229.00	-	11368.50	5077.11	688.41	-	5765.52	5602.98	5062.39
<b>Total</b>	<b>10331.66</b>	<b>2069.00</b>	<b>-</b>	<b>12400.66</b>	<b>5217.21</b>	<b>734.41</b>	<b>-</b>	<b>5951.62</b>	<b>6449.04</b>	<b>5114.45</b>
Previous Year	8428.46	2403.20	500.00	10331.66	4995.71	476.37	254.86	5217.21	5114.45	3432.76

### Note 12.3 Capital Work in Progress

(Rs. In Thousands)

Description of Assets	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022
Furniture & Fixtures	1997.23	3155.14	5152.37	-
Plant and Equipments	3833.34	7641.44	8995.18	2479.60
Electric Fittings	104.82	121.16	225.98	-
New Office Building	3062.36	373.33	3435.69	-
New Project (Dahej 80-83)	1030.77	90.75	-	1121.52
<b>Total</b>	<b>10028.53</b>	<b>11381.82</b>	<b>17809.23</b>	<b>3601.12</b>
<b>Previous Year</b>	6145.11	4955.10	-	11100.20

### CWIP Ageing Schedule

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90.75	1103.77	2406.60	-	3601.12
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4538.10	3494.69	1995.74	-	10028.53
Projects temporarily suspended	-	-	-	-	-

### CWIP completion schedule

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



**Note 12.4 Intangible Assets under development**

Description of Assets	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022
Waste Disposal Rights	1071.67	1254.00	1229.00	1096.67
Total	1071.67	1254.00	1229.00	1096.67
Previous Year	-	-	-	-

As at 31<sup>st</sup> March, 2022

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	600.00	-	496.67	-	1096.67
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March, 2021

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	417.00	654.67	-	-	1071.67
Projects temporarily suspended	-	-	-	-	-

**Intangible Assets under development completion schedule**

There is no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.



## Colour Chem Limited

	Rs. In Thousands	
	As at 31-03-2022	As at 31-03-2021
<b>Note 13 : Non-Current Investments</b>		
<b>Non-trade Long term Investments (Un-quoted, At Cost)</b>		
53511 (31-03-2021 : 53511) Equity shares of Rs. 25/- each fully paid-up in The Kalupur Co. Op. Bank Limited	1337.78	1337.78
<b>Investment in Subsidiary</b>		
45000 (31-03-2021 : 45000) Equity shares of Rs. 10/- each fully paid-up in U C Colours and Intermediates Private Limited	450.00	450.00
<b>Total</b>	<b>1787.78</b>	<b>1787.78</b>
<b>Note 14 : Deferred Tax Assets (Net)</b>		
Opening Balance	22.00	406.00
Less: Deferred Tax Liability	-	-
Add: Deferred Tax Assets	97.00	(384.00)
<b>Total</b>	<b>119.00</b>	<b>22.00</b>
<b>Note 15 : Long Term Loans and Advances</b>		
<b>Unsecured &amp; Considered Good</b>		
Capital Advances	19355.58	5059.58
Long Term Loans and Advances to related parties*	53616.73	-
Other long Term Loans and Advances	128.40	2908.40
Other Advances - Long Term	163.06	314.65
Balances with Statutory / Govt. Authorities (long term)	500.48	515.48
<b>Total</b>	<b>73764.25</b>	<b>8798.11</b>
<b>* Loans and Advances to subsidiary:</b> 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 @ 7% p.a (P.Y. NA)		
<b>Note 16 : Other Non-current Assets</b>		
<b>Unsecured &amp; Considered Good</b>		
Security Deposits	22388.58	13177.51
<b>Total</b>	<b>22388.58</b>	<b>13177.51</b>
<b>Note 17 : Inventories</b>		
Raw Material Inventory	42076.29	22417.13
Finished Goods Inventory	37534.43	36399.12
Packing Material	323.36	341.90
<b>Total</b>	<b>79934.09</b>	<b>59158.15</b>
<b>Note 18 : Trade receivables</b>		
<b>Unsecured, Considered good</b>		
Outstanding for more than Six Months	-	-
Other trade receivable	105664.03	93798.69
<b>Total</b>	<b>105664.03</b>	<b>93798.69</b>
<b>Note 19 : Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents</b>		
Balance with banks	365.18	128.25
Cash on hand	302.00	359.80
<b>Other bank balances</b>		
Margin money deposits	-	42254.97
<b>Total</b>	<b>667.18</b>	<b>42743.01</b>
Note - Margin money deposits are pledged with banks as security against term loan for last year.		
<b>Note 20 : Short term Loans and Advances</b>		
<b>Unsecured &amp; Considered Good</b>		
Balances with Statutory / Govt. Authorities	6705.64	7742.64



## Colour Chem Limited

Advance Tax and TDS (Net of Provisions)	160.54	-
Loans to Employees	301.36	198.90
Prepaid Expenses	1050.36	942.38
Forward Contract Receivable	-	327.00
<b>Total</b>	<b>8217.90</b>	<b>9210.92</b>
<b>Note 21: Other Current Assets</b>		
Other Current Assets	-	82.05
Interest Accrued on Fixed Deposits	-	1502.27
Interest accrued but not due	764.24	228.63
<b>Total</b>	<b>764.24</b>	<b>1812.95</b>
<b>Note 22 : Revenue from Operations</b>		
Sale of products ( Finished & Traded, Gross)	475122.83	345193.63
Scrap Sales	10.00	12.08
	<b>475132.83</b>	<b>345205.70</b>
Less: Excise duty	-	-
	<b>475132.83</b>	<b>345205.70</b>
<b>Other Operating Revenue</b>		
Consultancy Income	221.50	129.00
Export incentives	2170.68	6249.40
<b>Total</b>	<b>477525.01</b>	<b>351584.10</b>
<b>Note 23 : Other Income</b>		
<b>Interest income</b>		
On Bank Deposits	546.36	2383.83
Others	2807.04	780.76
Dividend income	200.67	-
Foreign Exchange Gain (net)	1911.26	665.76
Premium on Forward Contract	218.58	242.43
Miscellaneous Income	3.65	177.27
Waste Disposal Rights Reversal Income	-	254.86
Profit on Sale of Assets	-	210.95
Profit on Sale of Investments	-	16.15
Sundry Balance written off	14.62	77.88
<b>Total</b>	<b>5702.19</b>	<b>4809.89</b>
<b>Note 24 : Cost of Material Consumed</b>		
Opening Raw Material Inventory	22417.13	13962.05
Add: Purchase During the year	286046.52	176483.04
Less: Closing stock of raw materials	42076.29	22417.13
<b>Total</b>	<b>266387.36</b>	<b>168027.95</b>
<b>Note 25 : Purchase of Stock-in-Trade</b>		
Direct Dyes	9457.13	1600.00
Reactive Dyes	7582.44	5267.13
Alpha/Pigment Dyes	2467.50	3355.00
<b>Total</b>	<b>19507.07</b>	<b>10222.13</b>
<b>Note 26 : Changes in Inventories</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods Inventory	36399.12	32035.88
<b>Inventories at the End of the year</b>		
Finished Goods Inventory	37534.43	36399.12
<b>Total</b>	<b>(1135.32)</b>	<b>(4363.24)</b>
<b>Note 27 : Employee Benefits Expenses</b>		
Directors Remuneration	13440.00	13086.50
Salary , Wages and Bonus	21233.41	15027.62
Gratuity Fund Contribution	135.67	166.31
Staff Welfare Expense	27.55	3739.88





## Colour Chem Limited

Other Employee Benefits Expense	-	320.44
<b>Total</b>	<b>34836.64</b>	<b>32340.75</b>
<b>Note 28 : Finance Cost</b>		
Interest paid to Banks and Financial Institutions	3041.06	2233.18
Other Interest Paid	2496.94	2776.73
Bank Charges and Commission	1554.53	1010.11
<b>Total</b>	<b>7092.53</b>	<b>6020.02</b>
<b>Note:</b>		
25.1. 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.		
25.2. 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.		
25.3 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 29 : Other Expenses</b>		
Packing Material Consumed	4480.34	4057.26
Power, Fuel and Water	62701.06	49034.49
Laboratory Expenses	512.96	429.55
Building Repairs	902.47	2476.70
Plant and Equipments Repairs	7468.62	5675.27
Pollution Control Expenses	18895.43	13608.95
Labour and processing charges	8788.91	6624.16
Safety Expenses	124.08	138.77
Sales Promotion and Advertisement	128.31	126.93
Commission Expenses	918.56	2509.18
Other Sales and Distribution Expenses	977.83	968.08
Insurance	2088.63	2356.91
Rates & Taxes	216.27	342.91
Rent	870.00	870.00
Office Maintenance	604.87	318.91
Travelling and Conveyance	918.31	615.92
Shipping Expenses	5123.64	3731.96
Legal and Professional Fees	1190.06	732.09
Loss on Sale/Disposal of Assets	1.07	-
Vehicle Running and Maintenance	388.10	202.17
Telephone and Communication	195.77	189.27
Security Expense	970.96	-
Stationary, Printing and Other Office Expenses	998.70	710.42
Donation	10.00	-
Sundry Balances Written Off	-	0.20
Transportation Charges	130.70	-
Miscellaneous Expenses	450.49	462.24
Import Expenses	21.45	420.32
<b>Payment to Auditors</b>		
For Audit purpose	250.00	150.00
For Other purpose	20.00	20.00
<b>Total</b>	<b>120347.58</b>	<b>96772.64</b>

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

32. The deferred tax liability comprises of the following:



## Colour Chem Limited

(Rs. In Thousands)

	2021-22	2020-21
Opening Balance of Deferred Tax Liability	(22.00)	(406.00)
Current Period/(Year) DTA/DTL on account of timing difference due to depreciation	(97.00)	384.00
<b>Closing Balance of Deferred Tax Liability/(Asset)</b>	<b>(119.00)</b>	<b>(22.00)</b>

### 33. Earnings per Shares (EPS)

(Rs. In Thousands)

		2021-22	2020-2021
(i)	Net Profit (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	14755.43	24268.85
(ii)	Weighted Average number of equity shares used as denominator for calculating EPS	7301.70	7301.70
(iii)	Basic and Diluted Earnings per Shares (Rs.)	2.02	3.32
(iv)	Face Value per equity share (Rs.)	10	10

### 34. Related Party Disclosures:

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

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

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

- (ii) Transactions during the year ended 31-03-22 with related parties

(Rs. In Thousands)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	146525.00	400	0.00	146925.00
2	Loans repaid to	144018.18	6232.14	0.00	150250.32
3	Remuneration/Salary	15647.49	5476.80	0.00	21124.29
4	Interest Expenses	1660.06	397.96	0.00	2058.02
5	Rent Expenses	0.00	0.00	870.00	870.00
6	Loan Given	150.00	00.0	0.00	150.00



## Colour Chem Limited

7.	Rent Deposit given	0.00	0.00	5000.00	5000.00
<b>Outstanding Balances</b>					
1	Loans payable	17039.39	931.88	0.00	17971.27
2	Salary payable	722.05	433.80	0.00	1155.85
3	Loan Receivable	150.00	0.00	0.00	150.00
4	Rent Deposit receivable	0.00	0.00	5000.00	5000.00

Sr. No.	Nature of Transactions (Excluding reimbursement)	Subsidiary Company
1.	Consultancy Income	221.50
2.	Interest Income	1994.86
3.	Loan given	51821.36
4.	Loan received back	1.06
<b>Outstanding Balance</b>		
1	Trade receivable	74.43
2	Loan receivable	53616.73
3	Investment	450.00

(iii) Transactions during the year 2020-21 with related parties

(Rs. In Thousands)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	86799.55	0.00	0.00	86799.55
2	Loans repaid to	111709.09	1123.51	0.00	112832.59
3	Remuneration/Salary	14202.99	5321.89	0.00	19524.88
4	Interest Expenses	1609.87	1133.65	0.00	2743.51
5	Rent Expenses	0.00	0.00	870.00	870.00
<b>Outstanding Balances</b>					
1	Loans payable	5965.33	13467.48	0.00	19432.81
2	Other Liabilities	748.00	86.60	0.00	834.60

Sr. No.	Nature of Transactions (Excluding reimbursement)	Subsidiary Company
1.	Consultancy Income	129.00
<b>Outstanding Balance</b>		
1	Balance receivable	82.05

35. Earnings per Shares (EPS)

(Rs. In Thousands)

	2021-22	2020-2021
Corporate Guarantee given for subsidiary Company Financial Facilities (UC Colours and Intermediates Pvt Ltd.)	425000.00	0.00
Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for	25000.00	0.00

36. 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.

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

(Rs. In Thousands)

**Colour Chem Limited**

	2021-22	2020-21
Raw Material	Nil	3496.62
Capital goods	Nil	Nil

**(b) Consumption of raw materials**

	2021-22		2020-21	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	% of consumption
Raw materials				
Imported	Nil	-	3875.84	2.31%
Indigenous	266387.36	100%	164152.11	97.69%

**38. Expenditure in foreign Currency**

(Rs. In Thousands)

		2021-22	2020-21
(a)	Other matters-Commission	1355.60	2232.49

**39. Earning in foreign currency**

(Rs. In Thousands)

		2021-22	2020-21
(a)	FOB value of exports	137287.24	155601.44

40. 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.

41. The company did 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.)

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

Firm Reg. No. : 115145W

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

(CA Nirav R Choksi)

Partner

Membership No. 112249

UDIN: 22112249AKDDFR9546

**Place:** Ahmedabad**Date:** 26-05-2022

(Maunal S. Gandhi)

Joint MD

0118559

**Place:** Ahmedabad**Date:** 26-05-2022

(Minku S. Gandhi)

Joint MD

00118617

(Pradip Parikh) (Heli Garala)

CFO

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## 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 March 2022, 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, 2022;
- 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 the matters described below to be the key audit matters to be communicated in our report.

**(a) Trade Payables:**

Company has identified and classified Trade Payable into micro enterprise, small enterprise, Medium enterprise and other payable as required by MSMED act, 2006 on the basis of available information only. However, interest as per MSME Act for the Payment Outstanding for more than 45 Days has not been provided for. Further, Trade payables balances are subject to confirmation.

**(b) Trade Receivables:**

Trade Receivables balances are subject to confirmation.

- (c)** Though the company has maintained sufficient information in respect of the non-payments in respect of suppliers whose input tax credit on GST has been availed. But in view of our test check, we are not in position to fully verify the amount in tax credit reversible in respect of creditors who are not paid for more than 180 days.



## **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**

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, 2022 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, 2022 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:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
  - 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 not declared and paid dividend during the year as per Section 123 of the Companies Act, 2013.



For DJNV & CO.  
Chartered Accountants

Place : Ahmedabad  
Date : 26/05/2022

CA NIRAV R CHOKSI  
(Partner)  
Membership No. 112249  
UDIN: 22112249AKDEMG3412  
Firm Reg. No.0115145W



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

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

We have audited the internal financial controls over financial reporting of **USHANTI COLOUR CHEM LIMITED** as of 31 March 2022 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 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 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



## Colour Chem Limited

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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DJNV & Co.  
Chartered Accountants

CA NIRAV R CHOKSI  
(Partner)

Membership No. 112249

UDIN: 22112249AKDEMG3412

Firm Reg. No.0115145W

Place: Ahmedabad

Date: 26/05/2022



## Colour Chem Limited

### Ushanti Colour Chem Limited Consolidated Balance Sheet as at 31st March, 2022

(Rs. In Thousands.)

I. EQUITY AND LIABILITIES	Note	As at 31-03-2022	As at 31-03-2021
<b>1) Shareholders' Funds</b>			
a) Share Capital	3	73017.00	73017.00
b) Reserves and Surplus	4	211528.01	199888.56
c) Money received against share warrants	5	42937.50	-
<b>1) Minority Interest</b>	6	(49.96)	50.00
<b>2) Share application money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long-term Borrowings	7	81076.22	22219.17
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long term Liabilities	8	15.00	15.00
d) Long Term Provisions		-	-
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	9	84282.85	110452.96
b) Trade Payables	10		
Due to MSME		42218.12	9531.83
Other than MSME		33984.60	22885.83
c) Other Current Liabilities	11	31638.86	17205.11
d) Short-term Provisions	12	3227.54	3868.43
<b>Total</b>		<b>603875.75</b>	<b>459133.90</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Property, Plant and Equipments and Intangible Assets			
(i) Tangible Assets	13.1	190974.73	184030.59
(ii) Intangible Assets	13.2	6449.04	5114.45
(iii) Capital Work-in-progress	13.3	102838.02	26941.48
(iv) Intangible Assets under Development	13.4	1096.67	1071.67
b) Non-current Investments	14	1337.78	1337.78
c) Deferred Tax Assets (net)	15	123.80	22.00
d) Long-term Loans and Advances	16	20147.52	8798.11
e) Other Non-current Assets	17	26292.85	19615.22
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	18	79934.09	59158.15
c) Trade Receivables	19	105589.60	93798.69
d) Cash and Cash Equivalents	20	2344.49	44330.49
e) Short-term Loans and Advances	21	55663.92	12149.18
f) Other Current Assets	22	11083.26	2766.09
<b>Total</b>		<b>603875.75</b>	<b>459133.90</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>Chartered Accountants</b> Firm Reg. No. : 115145W	<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>		
(CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 22112249AKDEMG3412 <b>Place:</b> Ahmedabad <b>Date:</b> 26-05-2022	(Maunal S. Gandhi) Joint MD 00118559  <b>Place:</b> Ahmedabad <b>Date:</b> 26-05-2022	(Minku S. Gandhi) Joint MD 00118617	(Pradip Parikh) (Heli Garala) CFO CS AIZPP5478J A49256



**Colour Chem Limited**

Ushanti Colour Chem Limited			
Consolidated Statement of Profit and Loss for the year ended 31st March, 2022			
			(Rs. In Thousands.)
	Note	As at 31-03-2022	As at 31-03-2021
<b>Income</b>			
Revenue from Operations	23	477303.51	351455.10
Other Income	24	3972.84	4809.89
<b>Total Income</b>		<b>481276.35</b>	<b>356264.98</b>
<b>Expenses</b>			
Cost of Material Consumed	25	266387.36	168027.95
Purchase of Stock-in-Trade	26	19507.07	10222.13
Changes in Inventories	27	(1135.32)	(4363.24)
Employees Benefits Expenses	28	34836.64	32340.75
Finance Cost	29	7967.53	6020.02
Depreciation and Amortization	13	16292.20	14095.43
Other Expenses	30	120694.34	96772.64
<b>Total Expenses</b>		<b>464549.83</b>	<b>323115.69</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>16726.52</b>	<b>33149.30</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>16726.52</b>	<b>33149.30</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>16726.52</b>	<b>33149.30</b>
Tax Expenses			
Current Tax		5215.00	8370.00
Deferred Tax		(101.80)	384.00
Other Tax Exp / Adj. for Earlier year		73.82	255.45
<b>Profit / (loss) for the Period</b>		<b>11539.49</b>	<b>24139.85</b>
<b>Less: Share in Profit/(Loss) of Minority Interest</b>		<b>(99.96)</b>	<b>-</b>
<b>Profit / (loss) for the Period for Equity holders</b>		<b>11639.45</b>	<b>24139.85</b>
<b>Earning Per Equity Share</b>			
Basic		1.59	3.31
Diluted		1.59	3.31
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>Chartered Accountants</b> Firm Reg. No. : 115145W		<b>For and on behalf of the Board of directors</b> <b>Ushanti Colour Chem Limited</b>	
(CA Nirav R Choksi) Partner Membership No. 112249 UDIN: 22112249AKDEMG3412 <b>Place:</b> Ahmedabad <b>Date:</b> 26-05-2022		(Maunal S. Gandhi) (Minku S. Gandhi) (Pradip Parikh) (Heli Garala) Joint MD Joint MD CFO CS 00118559 00118617 AIZPP5478J A49256 <b>Place:</b> Ahmedabad <b>Date:</b> 26-05-2022	



## Colour Chem Limited

Ushanti Colour Chem Limited		
Consolidated Statement of Cash Flows for the year ended 31st March, 2022		
	(Rs. In Thousands.)	
	As at 31-03-2022	As at 31-03-2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	16726.52	33149.30
Adjustment for :		
Depreciation, Amortization, Depletion & Impairment	16292.20	14095.43
Finance Cost	7092.53	6020.02
Dividend Income	(200.67)	-
Interest Income	(3353.40)	(3164.59)
(Profit) / Loss on Sale Of Investments	-	(16.15)
(Profit) / Loss on Sale of Assets	1.07	(210.95)
Waste Disposal Reversal Income	-	(254.86)
(Net Gain) / Loss on Foreign Currency Translation	(73.82)	-
Other MAT / Tax Adjustment	-	(16.15)
<b>Operating Profit Before Working Capital Changes</b>	<b>36484.42</b>	<b>49618.20</b>
Adjustments for Changes in Working Capital		
Trade receivables	(11790.90)	(2247.96)
Long-term and short-term loans & advances	(54864.15)	(11740.93)
Other non-current and current assets, other bank balances	27260.16	(5390.49)
Trade payables, short-term & long-term provisions, Other current & non-current liabilities	57577.92	5372.32
(Increase) / decrease in inventories	(20775.94)	(13035.89)
<b>Cash Generated from operations</b>	<b>(2592.90)</b>	<b>(27042.94)</b>
Taxes (Paid) / Refund	(5215.00)	(8625.45)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>28676.52</b>	<b>13949.81</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets / CWIP	(182911.00)	(35377.71)
Sale of Fixed Assets	1.50	785.00
Sale / Purchase of Investments	-	16.15
Dividend Income	200.67	-
Interest Income	3353.40	3164.59
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(179355.43)</b>	<b>(31411.96)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(7092.53)	(6020.02)
Issue of Equity Shares	42937.50	-
Issue of Zero Coupon Debentures	-	14598.00
Proceeds/(Repayment) of Short-term borrowings(Net)	(26170.11)	25635.20
Proceeds/(Repayment) of Long-term borrowings(Net)	58857.05	(16442.88)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>68531.91</b>	<b>17770.30</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (D) (A+B+C)</b>	<b>(82147.00)</b>	<b>308.14</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2075.52</b>	<b>1767.38</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>(80071.47)</b>	<b>2075.52</b>
As per our Report of even date attached		
<div> <div> <b>For, DJNV &amp; Co.</b>  <b>Chartered Accountants</b>  Firm Reg. No. : 115145W   (CA Nirav R Choksi)  Partner  Membership No. 112249  UDIN: 22112249AKDEMG3412  <b>Place:</b> Ahmedabad  <b>Date:</b> 26-05-2022 </div> <div> <b>For and on behalf of the Board of directors</b>  <b>Ushanti Colour Chem Limited</b>   (Maunal S. Gandhi)    (Minku S. Gandhi)    (Pradip Parikh)    (Heli Garala)  Joint MD    Joint MD    CFO    CS  00118559    00118617    AIZPP5478J    A49256   <b>Place:</b> Ahmedabad  <b>Date:</b> 26-05-2022 </div> </div>		



**Ushanti Colour Chem Limited****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2022****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**

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 unrealized 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****(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.

## **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 sales/VAT tax.
- (ii) Export incentives and interest income are accounted for on accrual basis.
- (iii) Dividend income is recognized when the right to receive the dividend is established.

## **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 assets are 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, require 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**

- (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.



Ushanti Colour Chem Limited				
Notes to Consolidated Financial Statements for the year ended 31 <sup>st</sup> March, 2021				
	As at 31-03-2022		As at 31-03-2021	
<b>Note 2 : Share Capital</b>				
<b>Authorised Share Capital</b>				
1,50,00,000 shares of Rs. 10 each*	15,00,00,000		10,00,00,000	
<b>Issued, Subscribed and Paid-Up</b>				
73,01,700 Shares of Rs. 10 Each Fully Paid Up	7,30,17,000		7,30,17,000	
<b>Forfeited Shares (Amount originally paid-up)</b>				
10,000 Shares of Rs. 10 Each Fully Paid Up	-		1,00,000	
The company has only 1 class of shares referred to as Equity shares having face value of Rs. 10 /- Each holder of Equity share is entitled to 1 vote per share.				
* The company has increased its present Authorized Share Capital of INR 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of INR 10/- (Rupees Ten only) each to INR 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten only) each by creating additional 50,00,000 (Fifty Lakh) Equity Shares of INR 10/- (Rupees Ten Only), of which shareholder's approval taken in the extra ordinary general meeting held as on Saturday, 5th day of March, 2022.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.				
<b>Details of shareholders holding more than 5% share in the company</b>	<b>No. of shares as at 31<sup>st</sup> March, 2022</b>	<b>No. of shares as at 31<sup>st</sup> March, 2021</b>	<b>% Held to total Shares</b>	<b>% Held to total Shares</b>
Mr. Shantilal B. Gandhi	17,12,247	17,12,247	23.45%	23.45%
Mr. Minku S. Gandhi	13,73,427	13,63,427	18.81%	18.67%
Mr. Maunal S. Gandhi	13,69,416	13,59,427	18.75	18.62%
Mrs. Monaben M. Gandhi	4,83,250	4,83,250	6.62%	6.62%
Mrs. Shefaliben M. Gandhi	4,83,250	4,83,250	6.62%	6.62%
	<b>54,21,590</b>	<b>54,01,601</b>	<b>74.25</b>	<b>73.98%</b>
<b>The Reconciliation of the number of shares outstanding and the amount of share capital</b>	<b>No. of shares as at 31<sup>st</sup> March, 2022</b>	<b>No. of shares as at 31<sup>st</sup> March, 2021</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Shares at the beginning of the year	73,01,700	73,01,700	7,30,17,000	7,30,17,000
Addition	-	-	-	
Deletion	-	-	-	-
Shares at the end of the year	73,01,700	73,01,700	7,30,17,000	7,30,17,000
<b>Terms/right attached to equity shares</b>				
The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitle to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. (Rs. In Thousands)				
<b>Note 4 : Reserves and Surplus</b>			<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Securities Premium</b>				
Opening Balance			96826.50	96826.50
Addition during the year			-	-
Less: Preliminary Expenses			-	-
			96826.50	96826.50
<b>Capital Reserve</b>				
Opening Balance			100	



## Colour Chem Limited

Addition during the year	-	100
Closing Balance	100	100
<b>Surplus i.e., balance in Statement of Profit and Loss</b>		
Opening Balance	102962.06	78822.21
Add : Profit for the year	11639.45	24139.85
Add Any Other Adjustments	-	-
Less: Any Other Adjustments	-	-
Closing Balance	<b>114601.51</b>	<b>102962.06</b>
<b>Total</b>	<b>211528.01</b>	<b>199888.56</b>
<b>Note 5 : Money received against share warrants</b>		
Money received against share warrants	42937.50	-
<b>TOTAL</b>	<b>42937.50</b>	<b>-</b>
Note - 25% application money (subscription price) received 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 will be payable at the time of exercising the entitlement attached to warrants to subscribe to Equity shares i.e. within the tenure of 18 months from the date of allotment of warrants.		
<b>Note 6 : Minority Interest</b>		
Champaklal Amratlal Shah	50.00	50.00
Share in Profit/(Loss) of Minority Interest	(99.96)	
<b>Total</b>	<b>(49.96)</b>	<b>50.00</b>
<b>Note 7 : Long Term Borrowings</b>		
Term Loan Secured from Banks *	30562.22	12771.39
Debentures***	50514.00	14598.00
Car Loans **	-	351.90
	81076.22	27721.29
Less: Current Maturities of Long Term Borrowings	-	5502.12
<b>Total</b>	<b>81076.22</b>	<b>22219.17</b>

\* Secured Against Building and Plant and Machinery.

\*\* Car loan is Against Hypothecation of Car

Note : Term Loan is Repayable in 36 installments and Interest @ 10.25% p.a

Note: Loan from Directors & other related Parties are carried at 12% p.a. interest and without any stipulation of repayments.

(a) Term loan [closing balance Rs. NIL (P. Y. Rs. 2821175/-)]-carries interest @ 9.35% to 9.95% p.a. The loan is repayable in 78 monthly installments comprising first 77 installments of Rs. 255500/- each and last 78th installment of Rs. 326500/- excluding interest from 10-10-2016 and last installment due on 10-03-2023. Due to prepayment of Rs. 1500000/- on 26-06-2018, installment changed to Rs. 229185/-. On 19/08/2021, entire outstanding loan was repaid.

The loan is secured by way of :

- (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security
- (ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors
- (iii) Personal guarantee of Directors and Promoter of the company.

Current Maturity of long-term borrowings is Rs. NIL (P.Y. Rs.2750220/-)

(b) Term loan [closing balance Rs. NIL/- (P. Y. Rs. 4200000)]-carries interest @ 8.04% p.a. The loan is repayable in 57 monthly installments comprising first 24 installments of Rs. 200000/- each, next 25 to 48 installments of Rs. 250000/- and last 49 to 57 installments of Rs. 300000/- excluding interest from 03-10-2018 and last installment due on 03/06/2023. On 19/08/2021, entire outstanding loan was repaid.

The loan is secured by way of :

- (i) Hypothecation of plant and machinery, equipment, tools, spares, accessories and all other assets acquired or proposed to be acquired under the Small Industries Development Bank of India("SIDBI") Scheme as primary security
- (ii) Fixed deposits and Life insurance policies of directors, company and relatives of directors
- (iii) mortgage in favour of SIDBI of the Plot No 42, Phase VI, Sanand, Kalol Road, Village Nasmed, Kalol, Gandhinagar, Gujarat 382155 owned jointly by Smt Shefali Minku Gandhi & Mona Maunal Gandhi.
- (iv) Hypothecation of all the borrower's movables acquired under the previous project financed by SIDBI. (v) Personal guarantee of



Directors and Promoter of the company.  
Current Maturity of long-term borrowings is Rs. NIL (P.Y. Rs. 3000000)

\* 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. Hypothecation 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 Chem Ltd.

- Only Rs. 3,05,62,221 is sanctioned out of total sanction limit.

Car Loan\*\*

(a) Vehicle loan [closing balance NIL(P. Y.NIL)]-carries interest @ 8.35% p.a. The loan is repayable in 60 monthly installments of Rs. 30668/- each along with interest from 05-04-2017 and last installment due on 05-03-2022. The loan is secured by hypothecation of the vehicle purchased there against. Current Maturity of long-term borrowings is Rs. NIL (P.Y.Rs.351896/-)

\*\* 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.

(Rs. In Thousands)

<b>Note 8 : Other Long Term Borrowings</b>		
Others		
Deposits (Payable)	15.00	15.00
<b>Total</b>	<b>15.00</b>	<b>15.00</b>
<b>Note 9 : Short Term Borrowings</b>		
Current Maturities of Long Term Borrowings	-	5502.12
Loans and Advances from related parties (Unsecured)	33529.74	26888.24
Other Loans and advances (Loans from inter corporate companies)	144.86	3261.87
<b>Loans repayable on demands</b>		
<b>From Banks (Secured)</b>		
Cash Credit facilities	11508.39	8790.98
Working Capital facilities	39098.50	66009.76
Forward Contract Payable	1.37	-
<b>Total</b>	<b>84282.85</b>	<b>110452.96</b>

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.)

Note for subsidiary : Loan from Directors & other related Parties are repayable on demand and carries interest @ 7% p.a. (P.Y. Nil).

Loans from inter corporate companies are taken @ 7% interest p.a.

**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.



## Colour Chem Limited

<b>Note 10 : Trade Payables</b>		
Due to MSME	42218.12	9531.83
Other than MSME	33984.60	22885.83
<b>Total</b>	<b>76202.72</b>	<b>32417.66</b>
<b>Note 11 : Other Current Liabilities</b>		
Advances from Customers	1587.23	-
Interest accrued and due on borrowings	3315.93	2743.51
Interest accrued but not due on borrowings	-	63.94
Other Payables		
Creditors for Expenses	25383.71	13633.72
Other Statutory Liabilities	1190.72	763.93
Other Current Liabilities	161.26	-
<b>Total</b>	<b>31638.86</b>	<b>17205.11</b>
<b>Note 12 : Short Term Provisions</b>		
Provision for Employee Benefits	3109.09	2284.86
Provision for Tax (Net of Advance Tax and TDS)	-	1319.81
Provision for Tax Earlier Years (Net of Advance Tax and TDS)	118.45	263.76
<b>Total</b>	<b>3227.54</b>	<b>3868.43</b>





<b>13.1 : Property, Plant and Equipment</b>										
Description of Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022	Upto 31-03-2021	For the year	Deletions/ Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Factory Land	181.80	-	-	181.80	-	-	-	-	181.80	181.80
Leasehold Land – Dahej*	122238.65	-	-	122238.65	4129.67	1226.25	-	5355.93	116882.73	118108.98
Office Building	-	3435.69	-	3435.69	-	531.19	-	531.19	2904.50	-
Factory Building	27315.83	-	-	27315.83	14603.52	1252.71	-	15856.24	11459.60	12712.31
Plant and Equipments	107005.09	9460.32	12.07	116453.34	65687.27	8478.24	9.50	74156.02	42297.32	41317.82
Pollution Control Plant	15004.84	3952.28	-	18957.12	9532.58	1400.57	-	10933.15	8023.96	5472.26
Furniture & Fixtures	1877.40	5236.47	-	7091.10	1404.14	908.33	-	2312.47	4801.40	473.26
Vehicles**	14617.33	-	-	14617.33	10744.97	1284.70	-	12029.67	2587.66	3872.36
Office Equipments	1729.16	69,211	-	1798.37	1053.96	136.76	-	1190.71	607.65	675.20
Electric Fittings	4073.51	2,43,981	-	4317.49	3005.08	225.58	-	3230.66	1086.82	1068.43
Computers	1465.90	1,06,550	-	1503.20	1317.71	113.45	-	1431.16	141.28	148.18
<b>Total</b>	<b>295509.50</b>	<b>22504.51</b>	<b>12.07</b>	<b>318001.93</b>	<b>111478.91</b>	<b>15557.80</b>	<b>9.50</b>	<b>127027.21</b>	<b>190974.73</b>	<b>184030.59</b>
Previous Year	286452.56	9916.31	859.37	295509.50	98645.16	13619.07	785.32	111478.91	184030.59	187807.40
<b>13.2 : Intangible Assets</b>										
Description of Assets	Gross Block				Amortization				Net Block	
	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022	Upto 31-03-2021	For the year	Deletions/ Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Computer Software	192.16	840.00	-	1032.16	140.10	46.00	-	186.10	846.06	52.06
Waste Disposal Rights	10139.50	1229.00	-	11368.50	5077.11	688.41	-	5765.52	5602.98	5062.39
<b>Total</b>	<b>10331.66</b>	<b>2069.00</b>	<b>-</b>	<b>12400.66</b>	<b>5217.21</b>	<b>734.41</b>	<b>-</b>	<b>5951.62</b>	<b>6449.04</b>	<b>5114.45</b>
Previous Year	8428.46	2403.20	500.00	10331.66	4995.71	476.37	254.86	5217.21	5114.45	3432.76



**Note 13.3 Capital Work in Progress**

(Rs. In Thousands)

Description of Assets	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022
Furniture & Fixtures	2013.85	3155.14	5169.00	-
Plant and Equipments	3862.04	25872.87	8995.18	20739.73
Electric Fittings	104.82	121.16	225.98	-
GIDC C-18 SAYKHA*	-	63848.39	-	80646.76
Vehicles	-	330.00	-	330.00
Computer	69.25	-	69,250	-
New Office Building	3062.36	373.33	3435.69	-
New Project (Dahej 80-83)	1030.77	90.75	-	1121.52
<b>Total</b>	<b>26941.48</b>	<b>93791.63</b>	<b>17895.10</b>	<b>102838.02</b>
<b>Previous Year</b>	6604.96	21408.19	-	28013.16

**CWIP Ageing Schedule**

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	82500.56	17930.85	2406.60	-	102838.02
Projects temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20991.19	3954.55	1995.74	-	26941.48
Projects temporarily suspended	-	-	-	-	-

**CWIP completion schedule**

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



**Note 12.4 Intangible Assets under development**

Description of Assets	As at 01-04-2021	Additions	Deletions/ Adjustments	As at 31-03-2022
Waste Disposal Rights	1071.67	1254.00	1229.00	1096.67
Total	1071.67	1254.00	1229.00	1096.67
Previous Year	-	-	-	-

**As at 31<sup>st</sup> March, 2022**

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	600.00	-	496.67	-	1096.67
Projects temporarily suspended	-	-	-	-	-

**As at 31<sup>st</sup> March, 2021**

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	417.00	654.67	-	-	1071.67
Projects temporarily suspended	-	-	-	-	-



## Colour Chem Limited

Rs. In Thousands)

	As at 31-03-2022	As at 31-03-2021
<b>Note 14 : Non-Current Investments</b>		
<b>Non-trade Long term Investments (Un-quoted, At Cost)</b>		
53511 (31-03-2020 : 53511) Equity shares of Rs. 25/- each fully paid-up in The Kalupur Co. Op. Bank Limited	1337.78	1337.78
<b>Total</b>	<b>1337.78</b>	<b>1337.78</b>
<b>Note 15 : Deferred Tax Assets (Net)</b>		
Opening Balance	22.00	406.00
Less: Deferred Tax Liability	-	-
Add: Deferred Tax Assets	101.80	(384.00)
<b>Total</b>	<b>123.80</b>	<b>22.00</b>
<b>Note 16 : Long Term Loans and Advances</b>		
Unsecured & Considered Good		
Capital Advances	19355.58	5059.58
Other long Term Loans and Advances	128.40	2908.40
Other Advances - Long Term	163.06	314.65
Balances with Statutory / Govt. Authorities (long term)	500.48	515.48
<b>Total</b>	<b>20147.52</b>	<b>8798.11</b>
<b>Note 17 : Other Non-current Assets</b>		
Security Deposits	26292.85	19615.22
<b>Total</b>	<b>26292.85</b>	<b>19615.22</b>
<b>Note 18 : Inventories</b>		
Raw Material Inventory	42076.29	22417.13
Finished Goods Inventory	37534.43	36399.12
Packing Material	323.36	341.90
<b>Total</b>	<b>79934.09</b>	<b>59158.15</b>
<b>Note 19 : Trade receivables</b>		
<b>Unsecured, Considered good</b>		
Outstanding for more than Six Months	-	-
Other trade receivable	105589.60	93798.69
<b>Total</b>	<b>105589.60</b>	<b>93798.69</b>
<b>Note 20 : Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents</b>		
Balance with banks	502.19	1655.30
Cash on hand	342.30	420.22
	1500.00	
<b>Other bank balances</b>		
Margin money deposits	-	42254.97
<b>Total</b>	<b>2344.49</b>	<b>44330.49</b>
Note - Margin money deposits are pledged with banks as security against term loan for last year.		
<b>Note 21 : Short term Loans and Advances</b>		
<b>Unsecured &amp; Considered Good</b>		
Balances with Statutory / Govt. Authorities	25388.90	10680.90
Advance Tax and TDS (Net of Provisions)	160.54	-
Loans to Employees	301.36	198.90
Capital Advances	28762.75	-
Prepaid Expenses	1050.36	942.38
Forward Contract Receivable	-	327.00
<b>Total</b>	<b>55663.92</b>	<b>12149.18</b>
<b>Note 22 : Other Current Assets</b>		
Pre-operative Expense	10302.79	1022.69
Preliminary Expense	12.50	12.50
Interest Accrued on Fixed Deposits	3.73	1502.27



## Colour Chem Limited

Interest accrued but not due	764.24	228.63
<b>Total</b>	<b>11083.26</b>	<b>2766.09</b>
<b>Note 23 : Revenue from Operations</b>		
Sale of products ( Finished & Traded, Gross)	<b>475122.83</b>	<b>345193.63</b>
Scrap Sales	<b>10.00</b>	<b>12.08</b>
	475132.83	345205.70
Less: Excise duty	-	-
	<b>475132.83</b>	<b>345205.70</b>
<b>Other Operating Revenue</b>		
Export incentives	<b>2170.68</b>	<b>6249.40</b>
<b>Total</b>	<b>477303.51</b>	<b>351455.10</b>
<b>Note 24 : Other Income</b>		
<b>Interest income</b>		
On Bank Deposits	811.87	2383.83
Others	812.19	780.76
Dividend income	200.67	-
Foreign Exchange Gain (net)	1911.26	665.76
Premium on Forward Contract	218.58	242.43
Miscellaneous Income	3.65	177.27
Waste Disposal Rights Reversal Income	-	254.86
Profit on Sale of Assets	-	210.95
Profit on Sale of Investments	-	16.15
Sundry Balance written off	14.62	77.88
<b>Total</b>	<b>3972.84</b>	<b>4809.89</b>
<b>Note 25 : Cost of Material Consumed</b>		
Opening Raw Material Inventory	22417.13	13962.05
Add: Purchase During the year	286046.52	176483.04
Less: Closing stock of raw materials	42076.29	22417.13
<b>Total</b>	<b>266387.36</b>	<b>168027.95</b>
<b>Note 26 : Purchase of Stock-in-Trade</b>		
Direct Dyes	9457.13	1600.00
Reactive Dyes	7582.44	5267.13
Alpha/Pigment Dyes	2467.50	3355.00
<b>Total</b>	<b>19507.07</b>	<b>10222.13</b>
<b>Note 27 : Changes in Inventories</b>		
<b>Inventories at the beginning of the year</b>		
Work in Progress Inventory	-	-
Finished Goods Inventory	36399.12	32035.88
<b>Inventories at the End of the year</b>		
Work in Progress Inventory	-	-
Finished Goods Inventory	37534.43	36399.12
<b>Total</b>	<b>(1135.32)</b>	<b>(4363.24)</b>
<b>Note 28 : Employee Benefits Expenses</b>		
Directors Remuneration	13440.00	13086.50
Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI	21233.41	15027.62
Gratuity Fund Contribution	135.67	166.31
Staff Welfare Exp	27.55	3739.88
Other Employee Benefits Expense	-	320.44
<b>Total</b>	<b>34836.64</b>	<b>32340.75</b>
<b>Note 29 : Finance Cost</b>		
Interest paid to Banks and Financial Institutions	3041.06	2233.18
Other Interest Paid	2496.94	2776.73
Bank Charges and Commission	2429.53	1010.11
<b>Total</b>	<b>7967.53</b>	<b>6020.02</b>



## Colour Chem Limited

### Note:

29.1. 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.

29.2. 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.

29.3 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 30 : Other Expenses</b>		
Packing Material Consumed	4480.34	4057.26
Power, Fuel and Water	62701.06	49034.49
Miscellaneous Expenses	450.49	429.55
Building Repairs	902.47	2476.70
Plant and Equipments Repairs	7468.62	5675.27
Pollution Control Expenses	18895.43	13608.95
Labour and processing charges	8788.91	6624.16
Safety Expenses	124.08	138.77
Sales Promotion and Advertisement	128.31	126.93
Commission Expenses	918.56	2509.18
Other Sales and Distribution Expenses	977.83	968.08
Insurance	2088.63	2356.91
Rates & Taxes	216.27	342.91
Rent	870.00	870.00
Office Maintenance	604.87	318.91
Travelling and Conveyance	918.31	615.92
Shipping Expenses	5123.64	3731.96
Legal and Professional Fees	1521.82	732.09
Loss on Sale/Disposal of Assets	1.07	-
Vehicle Running and Maintenance	388.10	202.17
Telephone and Communication	195.77	189.27
Security Expense	970.96	-
Stationary, Printing and Other Office Expenses	998.70	710.42
Donation	10.00	-
Sundry Balances Written Off	-	0.20
Transportation Charges	130.70	-
Laboratory Expenses	512.96	462.24
Import Expenses	21.45	420.32
<b>Payment to Auditors</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
For Audit purpose	265.00	150.00
For Other purpose	20.00	20.00
<b>Total</b>	<b>120694.34</b>	<b>96772.64</b>

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

34. The deferred tax liability comprises of the following:

(Rs. In Thousands)

	<b>2021-22</b>	<b>2020-21</b>
Opening Balance of Deferred Tax Liability	(22.00)	(406.00)
Current Period/(Year) DTA/DTL on account of timing difference due to depreciation	(101.80)	384.00
<b>Closing Balance of Deferred Tax Liability/(Asset)</b>	<b>(123.80)</b>	<b>(22.00)</b>

35. Earnings Per Shares (EPS)

(Rs. In Thousands)

	<b>2021-22</b>	<b>2020-21</b>
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## Colour Chem Limited

(i)	Net Profit (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	11639.45	24139.85
(ii)	Weighted Average number of equity shares used as denominator for calculating EPS	7301700	7301700
(iii)	Basic and Diluted Earnings per Shares (Rs.)	1.59	3.31
(iv)	Face Value per equity share (Rs.)	10	10

### 36. Related Party Disclosures:

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

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

Sr. No.	Name of the Party	Relationship
1.	Minku S. Gandhi.	Key Managerial Personnel (KMP)
2.	Maunal S. Gandhi	
3.	Shantibhai B. Gandhi	
4.	Archita Jitendra Shah	
5.	Pradip B Parikh	
6.	Arjun M Gandhi	
7.	Heli Akash Garala	
8.	Akash Dipakbhai Patel	
9.	Champak Bhai A Shah	
10.	Moksha R Shah	
11.	Smt. Shefali M. Gandhi	Relative of Key Managerial Personnel
12.	Smt. Mona M. Gandhi	
13.	Shantibhai B. Gandhi	
14.	Smt. Mona M Gandhi	
15.	Arjun M. Gandhi	
16.	Aadit M. Gandhi	
17.	Dipak Babulal Patel	
18.	Kalpana Dipakbhai Patel	
19.	Romit Champaklal Shah	
20.	Riya Ronit Shah	
21.	Kalpana Champaklal Shah	
22.	HUF Industries	Enterprise in which KMP/Relative of KMP are interested as director/member/partner
23.	Dipak Babulal Patel HUF	
24.	Champak Chemicals Pvt Ltd	

- (ii) Transactions during the year ended 31-03-22 with related parties

(Amount in Rs.)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	174025.00	400.00	0.00	174425.00
2	Loans repaid to	148218.18	6232.14	160.81	154611.13
3	Remuneration/Salary	15647.49	5476.80	0.00	21124.29
4	Interest Expenses	2585.06	397.96	160.95	3143.97
5	Rent Expenses	0.00	0.00	870.00	870.00
6	Loan given	150.00	0.00	0.00	150.00
7	Rent Deposit given	0.00	0.00	5000.00	5000.00
8	Debenture issued	18016.00	12000.00	5900.00	35916.00
<b>Outstanding Balances</b>					





## Colour Chem Limited

1	Loans payable	34655.88	931.88	144.86	35732.62
2	Other Liabilities	722.05	433.80	0.00	1155.85
3	Loan receivable	150.00	0.00	0.00	150.00
4	Rent deposit receivable	0.00	0.00	5000.00	5000.00
5	Debenture Balance	18016.00	12000.00	5900.00	35916.00

(iii) Transactions during the year ended 31-03-21 with related parties

(Amount in Rs.)

Sr. No.	Nature of Transactions (Excluding reimbursement)	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprise in which KMP/Relative of KMP are interested	Total
1	Loans taken from	96999.55	6000.00	6000.00	108999.55
2	Loans repaid to	111709.09	7123.51	4000.00	122832.59
3	Remuneration/Salary	14202.99	5321.89	0.00	19524.88
4	Interest Expenses	1609.87	1133.65	173.85	2917.36
5	Rent Expenses	0.00	0.00	870.00	870.00
<b>Outstanding Balances</b>					
1	Loans payable	16165.33	13467.48	3260.81	32893.62
2	Other Liabilities	748.00	86.60	0.00	834.60

### 37. Contingent Liabilities

(Amount in Rs.)

	2021-22	2020-21
Estimated Amount of contracts remaining to be executed on Capital Accounts and not provided for	509103.56	0

38. 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.

39. Value of imports and value of raw materials consumed

(a) CIF value of import

(Amount in Rs.)

	2021-22	2020-21
Raw Material	Nil	3496.62
Capital goods	Nil	Nil

(b) Consumption of raw materials

	2021-22		2020-21	
	% of consumption	Amount (Rs.)	% of consumption	% of consumption
Raw materials				
Imported	-	3875.85	2.31%	-
Indigenous	100%	164152.11	97.69%	100%

40. Expenditure in foreign Currency

(Amount in Rs.)

	2021-22	2020-21
(a) Other matters - Commission	1355.60	2232.49



41. Earning in foreign currency

(Amount in Rs.)

		2021-22	2020-21
(a)	FOB value of exports	137287.24	155601.44

42. 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.

43. The Company did 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.

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

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

(CA Nirav R Choksi)  
Partner  
Membership No. 112249  
UDIN: 22112249AKDEMG3412  
**Place:** Ahmedabad  
**Date:** 26-05-2022

(Maunal S. Gandhi)	(Minku S. Gandhi)	(Pradip Parikh)	(Heli Garala)
Joint MD	Joint MD	CFO	CS
00118559	00118617	AIZPP5478J	A49256

**Place:** Ahmedabad  
**Date:** 26-05-2022

## Route Map of the venue for 29th Annual General Meeting of M/s. Ushanti Colour Chem Limited

**Date & Time:** Friday, 30<sup>th</sup> September, 2022 at 02:00 p.m.

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





**29th 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 29th Annual General Meeting of the Company held on Friday, the 30<sup>th</sup> day of September, 2022 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 29th Annual General Meeting of members of the Company, to be held on Saturday at the 25<sup>th</sup> day of September, 2021 at 03.30 p.m. registered office of the Company at 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Optional	
		For	Against
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, 2022 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, 2022 and Report of Auditors thereon.		
2	To appoint a Director in place of Mr. Arjun Maunul Gandhi (DIN: 09254434), who retires by Rotation at this Annual General		

**Colour Chem Limited**

	Meeting, and being eligible, offers himself for re-appointment and in this regard, pass the as Ordinary Resolution		
Special business			
3	To Appoint Mr. Tejas Pravinkumar Shah (DIN: 09715481) as a Director (Non-Executive) Independent of the Company		
4	To approve the Re appointment of Mr. Maunal Shantilal Gandhi (DIN: 00118559) as Managing Director of the Company.		
5	To approve the Re appointment of Mr. Minku Shantilal Gandhi (DIN: 00118617) as Managing Directors of the Company		
6	To re-appoint Mrs. Hanisha Jinish Patel (DIN: 07190911) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution		
7	To re-appoint Mrs. Purvi Tapan Trivedi (DIN: 08064080) as an Independent Director and if thought fit, pass the following resolution as a Special Resolution:		

Signed this ..... day of ..... 2022

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 29th 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.