

MANUFACTURERS AND EXPORTERS OF

- DIRECT / REACTIVE / ACID DYESTUFFS
- SOLVENT / INKJET DYESTUFFS
- PIGMENTS & ADDITIVES



04th September 2024

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

Sub.: FILING OF 31ST ANNUAL REPORT 2023-24 UNDER REGULATION 34(1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Sir,

Please refer to our letter dated 31st August 2024 intimating that the 31st Annual General Meeting ("AGM 2024") of the Members of the Company is scheduled to be held on **Saturday, 28th September 2024 at 11:00 AM IST** at registered office of the Company situated at 88/8, GIDC, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India in physical mode.

Pursuant to Regulation 30 and 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, we are submitting herewith the copy of the Annual Report 2023-24 of the Company.

As per the circulars issued by Ministry of Corporate Affairs and SEBI, the aforesaid documents are electronically dispatched to those members whose email IDs are registered with the Company / Bigshare Services Private Limited ("Registrar and Share Transfer Agent" of the Company) or the Depositories.

The Annual Report 2023-24 will also be uploaded on the Company's website.

You are requested to kindly take note of the above and display the same on notice of the exchange.

Thanking you,

For Ushanti Colour Chem Limited

Minku Shantilal Gandhi
Joint Managing Director
DIN - 00118617



Encl: A/a



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

Making the world more colourful...

31ST ANNUAL REPORT 2023-24



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Members are requested to bring their copies of Annual Report 2023-24 to the 31st Annual General Meeting.



Corporate Information

| | |
|--------------------------|--|
| Name of Company | Ushanti Colour Chem Limited |
| CIN | L24231GJ1993PLC019444 |
| Financial Year | 2023-24 (Financial Year ended 31 st March 2024) |
| Registered Office | 88/8, GIDC Phase I, Vatva, Ahmedabad - 382445, Gujarat, India. |
| Phone No. | 079-25833315, 079-25894903 |
| Fax No. | Not Available |
| Email ID | admin@ushanti.com, csucl@ushanti.com |
| Website | www.ushanti.com |

Board of Directors

| Sr. No. | Name of Director | DIN | Designation |
|---------|--------------------------|----------|--|
| 1. | Minku Shantilal Gandhi | 00118617 | Joint Managing Director (Promoter) |
| 2. | Maunal Shantilal Gandhi | 00118559 | Joint Managing Director (Promoter) |
| 3. | Shantilal Bhailal Gandhi | 00118509 | Chairman and Non-Executive Non-Independent Director (Promoter) |
| 3. | Purvi Tapan Trivedi | 08064080 | Independent Director |
| 4. | Hanisha Jinish Patel | 07190911 | Independent Director |
| 5. | Tejas Pravinkumar Shah | 09715481 | Independent Director |

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 |
| 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 |

| | |
|---|--|
| Company Secretary & Compliance Officer | Vishakha Tanwar (w.e.f 25 th January 2024) |
| | Email ID: csucl@ushanti.com |

| | |
|--------------------------------|--|
| Chief Financial Officer | Pradip Bhadrilal Parikh |
| | Email ID: cfo@ushanti.com |

| | |
|-------------------------|--|
| Internal Auditor | Mital Dipeshbhai Shah |
| | Email ID: accounts@ushanti.com |

| | |
|---------------------------|--|
| Statutory Auditors | M/s. DJNV & Co Chartered Accountants (Firm Registration No. 115145W) |
| | Address: 2nd Floor, H.N. House, Opp. Muktajivan Colour Lab, |









| | |
|--|---|
| | Stadium Circle, Navrangpura, Ahmedabad-380009, Gujarat, India |
| | Email ID: info@djnv.in |

| | |
|-----------------------------|---|
| Secretarial Auditors | M/s Kunal Sharma & Associates Practicing Company Secretary |
| | Address: 501-502, Skylar, Near Shalin Bungalows, Corporate Road, Prahladnagar, Satellite, Ahmedabad – 380051, Gujarat, INDIA |
| | Email ID: cskunalsharma@gmail.com |

| | |
|----------------|--|
| Bankers | Kotak Mahindra Bank Limited |
| | The Kalupur Commercial Co-operative Bank Limited |
| | Bank of Baroda |

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

Company offers products include:

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



Letter from the Chairman

Dear Stakeholders of Ushanti Colour Chem Limited,

I, Shantilal Bhailal Gandhi on behalf of Board of Directors of the Company, brings me immense pleasure to put forth the 31st Annual Report of your Company, Ushanti Colour Chem Limited for the Financial Year 2023-2024. I would like to thank all our shareholders who have reposed their trust in the Company.

The year 2023-24 witnessed intense geo-political and economic volatility. The ongoing Russia-Ukraine conflict and geo-political tensions have disrupted the smooth functioning of global supply chains. There has been a surge in inflation, especially in the developed markets.

The global economic outlook for 2024 appears to have downside risk and the global GDP is expected to grow at 2.9%. The outlook for the Indian economy remains positive. The estimated GDP growth in India expected to be 6.1% in 2023-24 and will remain one of the fastest growing economies.

Coming to the performance of the Company, financial year 2023-2024 was another positive year for Ushanti Colour Chem Limited. We encouraged our people to grow, performed strongly and delivered on our growth strategy. We are so grateful to all of our shareholders for amazing support and partnership; we've come a long way since the Company was founded nearly 30 years ago.

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

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

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

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

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

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

Keep believes on us.

Warm regards

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



NOTICE

31ST (THIRTY FIRST) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 31ST (THIRTY FIRST) ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. USHANTI COLOUR CHEM LIMITED (CIN: L24231GJ1993PLC019444) ("THE COMPANY") WILL BE HELD ON SATURDAY, 28TH SEPTEMBER 2024 AT 11:00 AM IST AT REGISTERED OFFICE OF THE COMPANY SITUATED AT 88/8, GIDC PHASE I, VATVA, AHMEDABAD - 382445, GUJARAT, INDIA TO TRANSACT THE FOLLOWING BUSINESSES: -

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2024 together with the Reports of the Board of Directors' and the Auditors' thereon, by passing the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2024, along with the reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2024, along with the reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

2. To appoint a director in place of Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509), who retires by Rotation at this 31st 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. Shantilal Bhailalbai Gandhi (DIN:00118509), 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 (Non-Executive and Non-Independent) of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

3. **RE-APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY FROM THE CONCLUSION OF 31ST ANNUAL GENERAL MEETING TILL THE CONCLUSION OF THE 36TH ANNUAL GENERAL MEETING AND TO FIX THEIR REMUNERATION:**

To consider and if thought fit to approve re-appointment of Statutory Auditors, by passing the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the Sections 139, 141, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and the Companies (Audit and Auditors) Rules, 2014 made there under and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to recommendation made by the Audit Committee and Board of Directors, M/s DJNV & Co., Chartered Accountants (FRN - 115145W), be and is hereby re-appointed as the Statutory Auditors of the Company to conduct the Statutory Audit from financial year 2024-25 to financial year 2028-29 and to hold office for period of 5 (Five) consecutive Years commencing from the conclusion of this 31st Annual General Meeting till the conclusion of 36th Annual General Meeting, at such remuneration as may be mutually agreed between any Director of the Company and the Statutory Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."



SPECIAL BUSINESS:

4. APPROVAL TO BORROW MONEY IN EXCESS OF SPECIFIED LIMITES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c), 180(2) and other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the Company and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any duly authorized committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the Company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit and expedient in the interests of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from Company’s Bankers in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs. 100.00 Crores (Rupees One Hundred Crores only) and to create security interest over its present and future properties/ assets whether by way of hypothecation, pledge, mortgage, charge, lien or any other form of security interest whatsoever to secure the Indebtedness Amount.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to decide all terms and conditions in relation to such borrowing at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

5. APPROVAL FOR CREATION OF CHARGE ON MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the Company and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgage, charge, hypothecation, transfer, sell and/ or otherwise dispose of all or any part of the immoveable and moveable properties of the Company wherever situated, present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favor of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/ or the issue of debentures/bonds whether partly/fully convertible or non-convertible (herein collectively referred to as "Loans") provided that the total amount of loans together with the interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said loans, shall not at any time exceed Rs. 100.00 Crore (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to decide all terms and conditions in relation to such transactions at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

6. APPROVAL TO INCREASE THE THRESHOLD OF LOANS/ GUARANTEES, PROVIDING SECURITIES AND MAKING INVESTMENTS IN SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the



interest of the Company, for an amount not exceeding Rs. 100.00 Crores (Rupees One Hundred Crores Only), notwithstanding that such investments, outstanding loans given or to be given and guarantees and/or security provided may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit; necessary or appropriate.”

7. APPROVAL FOR TRANSACTIONS OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the “Entities”), of an aggregate amount not exceeding Rs. 100.00 Crores (Rupees One Hundred Crores Only) during the financial year 2024-25 and onwards, in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

8. APPROVAL OF ACQUISITION AND PURCHASE OF INDUSTRIAL LAND FROM HUF INDUSTRIES, A RELATED PARTY:

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

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter into Transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with M/s HUF Industries, a Proprietorship concern of Shantilal Bhailalbhai Gandhi HUF, member of Promoter and Promoter Group of the Company, which is falling within the definition of ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, during the Financial Year ended 31st March 2025 or thereafter to acquire and purchase the Industrial Land, together with all environmental permissions, approvals, CTPs and other memberships issued on the Industrial Land situated at Shed No: C1-88/7, Plot No: 88/7, Phase-1, GIDC, Vatva, Taluka-Dascroi, Village-Vinzol, Ahmedabad-382445 (“Related Party Transaction”) on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related party and the Company, provided that the said Transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) shall be carried out at in the ordinary course of business and in respect of transaction with related party under Section 2(76) of the Act, is at arm’s length basis.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may



be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

9. APPROVAL FOR SALE/DISPOSAL OF IMMOVABLE PROPERTIES OF THE COMPANY PURSUANT TO THE PROVISIONS OF SECTION 180(1)(A) OF THE COMPANIES ACT, 2013 AND REGULATION 37A(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and Regulation 37A(1) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, consents and permissions obtained/to be obtained from the appropriate third parties including concerned statutory authorities and subject to such terms and conditions as may be imposed by them, and which may be agreed to by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), to sell, transfer, convey, assign or otherwise dispose of the Company's immovable properties of Industrial Land situated at Plot No. DP 80+81+82+83 (of 34,164.81 sq. mtrs.) at GIDC Estate, Sayakha, Tal. Vagra, Dist. Bharuch, Gujarat 392165 with No Objection Certificate of Gujarat Pollution Control Board and Gujarat Electricity Department (hereinafter referred to as “the said property”) to any person(s) and /or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do such further acts, deeds and things as may be necessary including modifying, finalizing the terms and conditions and executing and registering all such agreements, undertakings, contracts, deeds including sale deed, deed of conveyance and other documents on behalf of the Company, file applications and make representation in respect thereof and seek approval from statutory/administrative authorities, financial institutions/banks etc., in this regard as may be applicable and deal with any matters, take necessary steps in this matter as the Board may in its absolute discretion deem necessary, desirable and expedient to give effect to this resolution and to settle any question/difficulty that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

10. APPROVAL OF TERMS AND CONDITIONS FOR PAYMENT OF REMUNERATION TO MR. MINKU SHANTILAL GANDHI (DIN: 00118617), JOINT MANAGING DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Minku Shantilal Gandhi (DIN: 00118617), Joint Managing Director of the Company for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028, as per the terms set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit with the mutual consent, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to decide all terms and conditions in relation to such transaction at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

11. APPROVAL OF TERMS AND CONDITIONS FOR PAYMENT OF REMUNERATION TO MR. MAUNAL SHANTILAL GANDHI (DIN: 00118559), JOINT MANAGING DIRECTOR OF THE COMPANY.



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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Maunal Shantilal Gandhi (DIN: 00118559), Joint Managing Director of the Company for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028, as per the terms set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit with the mutual consent, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to decide all terms and conditions in relation to such transaction at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

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

For and on behalf of the Board
Ushanti Colour Chem Limited
Sd/-
Minku Shantilal Gandhi
Joint Managing Director
DIN - 00118617

Date: 31/08/2024

Place: Ahmedabad

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 31ST ANNUAL GENERAL 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 11:00 AM IST on Thursday, 26th September 2024. 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.

- 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.
- The Board of Directors had appointed CS Kunal Sharma, Practicing Company Secretary (Membership No: FCS 10329 and COP No: 12987), Proprietor of M/s Kunal Sharma & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting (Remote E-Voting and Ballot Voting at venue of AGM) in a fair and transparent manner.
- The Proxy holder shall prove his/her identity at the time of attending the Meeting.
- When a member appoints a proxy and both the Member and the Proxy attend the Meeting, the Proxy stands automatically revoked.
- 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.
- In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.
- 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.
- 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.
- Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as required to be disclosed as per the Companies Act,



2013, Regulation 36 (3) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2), are provided as Annexure-A to this notice.

11. 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.
12. 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, 30th August 2024.
13. The Register of Members and Share Transfer Books of the Company will be closed from Sunday, 22nd September 2024 to Saturday, 28th September 2024 (both days inclusive).
14. Members are requested to bring their copies of Annual Report at the meeting.
15. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.
16. The Notice of the Annual General Meeting, Audited Financial Statements for 2023-24 along with Directors' Report and Auditors Report are also available on the website of the Company www.ushanti.com.
17. 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.
18. 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.
19. 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.
20. 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).
21. A route map along with prominent landmark for easy reach to the venue of Annual General Meeting is attached in the Annual Report.
22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings ("SS-2") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
23. In terms of provisions of section 107 of the Act, as the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM. The Company is providing facility to vote through Ballot Voting at the venue of the Meeting. Those Shareholders who have not voted in the Remote E-Voting shall be allowed to vote through Ballot Voting at the Venue of the Meeting.
24. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM through Ballot voting.
25. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
26. Pursuant to SEBI Circular on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Shareholders are therefore advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(a) Login method for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining |



| | |
|---|--|
| | <p>virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the E-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

(b) Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at |



| | |
|--|--|
| | helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(c) Login method for Remote E-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- (1) The shareholders should log on to the e-voting website www.evotingindia.com.
- (2) Click on “Shareholders” module.
- (3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (4) Next enter the Image Verification as displayed and Click on Login.
- (5) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|--|
| PAN | <ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (7) After entering these details appropriately, click on “SUBMIT” tab.
- (8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (10) Click on the EVSN for the relevant <USHANTI COLOUR CHEM LIMITED> on which you choose to vote.
- (11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (16) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (17) **Facility for Non – Individual Shareholders and Custodians –Remote Voting.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at cskunalsharma@gmail.com and to the Company at the email address viz; csucl@ushanti.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

In terms of the MCA and SEBI Circulars, the Company has sent the Notice of AGM and e-voting instructions only in electronic form to the registered email addresses of the shareholders whose email addresses are registered with the Company / Depositories. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- (1) For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at csucl@ushanti.com.
- (2) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
- (3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.
- (4) If you have any queries or issues regarding remote e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
- (5) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General Guidelines for shareholders:

- I. The remote e-voting begins on Wednesday, 25th September 2024 (09:00 AM IST) and will end on Friday, 27th September 2024 (5:00 PM IST) both days inclusive. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/ entitlement date of Saturday, 21st September 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. The Company is providing facility to vote through Ballot Voting at the venue of the Meeting. Those Shareholders who have not voted in the Remote E-Voting shall be allowed to vote through Ballot Voting at the Venue of the Meeting.
- III. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM through Ballot voting.
- IV. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- V. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as Ballot Voting at the AGM.
- VI. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on Saturday, 21st September 2024 for determining the eligibility to vote by electronic means or at the Meeting.
- VII. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holds shares as on the cut-off date i.e. Saturday, 21st September 2024 may obtain the User ID and Password by sending an email request to csucl@ushanti.com. Members may also send a request to the Company, by writing at Ushanti Colour Chem Limited, 88/8 G I D C Phase I Vatva, Ahmedabad, Gujarat, India, 382445.
- VIII. The Company has appointed CS. Kunal Sharma, Practicing Company Secretary (Membership No: FCS 10329 and COP No: 12987) as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through Ballot Voting at the venue of AGM in a fair and transparent manner.
- IX. The Scrutinizer shall not later than 48 hours from the conclusion of the Meeting, issue consolidated Scrutinizer's Report of remote e-voting and Ballot Voting at AGM, of the total votes casted in favor or against, if any, to the Chairman of the Meeting or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting.
- X. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website www.ushanti.com and on the website of CDSL and communicated to National Stock Exchange of India Limited where the shares of the Company are listed.



- XI. The resolutions shall be deemed to be passed on the date of the Annual General Meeting of the Company, subject to receipt of sufficient votes.
- XII. You can also update your mobile number and Email id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.
- XIII. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
- XIV. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off Date i.e. Saturday, 21st September 2024 only shall be entitled to avail the facility of remote e-voting or Ballot Voting at venue of AGM.

Contact Details:

| | |
|------------------------------------|--|
| Company | M/s Ushanti Colour Chem Limited, Reg. Office: 88/8 GIDC Phase I, Vatva, Ahmedabad, Gujarat, India, 382445, Tel No: 079-25833315/94903, Website: www.ushanti.com , E-mail: admin@ushanti.com , CIN-L24231GJ1993PLC019444. |
| Registrar and Share Transfer Agent | M/s. Bigshare Services Private Limited. Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai — 400093, Tel: +91 22626 38200, Fax: +91 22626 38299, Email Id: info@bigshareonline.com |
| E-voting Agency | Central Depository Services (India) Ltd Email id: helpdesk.evoting@cdslindia.com |
| Scrutinizer | CS Kunal Sharma, Practicing Company Secretary 501-502, Skylar, Near Shalin Bunglows, Corporate Road, Prahaladnagar, Satellite, Ahmedabad 380015. Tel.: +91 9173430216, Email id: cskunalsharma@gmail.com |

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

For and on behalf of the Board
Ushanti Colour Chem Limited
Sd/-
Minku Shantilal Gandhi
Joint Managing Director
DIN - 00118617

Date: 31/08/2024
Place: Ahmedabad

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no. 3

M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W), (hereinafter referred to as "Auditor") were appointed as Statutory Auditors of the Company, for a period of 5 years, to hold office from conclusion of the 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company to be held for the financial year 2023-24. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years. M/s. DJNV & Co is eligible for reappointment for a further period of five years.

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on 31st August 2024, approved the re-appointment of M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W) as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from conclusion of the 31st Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company to be held for the financial year 2028-29 to conduct the Statutory Audit from financial year 2024-25 to financial year 2028-29.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such a manner and to such an extent as may be mutually agreed with the Statutory Auditors. Considering the evaluation of the past performance, experience and expertise of M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W) and based on the recommendation of the Audit Committee, it is proposed to appoint M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W) as Statutory Auditors of the Company for a second term of five consecutive years till the conclusion of the 36th Annual General Meeting of the Company in terms of the aforesaid provisions.

M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W), has provided their consent to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. They have also confirmed that



the Firm is also a Peer Reviewed Firm of Chartered Accountants, and the Peer Review Certificate has already been issued by the ICAI and the same has been placed before the Board for their noting.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution.

Accordingly, approval of the members is sought for the appointment of M/s. DJNV & Co., Chartered Accountants (ICAI Firm Registration Number 115145W) as the Statutory Auditors of the Company and to fix their remuneration.

The details required as per Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") is provided below:

| | |
|---|--|
| Proposed Fees payable to the Statutory Auditors | INR 2.50 Lakhs per annum plus GST as applicable. |
| Terms of Appointment | For a second term of 5 (five) consecutive years from conclusion of the 31 st Annual General Meeting until the conclusion of the 36 th Annual General Meeting of the Company to be held for the financial year 2028-29 to conduct the Statutory Audit from financial year 2024-25 to financial year 2028-29. |
| Any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change | Not Applicable. |
| Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed | <p>DJNV & Co is a firm of Chartered Accountants established in 1995. The partners of the firm have been practicing as Chartered Accountants for the past 28 years. Over the years the firm has obtained vast experience in various fields of practice. Their team of professionals along with associates includes Chartered Accountants (CA, Lawyers, Company Secretaries, Valuers and Financial Consultants) providing various services in fields of Taxation, Company Law, Finance, Accountancy, Management Consultancy, and Insolvency Profession Valuation.</p> <p>The Firm provides services to clients in Broad spectrum of Trade, Industries and NGOs, serving each with their different needs, thereby delivering the best possible solutions. The Firm believes in growing along with the business of clients thereby helping them to create sustainable value addition satisfaction in a true professional Environment.</p> <p>Basis of presentation made by DJNV & Co, Chartered Accountants, the Audit Committee has satisfied and recommended their re-appointment, and the Board has also further approved their re-appointment as the Statutory Auditors of the Company subject to the Shareholders approval at the ensuing 31st Annual General Meeting.</p> |

Accordingly, the Board recommends the resolution as set out at Item No. 03 of this Notice for approval of the members of the Company as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no: 04:

Keeping in view the Company's long term strategic and business objectives, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item no. 04 for approval by the members of the Company as a Special Resolution.



None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no: 05:

In order to facilitate securing the borrowings to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, it is proposed to obtain the approval of the shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/ mortgage/ hypothecation /pledge on the Company's assets including tangible and intangible, both present and future, or provide other securities in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), from time to time up to the limits approved or as may be approved by the shareholders from time to time under Section 180(1)(c) of the Companies Act, 2013.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item no. 05 for approval by the members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no: 06:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other bodies corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 100.00 Crores, as proposed in the Notice. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 06 for approval by the members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no: 07:

Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting.

It is proposed to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by the Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act (collectively referred to as the "Entities"), from time to time, for the purpose of capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the Item no. 07 of the notice.

The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

The Board of Directors recommend the resolution set forth in Item no. 07 of the notice for your approval as a Special Resolution.



None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no: 08:

Pursuant to the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the threshold limit for determination of material Related Party Transactions is the lower of 1,000 crores (Rupees One thousand crores) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity and such material related party transactions exceeding the limits, would require prior approval of Members by means of an ordinary resolution.

The Company is intended to to acquire and purchase the Industrial Land, together with all environmental permissions, approvals, CTPs and other memberships issued on the Industrial Land situated at Shed No: C1-88/7, Plot No: 88/7, Phase-1, GIDC, Vatva, Taluka-Dascroi, Village-Vinzol, Ahmedabad-382445 (“Related Party Transaction”) from M/s HUF Industries, a Proprietorship concern of Shantilal Bhailalbai Gandhi HUF, member of Promoter and Promoter Group of the Company, which is falling within the definition of ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

The said proposed Transaction will be in interest of the Company, its business operations and prospects of the Company.

The details of transactions that require approval are given below:

| Sr. No. | Description | Particulars |
|---------|--|---|
| 01. | Name of the related party | M/s HUF Industries, a Proprietorship concern of Shantilal Bhailalbai Gandhi HUF. |
| 02. | Nature of Relationship [including nature of its interest (financial or otherwise)] | Proprietorship concern of Shantilal Bhailalbai Gandhi HUF who is one of the Member of Promoter and Promoter Group of the Company. |
| 03. | Type of proposed transaction | Acquire and purchase of Industrial Land, together with all environmental permissions, approvals, CTPs and other memberships issued on the Industrial Land situated at Shed No: C1-88/7, Plot No: 88/7, Phase-1, GIDC, Vatva, Taluka-Dascroi, Village-Vinzol, Ahmedabad-382445. |
| 04. | Nature, duration/tenure, material terms, monetary value and particulars of contract/ arrangement | During the Financial Year ending 31 st March 2025 or thereafter. The proposed Transaction will be at arm’s length basis. |
| 05. | Particulars of the proposed transaction | Same as Sr. No. 03 |
| 06. | Tenure of the transaction | During the Financial Year ending 31 st March 2025 or thereafter. |
| 07. | Value of the proposed transaction | The proposed Transaction will be done at a mutually agreed prevailing market rate based on the Valuation Report to be obtained from the Registered Valuer. Further, the said transaction will be done on an arm’s length basis. Further, based on 30 th June 2024, the Fair Market Value of the Industrial Land was Rs. 5,98,11,960/- derived by Mr. Vimal R. Patel, a Government Registered Valuer, Chartered Engineer and IBBI Registered Valuer. The Consideration of the proposed Transaction shall not be less than the above-mentioned amount. The Company shall take Valuation Report from the Registered Valuer to the latest Practicable date prior the execution of Sale and Transfer of Industrial Land from Related Party to the Company. |
| 08. | Percentage of Company’s annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | The price of the proposed Transaction is yet to be decided. Hence, % cannot be ascertained. |
| 09. | Justification of the proposed transaction | The said proposed Transaction will be in interest of the Company, its business operations and prospects of the |



| | | |
|-----|--|---|
| | | Company. The proposed transaction will be in the ordinary course of business and on the arm's length basis. |
| 10. | Details of the valuation report or external party report (if any) enclosed with the Notice | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors. |
| 11. | Name of the Director or Key Managerial Personnel, who is related | Mr. Shantilal Bhailalbai Gandhi, Mr. Maunal Shantilal Gandhi and Mr. Minku Shantilal Gandhi and their Relatives. |
| 12. | Following additional disclosures to be made in case of loans, inter-corporate deposits, advances or investments made or given | |
| A | Source of funds | Not Applicable |
| B | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: <ul style="list-style-type: none"> • Nature of indebtedness. • cost of funds; and • tenure of the indebtedness | Not Applicable |
| C | Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security) | Not Applicable |
| D | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | Not Applicable |
| 13. | Any other relevant information | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice. |

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

The Board of Directors recommend the resolution set forth in Item no. 08 of the notice for your approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or its respective relatives, other than as mentioned above, is concerned or interested, in the resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

Item no. 09

The Company proposes to sell the entire Industrial Land located at Plot No. DP 80+81+82+83 (of 34,164.81 sq. mtrs.) at GIDC Estate, Sayakha, Tal. Vagra, Dist. Bharuch, Gujarat 392165 with No Objection Certificate of Gujarat Pollution Control Board and Gujarat Electricity Department (hereinafter referred to as "the said property") to any person(s) and /or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company.

Further, the Company is in the process of negotiating the consideration and other terms & conditions with the potential purchaser(s) of the said property. In view of the same, the Board of Directors at its meeting held on 31st August 2024 has, subject to the approval of members of the Company by a special resolution, approved to sell, transfer, convey, assign or otherwise dispose of the Company's immovable property as stated above along with building, structures, rights and fixtures thereon including finalization of the suitable purchaser(s)/ assignee(s) as the case may be, of the said property, the terms and conditions, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale, deeds of conveyances and irrevocable powers of attorney etc. and such other documents in the best interest of the Company.

The funds realised from the proposed sale shall be used for any or in combination with one or more of the purposes such as to augment the funds for the diversification or entering into new line of business for the Company, for meeting any nature of capital expenditure to be incurred for diversification including to manufacture any new product, to repay the Debt and Borrowings of the Company and also for general corporate purpose.



The Board of Directors recommend the resolution set forth in Item no. 08 of the notice for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

Item no. 10

Mr. Minku Shantilal Gandhi (DIN: 00118617) was appointed as the Joint Managing Director at the Extra Ordinary General Meeting of the Company held on February 15, 2018, for a term of Five years w.e.f. February 19, 2018 and thereafter reappointed at the 29th Annual General Meeting of the Company held on September 30, 2022 for further period of five years effective from February 15, 2023 till February 14, 2028. His remuneration was fixed at the 27th Annual General Meeting of the Company held on Thursday, August 20, 2020 w.e.f. February 15, 2021 to February 14, 2024 as per Schedule V of the Companies Act, 2013. The Board of Directors of the Company has at its meeting held on 31st August 2024 based on the recommendation of the Nomination & Remuneration committee approved the remuneration payable to Mr. Minku Shantilal Gandhi (DIN: 00118617) for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028 subject to the approval of shareholders.

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

| Remuneration: | | |
|--|---|---------------------------------------|
| Sr. No. | Particulars | Amount Up to Rs. (Per Year) |
| 1. | Basic Salary: Salary given to Joint Managing Director which is eligible for revision on a date to be determined by the Board of Directors of the company. | Rs. 60,00,000/- |
| Perquisites: The Joint Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above; | | |
| 2. | Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961. | - |
| 3. | Gratuity: Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'. | - |
| 4. | Insurance Policy: The company has taken few Keyman Insurance policies for its Key employees. Which is going to be mature in the year 2030. The company is paying premium on such policies. Surrender value of the policies is considered as perquisites and includes in computation of managerial remuneration of the joint managing director of the Company. | Rs. 15,00,000/- |
| 5. | Wi-Fi Facility: Company provides Wi-Fi facility at the employee's house for doing office work. | Rs. 50,000/- |
| Total (Salary + Perquisites) | | Up to Rs. 75,00,000/- per year |

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

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

I. General Information

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

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



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

4. Financial performance based on given indicator: Financial Performance for the period of is as under:

(Amount in Lakhs)

| Sr. No. | Particulars | Financial Year 2023-24 | Financial Year 2022-23 | Financial Year 2021-22 |
|---------|--|---------------------------|---------------------------|---------------------------|
| 1. | Total Revenue | Rs. 4258.88/- | Rs. 4267.83/- | Rs. 4775.25/- |
| 2. | Earnings before interest, tax, depreciation and amortization | Rs. 399.40/- | Rs. 392.00/- | Rs. 418.00/- |
| 3. | Financial Cost | Rs. 57.08/- | Rs. 56.67/- | Rs. 70.92/- |
| 4. | Depreciation and amortization | Rs. 155.27/- | Rs. 167.14/- | Rs. 162.44/- |
| 5. | Profit Before Tax | Rs. 187.05/- | Rs. 173.11/- | Rs. 199.47/- |
| 6. | Current Tax | - | - | Rs. 52.15 |
| 7. | Deferred Tax | (Rs. 1.85) | (Rs. 6.59) | (Rs. 0.97) |
| 8. | Net Profit | Rs. 134.13/- | Rs. 179.70/- | Rs. 147.55/- |

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

II Information about the appointee:

1) Mr. Minku Shantilal Gandhi:

A) Background Details:

Mr. Minku Gandhi, 53 Years of age, is a Bachelor of Commerce from Gujarat University. He was appointed as First Director of the Company in May 12, 1993. He is one of the promoters of the Company. Mr. Minku Gandhi's expertise lies in Manufacturing & Production.

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

B) Past Remuneration:

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

C) Recognition or awards:

Not Applicable

D) Job Profile and his suitability:

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

E) Remuneration Proposed:

As mentioned in the Notice and Explanatory Statement to the Notice.

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

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

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

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



III Other Information:

A) Reasons of loss or inadequate profits:

The Company is engaged in the business of manufacturing and selling various types of Chemicals, Dyes and Intermediates etc. During the year 2023-24, the Company made profit after tax of Rs. 134.13 Lakhs.

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

All economic measures are being adopted to maintain profitability.

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

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

IV Disclosures:

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

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

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

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

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

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

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

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

IV professional qualifications and experience of the individual concerned

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

V the relationship between remuneration and performance

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

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

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

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

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

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



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

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

Mr. Minku Shantilal Gandhi holds 1373427 Equity Shares of the Company of Rs. 10 each. There are no shares pledged as at the end of the financial year 2023-24.

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

In Compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms specified of remuneration above are now being placed before the members for their approval. Further, the approval of Members for the remuneration proposed herein above shall be valid for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028.

The Board of Directors recommend the resolution set forth in Item no. 10 of the notice for your approval as a Special Resolution.

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

Item No. 11

Mr. Maunal Shantilal Gandhi (DIN: 00118559) was appointed as the Joint Managing Director at the Extra Ordinary General Meeting of the Company held on February 19, 2018 for a term of Five years w.e.f. February 15, 2018 and thereafter reappointed at the 29th Annual General Meeting of the Company held on September 30, 2022 for further period of five years effective from February 15, 2023 till February 14, 2028. His remuneration was fixed at the 27th Annual General Meeting of the company held on Thursday, August 20, 2020, w.e.f. February 15, 2021 to February 14, 2024 as per Schedule V of the Companies Act, 2013. The Board of Directors of the Company has at its meeting held on 31st August 2024 based on the recommendation of the Nomination & Remuneration committee approved the remuneration payable to Mr. Maunal Shantilal Gandhi (DIN: 00118559) for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028 subject to the approval of shareholders.

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

| Remuneration: | | |
|---|---|------------------------------------|
| Sr. No. | Particulars | Amount Up to Rs. (Per Year) |
| 1. | Basic Salary: Salary given to Joint Managing Director which is eligible for revision on a date to be determined by the Board of Directors of the company. | Rs. 60,00,000/- |
| Perquisites: | | |
| The Joint Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above; | | |
| 2. | Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961. | - |
| 3. | Gratuity: Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'. | - |
| 4. | Insurance Policy: The company has taken few Keyman Insurance policies for its Key employees. Which is going to be mature in the year 2030. The company is paying premium on such policies. Surrender value of the policies is considered as perquisites and includes in computation of managerial remuneration of the joint managing director of the Company. | Rs. 15,00,000/- |



| | | |
|-------------------------------------|--|---------------------------------------|
| 5. | Wi-Fi Facility: Company provides Wi-Fi facility at the employee's house for doing office work. | Rs. 50,000/- |
| Total (Salary + Perquisites) | | Up to Rs. 75,00,000/- per year |

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

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

I. General Information

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

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

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

4. Financial performance based on given indicator: Financial Performance is as under:

(Amount in Lakhs)

| Sr. No. | Particulars | Financial Year 2023-24 | Financial Year 2022-23 | Financial Year 2021-22 |
|---------|--|---------------------------|---------------------------|---------------------------|
| 1. | Total Revenue | Rs. 4258.88/- | Rs. 4267.83/- | Rs. 4775.25/- |
| 2. | Earnings before interest, tax, depreciation and amortization | Rs. 399.40/- | Rs. 392.00/- | Rs. 418.00/- |
| 3. | Financial Cost | Rs. 57.08/- | Rs. 56.67/- | Rs. 70.92/- |
| 4. | Depreciation and amortization | Rs. 155.27/- | Rs. 167.14/- | Rs. 162.44/- |
| 5. | Profit Before Tax | Rs. 187.05/- | Rs. 173.11/- | Rs. 199.47/- |
| 6. | Current Tax | - | - | Rs. 52.15 |
| 7. | Deferred Tax | (Rs. 1.85) | (Rs. 6.59) | (Rs. 0.97) |
| 8. | Net Profit | Rs. 134.13/- | Rs. 179.70/- | Rs. 147.55/- |

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

II Information about the appointee:

1) Mr. Maunal Shantilal Gandhi:

A) Background Details:

Mr. Maunal Gandhi, 53 Years of age, is an MBA Finance from USA and Bachelor of Commerce from Gujarat University. He was appointed as Director of the Company in December 15, 1993. He is one of the promoters of the Company. Mr. Maunal Gandhi's expertise lies in sales & marketing.

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

B) Past Remuneration:

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

C) Recognition or awards:

Not Applicable

D) Job Profile and his suitability:

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



E) Remuneration Proposed:

As mentioned in the Notice and Explanatory Statement to the Notice.

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

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

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

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

III Other Information:

A) Reasons of loss or inadequate profits:

The Company is engaged in the business of manufacturing and selling various types of Chemicals, Dyes and Intermediates etc. During the year 2023-24, the Company made profit after tax of Rs. 134.13 Lakhs.

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

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

All economic measures are being adopted to maintain profitability.

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

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

IV Disclosures:

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

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

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

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

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

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

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

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

IV professional qualifications and experience of the individual concerned

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

V the relationship between remuneration and performance

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



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

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

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

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

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

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

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

Mr. Maunal Shantilal Gandhi holds 1369416 Equity Shares of the Company of Rs. 10 each. There are no shares pledged as at the end of the financial year 2023-24.

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

In Compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms specified of remuneration above are now being placed before the members for their approval. Further, the approval of Members for the remuneration proposed herein above shall be valid for the remaining period of his term as a Joint Managing Director i.e. from the date of this 31st Annual General Meeting upto 14th February 2028.

The Board of Directors recommend the resolution set forth in Item no. 11 of the notice for your approval as a Special Resolution.

Except Mr. Maunal Shantilal Gandhi his relatives to the extent of their shareholding in the Company, None of the Directors or key managerial personnel or any relative thereof, in anyway, concerned or interested in the special resolution as set out in Item no. 11 except to the extent of their shareholding in the Company

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

For and on behalf of the Board
Ushanti Colour Chem Limited
Sd/-
Minku Shantilal Gandhi
Joint Managing Director
DIN - 00118617

Date: 31/08/2024
Place: Ahmedabad

Annexure A: Brief Resume of Director's seeking appointment/re-appointment.

Details of Directors seeking appointment/re-appointment at the 31st Annual General Meeting pursuant to the provisions of (i) Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2'), issued by The Institute of Company Secretaries of India and are provided herein below:

| Particulars | Shantilal B. Gandhi |
|-------------|---------------------|
|-------------|---------------------|



| | |
|---|--|
| Directors Identification Number (DIN) | 00118509 |
| Current Category | Non-Executive and Non-Independent Director (Promoter) |
| Date of Birth | July 08, 1928 |
| Age | 96 |
| Nationality | Indian |
| Date of first appointment by Board | 29/08/2023 |
| Qualifications | Bachelor of Science |
| Nature of Expertise in specific functional areas | Having more than 60 years of experience in chemical industry and having expertise in marketing and technical department. |
| In the case of Independent Directors, the skills and capabilities for the role and the manner in which the proposed person meets such requirements. | Not Applicable. |
| Directorship held in other entities. | NIL |
| Relationship with other Director/KMPs. | Father of Mr. Minku S. Gandhi and Mr. Maunal S. Gandhi. |
| Details of Board Meetings attended during the year. | 5 (Five) |
| Term and Condition of appointment along with Remuneration. | Not Applicable. |
| Remuneration last drawn. | Not Applicable. |
| Membership of Committee of Company. | Not Applicable. |
| No of Shares held in the Company. | 17,12,247 |
| Remuneration proposed to be paid. | Not Applicable. |
| Terms and Conditions of appointment. | Not Applicable. |



BOARD OF DIRECTORS' REPORT

To
The Members
Ushanti Colour Chem Limited
Ahmedabad

Your directors are pleased to present the 31st Annual Report of the Company along with Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March 2024.

1. FINANCIAL RESULTS

The Financial Statements of the Company have been prepared in accordance with the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the (Companies Accounts) Rules, 2014. The Company’s financial performance for the year ended March 31, 2024 is summarized below:

(Amount In Lakhs)

| Financial Highlights | Standalone | | Consolidated | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | Current Year 2023-24 | Previous Year 2022-23 | Current Year 2023-24 | Previous Year 2022-23 |
| Revenue from Operations | 4258.88 | 4267.83 | 5070.95 | 4399.35 |
| Other Income | 268.34 | 384.58 | 132.56 | 321.92 |
| Total Income | 4527.22 | 4652.41 | 5203.51 | 4721.27 |
| Total Expenses | 4340.17 | 4479.3 | 5513.86 | 4629.43 |
| Profit before Exceptional and Extra Ordinary items and Taxation | 187.05 | 173.11 | (310.35) | 91.84 |
| Less: Exceptional items | - | - | - | - |
| Profit before Extra -Ordinary items and Taxation | 187.05 | 173.11 | (310.35) | 91.84 |
| Less: Extra -Ordinary items | - | - | - | - |
| Profit before Taxation | 187.05 | 173.11 | (310.35) | 91.84 |
| Less: Current Tax | 53.9 | - | 53.9 | 0 |
| Add: Deferred Tax | (1.85) | (6.59) | 111.62 | (6.17) |
| Less: Other Tax Exp./Adj. for Earlier year | 0.87 | - | 0.88 | 0.03 |
| Profit After Tax | 134.13 | 179.70 | (476.75) | 97.98 |
| Less: Share in Profit/(Loss) of Minority Interest | - | - | (217.14) | (0.15) |
| Profit for the year | 134.13 | 179.70 | (259.61) | 98.13 |

2. STATE OF COMPANY'S AFFAIRS, FINANCIAL PERFORMANCE AND PROSPECTS & DEVELOPMENTS

During the financial year 2023-24, the Company’s Standalone revenues from operations is INR 4527.22 Lakhs as against that of INR 4652.41 Lakhs for the previous year, while consolidated revenues from operations is INR 5070.95 Lakhs as against that of INR 4399.35 Lakhs for the previous year. The Business operations has posted Net Profit after Tax of INR 134.13 Lakhs as against that of INR 179.70 Lakhs for the previous year.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

During the Financial Year 2023-24, the Company has not changed its nature of business. The Company is engaged in the Business of Manufacturing Dyes and Intermediates.

4. DIVIDEND

With a view to conserve the Financial Resources, the Board of Directors has not recommended any dividend on the Equity Shares.

There is no amount outstanding as Unpaid and Unclaimed Dividend in the Company.

5. TRANSFER TO RESERVES

The Company has a closing Balance of Rs. 4119.04 Lakhs as Reserve and Surplus as on 31st March 2024.

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



| Sr. No. | Particulars | Amount In lakhs |
|---------|---|-----------------|
| 1. | Balance at the beginning of the year | 3744.91 |
| 2. | Current Year's Profit | 134.13 |
| 3. | Amount of Securities Premium during period/year | 240.00 |
| 4. | Interim Dividend Paid | - |
| 5. | Addition/(deduction) of Capital Reserve | - |
| | Total | 4119.04 |

6. ANNUAL RETURN

The Annual Return for Financial year 2023-24 as per provisions of the Act and Rules thereto, is available on the Company's website at www.ushanti.com.

7. SHARE CAPITAL

As on 31st March 2024, the Share Capital structure of the Company stood as follows:

| Particulars | No of Shares | Amount |
|---|--------------------|---------------------|
| Authorized Share Capital | | |
| Equity Shares of Rs. 10/- each | 1,50,00,000 | 15,00,00,000 |
| Total | 1,50,00,000 | 15,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | | |
| Equity Shares of Rs. 10/- each | 1,07,01,700 | 10,70,17,000 |
| Total | 1,07,01,700 | 10,70,17,000 |

Preferential Issue:

During the year under review, the Board of Directors of the Company at their meeting held on Tuesday, August 29, 2023 have approved the Raising of funds by issue of upto 400,000 (Four Lakh) fully paid up Equity Shares ("Equity Shares") of face value of INR 10/- (Rupees Ten Only) each at a price of INR 70/- (Rupees Seventy only) each which includes a premium of INR 60/- (Rupees Sixty only) per Equity Share, being the issue price determined in accordance with the provisions of the Companies Act, 2013, The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, aggregating upto INR 2.80 Crores (Rupees Two Crores Eighty Lakhs only) to the Non-Promoters Allottees.

Further, the said Issue was approved by Shareholders of the Company by passing Special Resolution at the 30th Annual General Meeting held on 27th September 2023 and the National Stock Exchange of India had granted in-principal approval for the said issue vide letter dated 29th September 2023.

Further, the Board have approved the allotment of 4,00,000 Fully Paid-Up Equity Shares of face value of INR 10/- (Rupees Ten only) each at an issue price of INR 70/- (Rupees Seventy only) per Equity Shares inclusive of premium of INR 60/- (Rupees Sixty only) per share on preferential basis to the Non-Promoters upon receipt of Equity Share Subscription money amounting to INR 2,80,00,000/- (Rupees Two Crore Eighty Lakhs Only) in a Separate bank account opened for this purpose with the Kotak Mahindra Bank Limited. The Allotted Equity Shares were listed on traded on National Stock Exchange of India.

As on 31st March 2024, the details of utilization of funds raised by way of Preferential Issue of are as follows:

| Sr. No. | Objects 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 meet the working capital requirements. | INR 210 Lakhs – INR 230 Lakhs | INR 280.00 Lakhs | -- | -- |
| 2. | For general corporate purpose. | INR 50.00 Lakhs- INR 70.0 Lakhs | NIL | -- | -- |
| | Total | INR 280.00 Lakhs | INR 280.00 Lakhs | -- | -- |



Except as disclosed above, the Company has not issued any Shares with or without differential rights or Debentures or any other securities by way of public offer, Private Placement, Preferential allotment, Rights issue, Bonus Issue, Sweat Equity Shares, and Employee Stock Option Scheme or in any such other manner.

Rights Issue:

During the year under review, the Board of Directors have approved the raising of funds by way of offer, issue and allotment of Equity shares of face value of INR 10/- each to the existing members of the Company on rights basis ("Rights Issue"), at such price and right entitlement ratio as may be decided by the Board of Directors or a duly constituted Rights Issue Committee of the Board to the eligible Equity shareholders of the Company, as on the record date, for an amount aggregating up to INR 3.00 Crores (Rupees Three Crores only), subject to receipt of necessary regulatory/statutory approvals and consent as may be necessary/required for compliance of applicable laws, including the provisions of the SEBI (ICDR) Regulations, 2018, as amended, the SEBI (LODR) Regulations, 2015, as amended and the Companies Act, 2013 as amended.

Depository System:

As the members are aware, the Company's Equity Shares are compulsorily tradable in electronic form. As on 31st March 2024, 100% of the Company's total paid up Equity Capital representing 1,07,01,700 Equity shares are in dematerialized form.

The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

8. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met Nine (9) times during the financial year, and the details of the meeting are as follows:

| Sr. No | Date of Meeting |
|--------|------------------|
| 1. | 07 April 2023 |
| 2. | 29 May 2023 |
| 3. | 03 August 2023 |
| 4. | 29 August 2023 |
| 5. | 05 October 2023 |
| 6. | 11 November 2023 |
| 7. | 22 December 2023 |
| 8. | 25 January 2024 |
| 9. | 15 March 2024 |

| Name of the Director(s) | No of Board Meetings attended | | Attendance at the last AGM held on 27 th September, 2023 |
|----------------------------------|-------------------------------|----------|---|
| | Held/Entitled | Attended | |
| Mr. Maunal Shantilal Gandhi | 9 | 9 | Yes |
| Mr. Minku Shantilal Gandhi | 9 | 9 | Yes |
| Mrs. Hanisha Jinish Patel | 9 | 9 | Yes |
| Mrs. Purvi Tapan Trivedi | 9 | 9 | Yes |
| Mr. Shantilal Bhailalbhai Gandhi | 5 | 5 | Yes |
| Mr. Tejas Pravinkumar Shah | 9 | 9 | Yes |
| Mr. Arjun Maunal Gandhi | 4 | 4 | Yes (As a Shareholder) |

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Every Director currently on the Board of the Company has personally attended at least one Board / Committee of Directors' Meeting in the financial year 2023-24. All the information required to be furnished to the Board was made available along with a detailed Agenda.

As per Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors without the attendance of Non-Independent Directors was held on 25th January 2024 to discuss the agenda items as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors reviewed the performance of non-independent directors and the Board as whole,



reviewed the performance of the Chairman of the Company taking into account the views of executive and non-executive directors and assessed the quality, quantity and timeliness flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

The Board meets at least once in every half year to review half yearly performance, business operations, general affairs of the Company and considering approval of financial results. The agenda along with notice of each meeting in writing is circulated in advance to the Board Members. The Board is also free to recommend the inclusion of any method for discussion and consideration in consultation with the Chairman. The information as specified in Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board. The minutes of the meeting of Board and its Committees are captured in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and Secretarial Standards in respect of Board Meeting and also circulated in advance to all Directors and Members of the Committee and confirmed at subsequent meeting.

During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to Meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of the Company Secretaries of India.

9. ANNUAL GENERAL MEETING, EXTRA ORDINARY GENERAL MEETING AND POSTAL BALLOT:

The 30th Annual General Meeting (AGM) of the Company was held on Wednesday, 27th day of September 2023 at 02.00 PM IST. All the filings and requirements were made within the due timelines with respect to the 30th AGM.

There were no Extra-Ordinary General Meetings were held during the year under review.

During the year under review, One Postal Ballot was conducted to obtain the approval of the Shareholders for the following matters:

- Approval for Migration of the Securities of the Company from Emerge Platform of National Stock Exchange of India Limited to the Main Board Platform of National Stock Exchange of India Limited.
- Approval for Application of listing/trading of the Company on Main Board of BSE Limited (BSE).

The Postal Ballot was completed on 06th April 2023 and the results was declared on 08th April 2023.

10. 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 31st March, 2024, the applicable accounting standards had been followed and there are no material departures from the same.
- (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 31st March, 2024 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.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013



The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in Notes forming part of the financial statements.

12. RELATED PARTY TRANSACTIONS:

During the financial year 2023-24, all transactions entered into with the Related Parties as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of the business and carried on an arm's length basis.

The Company has a process in place to periodically review and monitor Related Party Transactions. The Audit Committee has approved all related party transactions for the financial year 2023-24 and estimated transactions for financial year 2024-25. There were no materially significant related party transactions that may conflict with the interest of the Company.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors may be accessed on the Company's website. Disclosures on related party transactions are set out in the Notes to the Financial Statements forming part of this Annual Report.

The disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in the Form AOC-2 is set out herewith as "ANNEXURE I" and forms an integral part to this Report

13. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has adequate internal controls and checks in commensurate with its size and activities. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including, 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 disclosures.

The Report on the Internal Financial Control under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 is forming part of the financial statement for the year under review.

14. 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.

15. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

16. SEGMENT WISE PERFORMANCE:

The Company has only one reportable segment of activity i.e. "Manufacturing of Dyes and Intermediates", in accordance with the definition of "Segment" as per the Accounting Standards. The performance of the Company is discussed separately in this Report.

17. 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.

18. 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.

19. 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.

20. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to give information relating to Corporate Social Responsibility as the Company does not fall under the applicable threshold limit mentioned under section 135 of the Companies Act, 2013.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the Board comprised of Six (6) Directors out of which Two (2) are an Executive and Managing Directors, one (1) is Non-Executive and Non-Independent Director and other Three (3) are Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointments:

During the financial year ended 31st March 2024, Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509) was appointed as Additional Director of the Company by the Board at their meeting held on 29th August 2023.

Subsequently, the Shareholders approved the appointment of Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509) as Chairman and Non-Executive Non-Independent Director of the Company at the 30th Annual General Meeting held on 27th September 2023.

Retire by Rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509), Non-Executive and Non-Independent Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offered himself for re-appointment.

An appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. The brief resume of Mr. Shantilal Bhailalbai Gandhi (DIN: 00118509), and other related information has been detailed in the Notice forming part of this Annual Report.

Your directors recommend his re-appointment as Non-Executive and Non-Independent Director of your Company.

Retirements and Resignations along with facts of resignation:

During the Financial Year 2023-24, Mr. Arjun Maunal Gandhi (DIN: 09254434), Non-Executive and Non-Independent Director of the Company tendered his resignation from post of director vide his resignation letter dated August 29, 2023, due to his personal commitment, w.e.f. closure of business hours of August 31, 2023.

Key Managerial Personnel:

During the financial year 2023-24, Ms. Anjali Mukeshbhai Samani, Company Secretary and Compliance Officer of the Company has resigned from her post with effect from the closing of the business hours on 01st December 2023 to pursue better career opportunities.

Consequently, due to resignation of Ms. Anjali Mukeshbhai Samani from the position of Company Secretary and Compliance Officer of the Company with effect from 01st December 2023, the Board of Directors, in their meeting held on 25th January 2024, has approved appointment of Ms. Vishakha Tanwar as a Company Secretary and Compliance Officer of the Company with effect from 25th January 2024.

As on 31st March 2024, pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Minku Shantilal Gandhi, Managing Director, Mr. Maunal Shantilal Gandhi, Managing Director, Mr. Pradip Bhadrilal Parikh, Chief Financial Officer and Ms. Vishakha Tanwar, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company.



Annual Evaluation of Board's Performance:

In terms of the requirement of the Companies Act, 2013 and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The criteria for performance evaluation covers the areas relevant to the functioning of the Board and Board Committees such as its composition, oversight and effectiveness, performance, skills and structure etc. The performance of individual directors was evaluated on parameters such as preparation, participation, conduct, independent judgment and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated.

Declaration of Independence:

Your Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as under Regulation 16(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA").

Familiarization Program for Independent Directors

At the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities. Further, the Independent Directors are introduced with the corporate affairs, new developments and business of the Company from time to time. The Familiarization program is also available on the website of the Company www.ushanti.com.

Pecuniary relationship

During the year under review, except those disclosed in the Audit Financial Statements, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of the Company www.ushanti.com. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March 2024.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has One (1) Subsidiary as on 31st March 2024. 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 2023-24 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 31st 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.

23. PUBLIC DEPOSITS

The Company has not accepted any public deposits, nor any amount of principal or interest thereof was outstanding in terms of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the financial year ended.



The Company has received declarations from its directors that all the Loans extended/to be extended by them to the Company are their owned funds only and not borrowed from any person or entity.

24. AUDITOR AND AUDITOR'S REPORT

Statutory Auditors

M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W), were appointed as Statutory Auditors of the Company at the 26th AGM held on 28th September 2019 till the conclusion of the 31st AGM of the Company. The period of five year was completed in the Company. The Board of Directors at its meeting held on 31st August 2024, has recommended re-appointment of M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) as Statutory Auditors of the Company for a second consecutive term of five years, from the conclusion of this 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting to be held for the Financial Year 2028-29 to conduct the Statutory Audit from financial year 2024-25 to financial year 2028-29.

M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W), have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3) (g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. They have also confirmed that the Firm is also a Peer Reviewed Firm of Chartered Accountants, and the Peer Review Certificate has already been issued by the ICAI and the same has been placed before the Board for due identification.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. DJNV & Co., Chartered Accountants, (FRN: 115145W) as the Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years to hold office from the conclusion of this 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to conduct the Statutory Audit from financial year 2024-25 to financial year 2028-29.

The Auditors' Report for the Financial Year ended 31st March 2024 forms part of the Annual Report and does not contain any qualification, reservation or adverse remarks.

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 31st March 2024.

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 2023-24.

The Internal Audit Reports for Financial Year ended 31st March 2024 does not contain any qualification, reservation or adverse remarks.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Kunal Sharma & Associates to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "**Annexure - IV**" to this Report.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

25. EXPLANATION ON AUDITORS REPORT

Statutory Auditor

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any separate or further comments or explanations.

Secretarial Auditor



The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any separate or further comments or explanations.

26. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors as required under Section 197 (12) of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "ANNEXURE V" that forms part of this Report.

No employee of the Company was in receipt of remuneration more than the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year ended 31st March 2024.

27. COMMITTEES OF THE BOARD:

As on 31st March 2024, the Board of Directors has following committees:

- Audit Committee.
- Nomination and Remuneration Committee.
- Stakeholder's Relationship Committee.

Audit Committee

As on 31st March 2024, the composition of Audit Committee is as follows:

| Name | Designation | Nature of Directorship |
|-----------------------------|-------------|-------------------------|
| Mrs. Hanisha Jinish Patel | Chairperson | Independent Director |
| Mrs. Purvi Tapan Trivedi | Member | Independent Director |
| Mr. Tejas Pravinkumar Shah | Member | Independent Director |
| Mr. Maunal Shantilal Gandhi | Member | Joint Managing Director |

The composition and terms of reference of the Audit Committee are in conformity with the Section 177 of the Companies Act, 2013 together with Regulation 18 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the minutes of the Audit Committee are placed before the Board for its information. All the members of the Audit Committee are financially literate and have requisite experience in financial management.

The composition and terms of reference of the Audit Committee are in conformity with the Section 177 of the Companies Act, 2013 together with Regulation 18 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the minutes of the Audit Committee are placed before the Board for its information. All the members of the Audit Committee are financially literate and have requisite experience in financial management.

The terms of reference of the Audit Committee are as under:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board for appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of the fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Scrutiny of Inter-Corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- The Audit Committee shall mandatorily review the following information.
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by Management ;
 - c. Management letters/letters of internal control weaknesses issued by the statutory auditors ;
 - d. Internal audit reports relating to internal control weakness ; and
 - e. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To look into any other matter which may be referred to it by the Board.
- In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

The Audit Committee met Six (6) times during the financial year and the details of the meeting are as follows:

| Sr. No | Date of Meeting | Attendance of Chairman/Members |
|--------|--------------------------------|---|
| 1. | 07 th April, 2023 | Chairman & All other members were present |
| 2. | 29 th May, 2023 | Chairman & All other members were present |
| 3. | 03 rd August 2023 | Chairman & All other members were present |
| 4. | 29 th August 2023 | Chairman & All other members were present |
| 5. | 11 th November 2023 | Chairman & All other members were present |
| 6. | 22 nd December 2023 | Chairman & All other members were present |

Mrs. Hanisha Jinish Patel, Chairperson of the Audit Committee was present at the last Annual General Meeting. The Company Secretary of the Company is the Secretary of the Committee. The Internal Auditor and the representatives of the Statutory Auditors also attend the Audit Committee meetings, besides the executives invited by the Audit Committee to be present thereat. The Internal Auditor presented their report directly to the Audit Committee.

Nomination and Remuneration Committee

As on 31st March 2024, the composition of Nomination and Remuneration Committee is as follows:

| Name | Designation | Nature of Directorship |
|----------------------------|-------------|------------------------|
| Mrs. Hanisha Jinish Patel | Chairperson | Independent Director |
| Mr. Tejas Pravinkumar Shah | Member | Independent Director |
| Mrs. Purvi Tapan Trivedi | Member | Independent Director |

The Composition of this committee is also in compliance with the requirements of Section 178 of the Companies, Act 2013, and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compensation grades of the senior managerial personnel are governed by the HR policies of the Company. Managerial remuneration is regulated in terms of Section 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013.

Terms of reference



The terms of reference of the Nomination and Remuneration Committee are as under:

- The Committee shall have meetings periodically as it may deem fit.
- The Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
- The Committee shall have the following powers and functions:
 - a. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
 - b. Carry on the evaluation of every Director's performance;
 - c. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
 - d. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
 - e. Formulate criteria for evaluation of Independent Directors and the Board; and
 - f. Devise a policy on Board Diversity;
 - g. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
- To Review HR Policies and initiatives.

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has formulated the Nomination and Remuneration Policy of the Company.

The Details of Remuneration paid to all the Directors have been included in the Annual Financial Statements and forms part of this Report. The Company does not have any stock option scheme for any of its directors or employees.

The Policy of Nomination and Remuneration Committee has been placed before Website of the Company.

The Nomination and Remuneration Committee met Three (3) times during the financial year, and the details of the meeting are as follows:

| Sr. No | Date of Meeting | Attendance of Chairman/Members |
|--------|-------------------------------|---|
| 1. | 29 th May 2023 | Chairman & All other members were present |
| 2. | 29 th August 2023 | Chairman & All other members were present |
| 3. | 25 th January 2023 | Chairman & All other members were present |

Mrs. Hanisha Jinish Patel, Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

Stakeholder's relationship Committee.

As on 31st March 2024, the composition of Stakeholder's relationship Committee is as follows:

| Name | Designation | Nature of Directorship |
|----------------------------|-------------|------------------------|
| Mrs. Purvi Tapan Trivedi | Chairperson | Independent Director |
| Mrs. Hanisha Jinish Patel | Member | Independent Director |
| Mr. Tejas Pravinkumar Shah | Member | Independent Director |

Terms of Reference

The terms of reference of the Committee are as under:

- To specifically look into the Redressal of Investors' Grievances pertaining to:
 - a. Transfer and Transmission of Shares and Debentures.
 - b. Non-Receipt of Annual Reports.
 - c. Dividends, Interests and Redemption Proceeds of Debentures.
 - d. Dematerialization of Shares and Debentures.
 - e. Replacement of Lost, Stolen, Mutilated Share and Debenture Certificates.
 - f. Non-receipt of Rights, Bonus, Split Share Certificates.
- To look into other related issues towards strengthening Investors' Relations.
- To consider and approve issuance of Share/Debenture Certificates including Duplicate Share/ Debenture Certificates.



- To look into the reasons for any defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of nonpayment of Declared Dividends) and Creditors.
- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at half-yearly basis.
- To Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To Review of measures taken for effective exercise of voting rights by shareholders.
- To Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Stakeholder's relationship Committee met Four (4) times during the financial year, and the details of the meeting are as follows:

| Sr. No | Date of Meeting | Attendance of Chairman/Members |
|--------|--------------------------------|---|
| 1. | 29 th May, 2023 | Chairman & All other members were present |
| 2. | 29 th August 2023 | Chairman & All other members were present |
| 3. | 11 th November 2023 | Chairman & All other members were present |
| 4. | 15 th March 2024 | Chairman & All other members were present |

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on 31st March 2024.

Mrs. Purvi Tapan Trivedi, Chairman of the Stakeholder's relationship Committee was present at the last Annual General Meeting of the Company. The Company Secretary of the Company is the Secretary of the Committee.

Ms. Vishakha Tanwar has been appointed as the Company Secretary and Compliance Officer as required by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has been entrusted with the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimate to the Company directly or through SEBI and Stock Exchanges.

All Share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Big Share Services Private Limited.

There are no pending legal matters, in which the Company has been made a party, before any other Court(s)/ Consumer Forum(s) etc., on Investors grievances.

28. 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.

29. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

30. FRAUDS REPORTED BY AUDITORS

No frauds are reported by the Auditors which fall under the purview of sub section (12) of Section 143 of the Companies Act, 2013.

31. 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 27th April, 2018 and it comprises of the following:

| Sr. No. | Name | Status |
|---------|-----------------------------|------------------|
| 1. | Mr. Maunal Shantilal Gandhi | Vigilant Officer |



| | | |
|----|---------------------------|--------|
| 2. | Mrs. Purvi Tapan Trivedi | Member |
| 3. | Mrs. Hanisha Jinish Patel | Member |

During the year under review, no grievances received by the Company. The Vigil Mechanism is available on the website of the Company at www.ushanti.com.

32. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed to providing and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, there was no case filed pursuant to the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. WEBSITE

The Company is having website as www.ushanti.com. All the requisite details and policy are placed on the website of the Company.

34. MANAGEMENT AND DISCUSSION ANALYSIS

The Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report and provides overview of the business and operations of the Company.

35. INDUSTRIAL RELATIONS

The relationship with employees at all level remained cordial and harmonious during the year. We appreciate for committed contribution made by employees of the Company at all the levels to sustain during the challenging business scenario.

36. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares in the Company as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure the reporting of deals by the employees and to maintain the highest ethical standards of dealing in the Company's Shares. The Code is also available on the website of the Company.

The Company has adopted the amended Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (as amended). The same has been filed with the BSE Limited and also uploaded on the website of the Company.

37. BOARD DIVERSITY:

The Company recognizes the importance of a diverse Board in its process. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will help to provide better directions and supervision to the affairs of the Company. The Board has adopted the Board diversity policy which sets out the approach to diversity of the Board of Directors. The Policy is also available on the website of the Company.

38. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:

As per provision of Section 178 of the Companies Act, 2013, the 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.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:



- Formulate the criteria for appointment as a Director:
The Committee shall formulate broad guidelines and parameters required to be fulfilled for becoming a Director of the Company and review the same ongoing basis. The broad parameters are qualifications, skills, expertise, inter personal qualities, positive attributes, experience, social standing, and etc. factors.
- Identify persons who are qualified to be Directors:
The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
- Nominate candidates for Directorships subject to the approval of Board:
The Committee recommends to the Board the appointment of potential candidates as Non- Executive Director or Independent Director or Executive Director, as the case may be.
- Approve the candidates required for senior management positions:
The Committee shall lay down criteria qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Management Committee of the Company.
- Evaluate the performance of the Board:
The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose as may be required.
- Evaluate the performance of the Managing Director or Whole-time Director and determine their compensation:
The Committee shall evaluate the performance of the Managing Director or Whole-time Director by setting their Key Performance Objectives at the beginning of each financial year. The Committee shall also approve their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and in commensurate with the role and responsibilities.
- Review performance and compensation of senior management:
The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons 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, roles and responsibilities, functional areas, industry standards etc. factors.

39. OTHER DISCLOSURES

- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- During the financial year 2023-24, your Company had raised funds from Preferential Issue of Equity Shares and your Board hereby confirms that there were no deviation(s) or variation(s) in the utilization of proceeds from the objects stated in the explanatory statement to the notice for the general meeting.

40. ACKNOWLEDGEMENT

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

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

Date: 31st August 2024
Place: Ahmedabad

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-

Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



ANNEXURE I TO THE BOARDS' REPORT

FORM AOC - 2

(Pursuant to Section 134(3) (h) of the Companies Act, 2013 read with 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 Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

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

| | | |
|-----|--|------|
| (a) | Name(s) of the related party and nature of relationship | N.A. |
| (b) | Nature of contracts/arrangements/transactions | |
| (c) | Duration of the contracts / arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any | |
| (h) | Date on which (a) the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013 | |

2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party | Nature of relationship | Nature, Duration, Terms of contracts/arrangements/trans actions | Amount (In Rs Lakhs) |
|---------------------------------------|---|---|----------------------|
| HUF Industries | Enterprise in which Relative of KMP is interested as member | Rent | 8.70 |
| UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | Consultancy Income | 16.00 |
| UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | Sale of Goods | 258.70 |
| UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | Purchase of Goods | 162.50 |

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

Date: 31st August 2024
Place: Ahmedabad

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-

Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



ANNEXURE II TO THE BOARDS' REPORT

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

(A) Conservation of energy

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

The Company continues to work towards Conservation of Energy and has been taking various measures like replacement of outdated 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:

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

(iii) The capital investment on energy conservation equipment:

The 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:

(Amount In Lakhs)

| Particulars | 2023-24 | 2022-23 |
|---|---------|---------|
| Foreign Exchange Earnings (Export of Goods calculated on FOB basis) | 1157.27 | 1129.75 |
| Foreign Exchange Outgo (Commission Paid, Travelling and other Matters) | 17.26 | 2.63 |

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

Date: 31st August 2024
Place: Ahmedabad

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-

Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



ANNEXURE III TO THE BOARDS' REPORT

Form AOC-1

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

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

PART "A": SUBSIDIARIES

(Amount In lakhs)

| Sl. No. | Particulars | Details |
|---------|---|---|
| 1. | Name of the subsidiary | UC Colours and Intermediates Private Limited |
| 2. | Date of becoming subsidiary | 23 rd October, 2019 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01 st April to 31 st March every year |
| 4. | Reporting currency | Indian Rupees (INR) |
| 5. | Exchange rate as on the last date of the relevant Financial year | Not Applicable |
| 6. | Share capital | 400.98 |
| 7. | Reserves & surplus | (583.58) |
| 8. | Total assets | 7419.43 |
| 9. | Total Liabilities | 7419.43 |
| 10. | Investments | 0.00 |
| 11. | Turnover | 1249.02 |
| 12. | Profit before taxation | (458.63) |
| 13. | Profit after taxation | (572.11) |
| 14. | Proposed Dividend | NIL |
| 15. | % of shareholding* | 51.00 |

* **Note:** As on March 31, 2024, Shareholding of the Company in its subsidiary company, UC Colours and Intermediates Private Limited was 51%.

Part "B": Associates and Joint Ventures

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

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

Date: 29th May 2024
Place: Ahmedabad

SD/-
Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

SD/-
Pradip Bhadrilal Parikh
Chief Financial Officer
(PAN: AIZPP5478J)

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-
Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)

SD/-
Vishakha Tanwar
Company Secretary
(Mem. No. A40517)



ANNEXURE IV TO THE BOARDS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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
Reg. Off: 88/8, GIDC 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"). The 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company as given in *Annexure to this report* for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) as amended from time to time and the rules made thereunder; (to the extent applicable);
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (to the extent applicable)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (to the extent applicable)
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; Overseas Direct Investment and External Commercial Borrowings - applicable only to the extent of Foreign Direct Investments.
- 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; ***Upto the extent applicable.***
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ***Upto the extent applicable.***
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ***Upto the extent applicable.***
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. ***Upto the extent applicable.***
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***Not Applicable as there was no reportable event during the financial year under review.***
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***Not Applicable as there was no reportable event during the financial year under review.***
 - (g) 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; ***Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;***
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review, and***
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***Not Applicable as there was no reportable event during the financial year under review.***



We have relied on the representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company which are stated above specifically.

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

- (a) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (b) The compliances filed by the Company with National Stock Exchange of India Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has materialised complied with the provisions, as applicable of the above-mentioned Acts including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that compliance of applicable Labour laws and financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

MANAGEMENT RESPONSIBILITY:

- i. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- v. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required;
- vi. 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.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Woman Director. The changes in the composition of the Board of Directors/Key Managerial Personnel's that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) As per the information provided, adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. 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. Based on the representation made by the Company and its officer, Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes.
- (iii) Based on general review of compliance mechanisms established by the Company and on basis of management representations, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the company has responded appropriately to notices received if any from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- (iv) I was informed and I observed from the minutes of the Board and Committee Meetings that all decisions of Board and Committee meetings were carried unanimously.

For Kunal Sharma & Associates
Company Secretaries
SD/-
CS. Kunal Sharma
FCS No: 10329
C P No.: 12987

Place: Ahmedabad
Date: 31st August 2024



Annexure to the Secretarial Audit Report

Documents verified during the course of Audit includes:

- i. Memorandum & Articles of Association of the Company;
- ii. Annual Report for the Financial Year ended March 31, 2023.
- iii. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee held during the financial year under review, along with the Attendance Registers;
- iv. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
- v. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards
- vi. Minutes of General Body Meeting held during the financial year under review;
- vii. Statutory Registers viz.
 - Register of Directors and KMP & Directors Shareholding.
 - Register of loans, guarantees and security and acquisition made by the Company.
 - Register of Charges.
 - Register of Related Party Transaction - Transactions are in the Ordinary Course of Business at Arm's Length Basis.
 - Register of Members;
- viii. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings;
- ix. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
- x. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any and Companies Act, 2013, as amended from time to time along with the attachments thereof, during the financial year under review.
- xi. Policies formed by the Company.

Place: Ahmedabad
Date: 31st August 2024

For Kunal Sharma & Associates
Company Secretaries
SD/-
CS. Kunal Sharma
FCS No: 10329
C P No.: 12987
PR No: 1933/2022
UDIN: F010329F001088967

ANNEXURE V 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):

Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.

| S. No | Name of the Director/KMP | Designation | Remuneration | Median remuneration of the employees | Ratio of the remuneration of each director to the median remuneration of the employees | % increase in remuneration during FY 2023-24 |
|-------|--------------------------|-------------------------|--------------|--------------------------------------|--|--|
| 1. | Minku Shantilal Gandhi | Joint Managing Director | 67,20,000 | 5,96,823 | 11.26:1 | No Increase in the Salary |
| 2. | Maunal Shantilal Gandhi | Joint Managing Director | 67,20,000 | 5,96,823 | 11.26:1 | No Increase in the Salary |



| | | | | | | |
|----|---|--|----------|----------------|----------------|---------------------------|
| 3. | Shantilal Bhailalbhair Gandhi | Non-Executive and Non-Independent Director | NIL | Not Applicable | Not Applicable | Not Applicable |
| 4. | Tejas Pravinkumar Shah | Independent Director | NIL | Not Applicable | Not Applicable | Not Applicable |
| 5. | Purvi Tapan Trivedi | Independent Director | NIL | Not Applicable | Not Applicable | Not Applicable |
| 6. | Hanisha Jinish Patel | Independent Director | NIL | Not Applicable | Not Applicable | Not Applicable |
| 7. | Pradip Bhadrilal Parikh | Chief Financial Officer | 7,00,000 | 5,96,823 | 1.17:1 | No Increase in the Salary |
| 8. | Vishakha Tanwar (w.e.f 25 th January 2024) | Company Secretary and Compliance Officer | 43,000 | 5,96,823 | 0.07:1 | No Increase in the Salary |
| 9. | Anjali Samani (upto 01 st December 2023) | Company Secretary and Compliance Officer | 3,01,000 | 5,96,823 | 0.50:1 | 14.67% |

Notes:

- No Sitting Fees were paid to Independent Directors.

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

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

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

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

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

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

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

(f) **The percentage increase in the median remuneration of the employees in the financial year:**

| | |
|---|----------|
| Permanent employees on the rolls of the Company as on March 31, 2024 | 126 |
| The median remuneration of employees of the Company during the financial year | 5,96,823 |
| % increase in the median remuneration of employees in the financial year | NA |

(g) **The relationship between average increase in remuneration and Company performance:**

The Increase in Remuneration of Employees was based on the performance of the Employee.



- (h) **Average percentage increase already made in the salaries of employees other than the key managerial personnel in Financial Year 2023-24 and its comparison with the percentage increase in the managerial remuneration:**

During the year under review there was no increase in managerial remuneration.

- (i) **The key parameters for any variable component of remuneration availed by the Directors:**

No variable components of remuneration are availed by the Directors of the Company during the year under review.

- (j) **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The parameters of this point are not applicable to the Company.

- (k) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees as recommended by the Nominations Committee and approved by the Board from time to time.

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

Date: 31st August 2024
Place: Ahmedabad

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-

Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



ANNEXURE VI 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. The Company's total production during the year was 1305.05 MT against which sale was made by Company of 1159.251 MT. Company has completed process to transfer its one of Land located at Saykha, Bharuch to its SPV/Subsidiary for fulfilling the altered object of the Company.

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

A. Industry structure and developments.

India sustained its position as the world's fastest-growing major economy after remaining mostly insulated from the gloomy global outlook in FY 2023-24. Throughout this year, the domestic economy demonstrated remarkable resistance to global headwinds. The National Statistical Office's (NSO) second advance estimate reveals that the Indian economy is in a sweet spot and expected to clock a growth rate of 7% in FY 2024-25. Amid global uncertainty, the Indian economy continues to be resilient.

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

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

The market for dyes and pigments was estimated to be worth US\$ 42.64 billion in 2023 and is expected to grow at a CAGR of 5.3% between 2023 to 2030 reaching a market size of US\$ 57.8 billion by 2030. During the projection period, the Asia-Pacific region is predicted to experience the fastest CAGR growth in product demand. An expanding building sector, rapid industrialisation, and urbanisation, along with rising disposable income in the region's emerging economies, will be the main driving forces of this sector.

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

B. Opportunities and Threats.

The 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 the Company has been got permission to manufacture 9 of 11 intermediates at its new plant in Saykha.

India is better placed due to the availability of the ecosystem, feedstock, technology, and compliance required for the industry.

The major drivers of the industry include the rising disposable incomes, increasing population, rising demand for cosmetics, growing construction and infrastructure activities, increasing demand from paints and coatings industries and the rising globalisation and urbanisation.

C. Segment-wise or product-wise performance.

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

Financial Performance

(Amount In lakhs)

| Particulars | 2023-24 | 2022-23 |
|-------------------------|---------|---------|
| Revenue from Operations | 4258.88 | 4267.83 |
| EBDT | 342.32 | 340.25 |
| Profit after Tax | 134.13 | 179.70 |

During the year under review, your Company has earned Revenue from Operation of Rs. 4258.88 lakhs as against Rs. 4267.83 lakhs during previous Year.

The Company recorded Earning before Depreciation and Tax of Rs. 342.32 lakhs as against Rs. 340.25 lakhs during previous Year.

The Company recorded Profit after Tax of Rs. 134.13 lakhs as against Rs. 179.70 lakhs during previous Year.

D. Outlook.

The Company expects positivity in revenue and growth in FY 2024-25. 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, your Company has earned Revenue from Operation of Rs. 4258.88 lakhs as against Rs. 4267.83 lakhs during previous Year.

The Company recorded Earning before Depreciation and Tax of Rs. 342.32 lakhs as against Rs. 340.25 lakhs during previous Year.

The Company recorded Profit after Tax of Rs. 134.13 lakhs as against Rs. 179.70 lakhs during previous Year.



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.

• **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.

Date: 31st August 2024
Place: Ahmedabad

For and on behalf of the Board
Ushanti Colour Chem Limited
SD/-

Minku Shantilal Gandhi
Joint Managing Director
(DIN: 00118617)

Maunal Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF USHANTI COLOUR CHEM LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **USHANTI COLOUR CHEM LIMITED**, which comprise the Balance Sheet as at 31 March 2024, 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, 2024;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c) In the case of the Statement of Cash Flow, of its Cash Flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Other Information

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

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

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

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

Management Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in



India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on an adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements. ;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, we report that:

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

- h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The company has neither declared nor paid dividend during the year as per Section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For, DJNV & CO.
Chartered Accountants
Sd/-
CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQP8625
Firm Reg. No.0115145W

Place: Ahmedabad
Date: 29/05/2024



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, 2024, we report that:

- (i) In respect of property, plant & equipment (PPE);
- (a)
- (A) The company has maintained reasonable records showing full particulars, quantitative details and situation of Property, Plant and Equipment.
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) The Company has a program of verification to cover all the items of PPE in a phased manner which, in our opinion, is reasonable having regard the size of the Company and the nature of its assets, Pursuant to the program, certain PPE were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/ registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (d) Company has not revalued its Property, Plant and equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of Inventories:-
- (a) In respect of its inventories: The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2024 and no material discrepancies were noticed in respect of such confirmations.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of securities of current assets. The discrepancies in quarterly returns or statements filed by the company with the books of accounts, are mentioned in note no 36 of the standalone financial statements.
- (iii)
- (a) During the year the company has not made investments. But the company has provided loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnerships and other parties details are as follows:

(Rs. In Lakhs)

| | Guarantees | Security | Loans | Advances in nature of loans |
|----------------------------------|----------------------------------|----------|------------|-----------------------------|
| Aggregate Amount during the year | Rs. 4250 (From 28/02/2022) | - | Rs. 881.27 | - |



| | | | | |
|--|----------------------------------|---|------------|---|
| Subsidiary (UC Colours and Intermediaries Private Limited) | Rs. 4250 (From 28/02/2022) | - | Rs. 881.27 | - |
| Others (Directors – Maunal Gandhi and Minku Gandhi) | - | - | Nil | - |

| | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|-------------|-----------------------------|
| Balance outstanding as at balance sheet date | Rs. 4250 | - | Rs.1,962.87 | - |
| Subsidiary (UC Colours and Intermediaries Private Limited) | Rs. 4250 | - | Rs. 1666.03 | - |
| Others (Directors – Maunal Gandhi and Minku Gandhi) | - | - | Rs. 296.84 | - |

- (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, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax or 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. The details of borrowing are as follow:
- (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 obtained fresh loans during the year in form of Term loans and funds were utilized for the purpose for which they were obtained.
- (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 taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x)**
- (a) The company has not raised moneys by way of initial public offer or further public offer.
- (b) In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment of convertible equity warrants for the purposes for which they were raised.
- (xi)**
- (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.
- (b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.
- (xii)** In case of Nidhi Company:
- (a) In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (b) Since the company is not Nidhi Company, this clause is also not applicable.
- (c) Since the company is not Nidhi Company, this clause is also not applicable.
- (xiii)** According to the information and explanations, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv)**
- (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- (xv)** According to the information and explanations given to us, the company has not entered into non-cash transactions with the directors during the year.
- (xvi)**
- (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



(b) Company is not a NBFC hence the reporting in this clause is not required.

(c) Company is Non NBFC. Hence the reporting in this clause is not required.

(d) This clause is not applicable to the company as it is not CIC

(xvii) The company has not incurred cash losses in the current financial year and preceding 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.

For, DJNV & CO.
Chartered Accountants
Sd/-
CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQP8625
Firm Reg. No.0115145W

Place: Ahmedabad

Date: 29/05/2024

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 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed



under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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
Sd/-
CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQP8625
Firm Reg. No.0115145W

Place: Ahmedabad
Date: 29/05/2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Balance Sheet as at 31 March 2024

(' in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|---|------|-----------------|-----------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 1,070.17 | 1,030.17 |
| (b) Reserves and Surplus | 4 | 4,119.04 | 3,744.92 |
| (c) Money Received against Share Warrants | | - | - |
| Total | | 5,189.21 | 4,775.09 |
| (2) Share application money pending allotment | | - | - |
| (3) Non-current liabilities | | | |
| (a) Long-term Borrowings | 5 | 30.11 | - |
| (b) Deferred Tax Liabilities (Net) | | - | - |
| (c) Other Long term Liabilities | 6 | 0.15 | 0.15 |
| (d) Long-term Provisions | | - | - |
| Total | | 30.26 | 0.15 |
| (4) Current liabilities | | | |
| (a) Short-term Borrowings | 7 | 545.43 | 393.48 |
| (b) Trade Payables | 8 | | |
| - Due to Micro and Small Enterprises | | 392.80 | 403.93 |
| - Due to Others | | 90.41 | 140.02 |
| (c) Other Current Liabilities | 9 | 104.83 | 216.46 |
| (d) Short-term Provisions | 10 | 60.07 | 31.57 |
| Total | | 1,193.54 | 1,185.46 |
| Total Equity and Liabilities | | 6,413.01 | 5,960.70 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | |
| (i) Property, Plant and Equipment | 11 | 1,316.32 | 1,383.11 |
| (ii) Intangible Assets | 11 | 47.08 | 56.35 |
| (iii) Capital Work-in-progress | 11 | 13.02 | 11.21 |
| (iv) Intangible Assets under Development | 11 | 4.97 | 4.97 |
| (b) Non-current Investments | 12 | 783.76 | 4.50 |
| (c) Deferred Tax Assets (net) | 13 | 9.63 | 7.78 |
| (d) Long-term Loans and Advances | 14 | 1,969.28 | 2,096.76 |
| (e) Other Non-current Assets | 15 | 174.21 | 173.42 |
| Total | | 4,318.27 | 3,738.10 |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 16 | 920.29 | 649.28 |
| (c) Trade Receivables | 17 | 671.14 | 904.98 |
| (d) Cash and cash equivalents | 18 | 1.59 | 22.19 |
| (e) Short-term Loans and Advances | 19 | 459.64 | 646.15 |
| (f) Other Current Assets | 20 | 42.08 | - |
| Total | | 2,094.74 | 2,222.60 |
| Total Assets | | 6,413.01 | 5,960.70 |

See accompanying notes to the financial statements

As per our report of even date

For DJNV & Co.

Chartered Accountants

Firm's Registration No. 115145W

For and on behalf of the Board

Ushanti Colour Chem Limited

CA Shruti C Shah

Partner

Membership No. 175839

UDIN: 24175839BKKEFP8625

Place: Ahmedabad

Date: 29, May 2024

Maunal Gandhi

Director

00118559

Minku Gandhi

Director

00118617

Pradip Parikh

CFO

AIZPP5478J

Vishakha A. Tanwar

CS

M. No: 40517

Place: Ahmedabad

Date: 29, May 2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Statement of Profit and loss for the year ended 31 March 2024

(' in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|--|------|-----------------|-----------------|
| Revenue from Operations | 21 | 4,258.88 | 4,267.83 |
| Other Income | 22 | 268.34 | 384.58 |
| Total Income | | 4,527.22 | 4,652.41 |
| Expenses | | | |
| Cost of Material Consumed | 23 | 2,608.66 | 2,600.36 |
| Purchases of Stock in Trade | 24 | 202.55 | 176.45 |
| Change in Inventories of work in progress and finished goods | 25 | -119.19 | 21.38 |
| Employee Benefit Expenses | 26 | 340.39 | 358.11 |
| Finance Costs | 27 | 57.08 | 56.67 |
| Depreciation and Amortization Expenses | | 155.27 | 167.14 |
| Other Expenses | 28 | 1,095.41 | 1,099.19 |
| Total expenses | | 4,340.17 | 4,479.30 |
| Profit/(Loss) before Exceptional and Extraordinary Item and Tax | | 187.05 | 173.11 |
| Exceptional Item | | - | - |
| Profit/(Loss) before Extraordinary Item and Tax | | 187.05 | 173.11 |
| Prior Period Item | | - | - |
| Extraordinary Item | | - | - |
| Profit/(Loss) before Tax | | 187.05 | 173.11 |
| Tax Expenses | | | |
| - Current Tax | | 53.90 | - |
| - Deferred Tax | | -1.85 | -6.59 |
| - MAT Credit Entitlement | | - | - |
| - Prior Period Taxes | | - | - |
| - Excess/Short Provision Written back/off | | 0.87 | - |
| Profit/(Loss) for the Period from Continuing Operations | | 134.13 | 179.70 |
| Profit/(loss) from Discontinuing Operation (before tax) | | - | - |
| Tax Expenses of Discontinuing Operation | | - | - |
| Profit/(loss) from Discontinuing Operation (after tax) | | - | - |
| Profit/(Loss) for the period | | 134.13 | 179.70 |
| Earnings Per Share (Face Value per Share Rs.10 each) | | | |
| -Basic | 29 | 1.28 | 2.18 |
| -Diluted | 29 | 1.28 | 2.18 |

See accompanying notes to the financial statements

As per our report of even date

For DJNV & Co.

Chartered Accountants

Firm's Registration No. 115145W

For and on behalf of the Board

Ushanti Colour Chem Limited

CA Shruti C Shah

Partner

Membership No. 175839

UDIN: 24175839BKEFQP8625

Place: Ahmedabad

Date: 29, May 2024

Maunal Gandhi

Director

00118559

Minku Gandhi

Director

00118617

Pradip Parikh

CFO

AIZPP5478J

Vishakha A. Tanwar

CS

M. No: 40517

Place: Ahmedabad

Date: 29, May 2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Cash Flow Statement for the year ended 31 March 2024

(₹ in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|---|------|----------------|------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax | | 187.05 | 173.09 |
| Depreciation and Amortisation Expense | | 155.27 | 167.14 |
| Provision for tax | | - | - |
| Effect of Exchange Rate Change | | -13.07 | -23.60 |
| Loss/(Gain) on Sale / Discard of Assets (Net) | | -12.51 | -251.01 |
| Bad debt, provision for doubtful debts | | - | - |
| Other Tax Adjustment | | - | - |
| Non Cash Expenses | | - | - |
| Dividend Income | | - | -2.01 |
| Interest Income | | -242.96 | -107.40 |
| Finance Costs | | 57.16 | 56.67 |
| Operating Profit before working capital changes | | 130.93 | 12.90 |
| Adjustment for: | | | |
| Inventories | | -271.01 | 150.06 |
| Trade Receivables | | 246.92 | 175.26 |
| Other Current Assets | | -42.08 | 7.64 |
| Trade Payables | | -60.75 | -218.07 |
| Other Current Liabilities | | -111.63 | 43.85 |
| Short-term Provisions | | 28.50 | -0.41 |
| Cash generated from Operations | | -79.12 | 171.23 |
| Tax paid(Net) | | 54.76 | 0.30 |
| Net Cash from Operating Activities | | -133.89 | 170.93 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | | -89.50 | -130.26 |
| Sale of Property, Plant and Equipment | | 20.99 | 779.26 |
| Purchase of Investments Property | | - | - |
| Sale of Investment Property | | - | - |
| Purchase of Equity Instruments | | -200.00 | - |
| Proceeds from Sale of Equity Instruments | | - | 13.38 |
| Purchase of Mutual Funds | | - | - |
| Proceeds from Sale / Redmption of Mutual Funds | | - | - |
| Purchase of Preference Shares | | - | - |
| Proceeds from Sale/Redemption of Preference Shares | | - | - |
| Purchase of Government or trust securities | | - | - |
| Proceeds from Sale/Redemption of Government or trust securities | | - | - |
| Purchase of debentures or bonds | | -579.26 | - |
| Proceeds from Sale/Redemption of debentures or bonds | | - | - |
| Purchase of Other Investments | | - | - |
| Sale / Redemption of Other Investments | | - | - |
| Loans and Advances given | | - | -1,923.09 |
| Proceeds from Loans and Advances | | 313.98 | - |
| Investment in Term Deposits | | - | 50.46 |
| Maturity of Term Deposits | | -0.78 | - |
| Interest received | | 242.96 | 107.40 |
| Dividend received | | - | 2.01 |
| Net Cash (Used in) Investing Activities | | -291.61 | -1,100.85 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Issue of Share Capital | | 280.00 | 1,288.13 |
| Buyback of Shares | | - | - |
| Proceeds from Long Term Borrowings | | 30.11 | - |
| Repayment of Long Term Borrowings | | - | - |
| Proceeds from Short Term Borrowings | | 151.95 | - |
| Repayment of Short Term Borrowings | | - | -271.73 |
| Minority Interest Movement | | - | - |
| Dividends Paid (including Dividend Distribution Tax) | | - | - |
| Interest Paid | | -57.16 | -70.96 |
| Net Cash (Used in) / Generated from Financing Activities | | 404.90 | 945.43 |
| Net (Decrease) in Cash and Cash Equivalents | | -20.59 | 15.52 |
| Opening Balance of Cash and Cash Equivalents | | 22.19 | 6.67 |
| Exchange difference of Foreign Currency Cash and Cash equivalents | | - | - |
| Closing Balance of Cash and Cash Equivalents | 18 | 1.59 | 22.19 |

Note:

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

See accompanying notes to the financial statements

As per our report of even date

For DJNV & Co.

Chartered Accountants

Firm's Registration No. 115145W

For and on behalf of the Board

Ushanti Colour Chem Limited

CA Shruti C Shah

Partner

Membership No. 175839

UDIN: 24175839BKEFQP8625

Place: Ahmedabad

Date: 29, May 2024

Maunal Gandhi

Director

00118559

Minku Gandhi

Director

00118617

Pradip Parikh

CFO

AIZPP5478J

Vishakha A. Tanwar

CS

M. No: 40517

Place: Ahmedabad

Date: 29, May 2024

1 COMPANY 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

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

2.2 Use of estimates

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

2.3 Property, Plant and Equipment

(a) Measurement

(i) Land

Land is initially recognized at cost.

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

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

(iii) Components of costs

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

(b) Depreciation and Amortization

(i) Leasehold Land

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

(ii) Other Tangible Assets

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

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

(iii) Intangible Assets

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

2.4 Inventories

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

2.5 Revenue Recognition

- (i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transfer to the customers. Sales are booked net of sales return and exclusive of GST.
- (ii) Export incentives and interest income are accounted for on accrual basis.
- (iii) Dividend income is recognized when the right to receive the dividend is established.

2.6 Purchase and Expenses

- (i) Purchases are shown exclusive of taxes /duties wherever input tax credit is taken and net of Trade Discounts availed from suppliers and purchase return.
- (ii) Major items of the expenses are accounted on time / pro-rata basis and necessary provisions for the same are made.

2.7 Employee Benefits

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

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

2.8 Provision for Current and Deferred Tax

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

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

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2.10 Impairment of Assets

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

2.11 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- (ii) Monetary items denominated in foreign currencies at the period/year-end are restated at period/year-end rates.
- (iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (iv) Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.

2.12 Investments

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

2.13 Borrowing Costs

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

2.14 Government Grants

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

2.15 Leases

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

3 Share Capital

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Authorised Share Capital | | |
| Equity Shares, Rs. 10 par value, 15000000 (Previous Year -15000000) Equity Shares | 1,500.00 | 1,500.00 |
| Issued, Subscribed and Fully Paid up Share Capital | | |
| Equity Shares, Rs. 10 par value 10701700 (Previous Year -10301700) Equity Shares paid up | 1,070.17 | 1,030.17 |
| Total | 1,070.17 | 1,030.17 |

(i) Reconciliation of number of shares

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--------------------------|--------------------|-----------------|--------------------|-----------------|
| | No. of shares | (` in lacs) | No. of shares | (` in lacs) |
| Opening Balance | 1,03,01,700 | 1,030.17 | 73,01,700 | 730.17 |
| Issued during the year | 4,00,000 | 40.00 | 30,00,000 | 300.00 |
| Deletion during the year | - | - | - | - |
| Closing balance | 1,07,01,700 | 1,070.17 | 1,03,01,700 | 1,030.17 |

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

| Equity Shares | 31 March 2024 | | 31 March 2023 | |
|-------------------------|---------------|--------|---------------|--------|
| | No. of shares | In % | No. of shares | In % |
| Name of Shareholder | | | | |
| Mr. Shantilal B. Gandhi | 17,12,247 | 16.00% | 17,12,247 | 16.62% |
| Mr. Minkubhai S. Gandhi | 13,73,427 | 12.83% | 13,73,427 | 13.33% |
| Mr. Maunal S. Gandhi | 13,69,416 | 12.80% | 13,69,416 | 13.29% |

(iv) Shares held by Promoters at the end of the year 31 March 2024

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------------|------------------------|----------------------|--------------------------|---------------------------------|
| Mr. Maunal S. Gandhi | Equity | 13,69,416 | 12.80% | 0.00% |
| Mr. Minkubhai S. Gandhi | Equity | 13,73,427 | 12.83% | 0.00% |

Shares held by Promoters at the end of the year 31 March 2023

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------------|------------------------|----------------------|--------------------------|---------------------------------|
| Mr. Maunal S. Gandhi | Equity | 13,69,416 | 13.29% | 0.00% |
| Mr. Minkubhai S. Gandhi | Equity | 13,73,427 | 13.33% | 0.00% |

4 Reserves and Surplus

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------------------|-----------------|-----------------|
| Capital Reserves | | |
| Opening Balance | 1.00 | 1.00 |
| Closing Balance | 1.00 | 1.00 |
| Securities Premium | | |
| Opening Balance | 2,385.77 | 968.27 |
| (Add)/Less: Adjustment | -240.00 | -1,417.50 |
| Closing Balance | 2,625.77 | 2,385.77 |
| Statement of Profit and loss | | |
| Balance at the beginning of the year | 1,358.15 | 1,178.46 |
| Add: Profit during the year | 134.13 | 179.68 |
| Balance at the end of the year | 1,492.28 | 1,358.15 |
| Total | 4,119.04 | 3,744.91 |

5 Long term borrowings

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------------|---------------|---------------|
| Secured Term loans from banks | 30.11 | - |
| Total | 30.11 | - |

Particulars of Borrowings

| Name of Lender/Type of Loan | Nature of Security | Rate of Interest | Monthly Installments | No of Installment |
|-------------------------------------|--------------------|------------------|----------------------|-------------------|
| The Kalupur Comm. Co. Op. Bank Ltd. | Car/Vehicle | 8.1 | 38,370 | 60 |

The above Car Loan is taken against Principal security of Hyundai Alcazar car for which Loan facility is availed. Rate of interest 8.10 % with EMI of Rs. 38,370/- Company is not declared wilful defaulter by any bank or Financial Institutions or other Lenders.

6 Other Long term liabilities

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------|---------------|---------------|
| Others | | |
| -Deposits (Payable) | 0.15 | 0.15 |
| Total | 0.15 | 0.15 |

7 Short term borrowings

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Current maturities of long-term debt | 6.49 | - |
| Secured Loans repayable on demand from banks | | |
| -Forward Contract Payable | 0.28 | 0.33 |
| -Working Capital facilities | 430.11 | 154.73 |
| Unsecured Loans and advances from related parties | 108.55 | 238.42 |
| Total | 545.43 | 393.48 |

i)Loans repayable on demand from banks:

(a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.85% p.a. as on 28/02/2022.

(b) Working capital facility is primarily secured against inventories, trade (export) receivables and collateral security of plant and equipments and factory shed of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company. It is repayable on demand and carries interest @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.85% p.a. as on 28/02/2022.

ii)Loans and advances from Directors and Related Parties :

Unsecured loans from directors and related parties are taken and maintained during the year pursuant to the stipulation mentioned by the banks for loans facilities availed from them and are repayable on demand and carries interest @ 9% p.a (P.Y. 9% p.a.)

8 Trade payables

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| Due to Micro and Small Enterprises | 392.80 | 403.93 |
| Due to others | 90.41 | 140.02 |
| Total | 483.21 | 543.95 |

8.1 Trade Payable ageing schedule as at 31 March 2024

(` in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 385.20 | 5.86 | 1.64 | 0.10 | 392.80 |
| Others | 86.27 | 0.10 | | 0.08 | 86.45 |
| Disputed dues- MSME | | | | | - |
| Disputed dues- Others | | | | 3.96 | 3.96 |
| Sub total | | | | | 483.21 |
| MSME - Undue | | | | | - |
| Others - Undue | | | | | - |
| Total | | | | | 483.21 |

8.2 Trade Payable ageing schedule as at 31 March 2023

(` in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 403.93 | - | - | - | 403.93 |
| Others | 136.07 | - | - | - | 136.07 |
| Disputed dues- MSME | - | - | - | - | - |
| Disputed dues- Others | - | 3.96 | - | - | 3.96 |
| Sub total | | | | | 543.96 |
| MSME - Undue | | | | | - |
| Others - Undue | | | | | - |
| Total | | | | | 543.96 |

9 Other current liabilities

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Interest accrued and due on borrowings | 2.31 | 6.29 |
| Income received in advance | 0.01 | - |
| Other payables | | |
| -Creditor For Capital Good | 0.66 | - |
| -Creditor For Expense | 96.82 | 92.20 |
| -Other Statutory Liabilities | 5.03 | 117.97 |
| Total | 104.83 | 216.46 |

10 Short term provisions

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------------------|---------------|---------------|
| Provision for employee benefits | 30.86 | 30.68 |
| Others | | |
| -Provision for Income Tax (Net) | 29.21 | - |
| -Provision for Tax Earlier Years | - | 0.89 |
| Total | 60.07 | 31.57 |

Property, Plant and Equipment

(₹ in lacs)

| Name of Assets | Gross Block | | | Depreciation and Amortization | | | | Net Block | | Net Block |
|--|--------------------|---------------|---------------|-------------------------------|--------------------|-----------------|--------------|--------------------|--------------------|--------------------|
| | As on 01-Apr-23 | Addition | Deduction | As on 31-Mar-24 | As on 01-Apr-23 | for the year | Deduction | As on 31-Mar-24 | As on 31-Mar-24 | As on 31-Mar-23 |
| (i) Property, Plant and Equipment | | | | | | | | | | |
| Factory Land | 1.82 | | | 1.82 | - | | | - | 1.82 | 1.82 |
| Leasehold Land - Dahej* | 659.43 | | | 659.43 | 25.45 | 6.59 | | 32.04 | 627.39 | 633.98 |
| Office Building | 34.36 | | | 34.36 | 12.83 | 5.57 | | 18.40 | 15.95 | 21.53 |
| Factory Building | 273.16 | | | 273.16 | 169.83 | 10.14 | | 179.96 | 93.19 | 103.33 |
| Plant and Equipments | 1,317.10 | 42.31 | | 1,359.41 | 826.34 | 89.96 | | 916.30 | 443.11 | 490.77 |
| Pollution Control Plant | 189.57 | | | 189.57 | 124.07 | 12.49 | | 136.56 | 53.01 | 65.50 |
| Furniture & Fixtures | 71.00 | - | | 71.00 | 35.23 | 9.02 | | 44.25 | 26.76 | 35.78 |
| Vehicles** | 146.67 | 44.59 | 26.33 | 164.93 | 129.14 | 5.83 | 17.85 | 117.12 | 47.81 | 17.53 |
| Office Equipments | 18.17 | 0.20 | | 18.36 | 13.05 | 0.93 | | 13.98 | 4.39 | 5.12 |
| Electric Fittings | 43.17 | 0.01 | | 43.19 | 37.30 | 3.97 | | 41.27 | 1.92 | 5.88 |
| Computers | 16.74 | | | 16.74 | 14.87 | 0.92 | | 15.78 | 0.96 | 1.88 |
| | | | | - | | | | - | - | - |
| Total | 2,771.20 | 87.11 | 26.33 | 2,831.98 | 1,388.09 | 145.42 | 17.85 | 1,515.66 | 1,316.32 | 1,383.11 |
| Previous Year | 3,179.10 | 155.05 | 562.96 | 2,771.20 | 1,269.79 | 153.00 | 34.70 | 1,388.09 | 1,383.11 | 1,909.31 |

| | | | | | | | | | | |
|-------------------------------|---------------|-------------|----------|---------------|--------------|--------------|----------|--------------|--------------|--------------|
| (ii) Intangible Assets | | | | | | | | | | |
| Computer Software | 10.32 | 0.59 | | 10.91 | 8.15 | 1.78 | | 9.94 | 0.98 | 2.17 |
| Waste Disposal Rights | 119.69 | | | 119.69 | 65.51 | 8.07 | | 73.58 | 46.11 | 54.18 |
| | | | | - | | | | - | - | - |
| Total | 130.01 | 0.59 | - | 130.60 | 73.66 | 9.86 | - | 83.51 | 47.08 | 56.35 |
| Previous Year | 124.01 | 6.00 | - | 130.01 | 59.52 | 14.14 | - | 73.66 | 56.35 | 64.49 |

| | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|-------|-------|
| (iii) Capital Work-in-progress | | | | | | | | | | |
| | | | | | | | | | 13.02 | 11.22 |
| (iv) Intangible Assets under Development | | | | | | | | | 4.97 | 4.97 |

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

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

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

(iii) Capital Work-in-progress

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------------------|---------------|---------------|
| Opening Balance | 11.22 | 36.01 |
| Add: Addition during the year | 1.80 | 82.30 |
| Less: Capitalised during the year | - | 107.09 |
| Closing Balance | 13.02 | 11.22 |

Capital Work-in-Progress Ageing Schedule

(₹ in lacs)

12 Non current investments

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Unquoted Trade Investments in Equity Instruments | 204.50 | 4.50 |
| Unquoted Trade Investments in debentures or bonds | 579.26 | - |
| Total | 783.76 | 4.50 |

12.1 Details of Investments

(₹ in lacs)

| Name of Entity | No of Shares/Deber | 31 March 2024 | No of Shares | 31 March 2023 |
|--|--------------------|---------------|--------------|---------------|
| Trade Investment | | | | |
| U C Colours and Intermediates Private Limited, Unquoted Equity Shares of Rs. 10 each fully paid up | 2,04,500 | 204.50 | 45,000 | 4.50 |
| Variable Coupon Convertible Debentures of Rs. 100 | 5,79,260 | 579.26 | | |

13 Deferred tax assets net

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Deferred tax asset | 9.63 | 7.78 |
| Total | 9.63 | 7.78 |

13.1 Significant Components of Deferred Tax

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Deferred Tax Asset | | |
| Property, Plant and Equipment and Intangible Assets | 9.63 | 7.78 |
| Gross Deferred Tax Asset (A) | 9.63 | 7.78 |
| Deferred Tax Liability | | |
| Gross Deferred Tax Liability (B) | - | - |
| Net Deferred Tax Asset (A)-(B) | 9.63 | 7.78 |

13.2 Significant components of Deferred Tax charged during the year

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Property, Plant and Equipment and Intangible Assets | -1.85 | -6.59 |
| Total | -1.85 | -6.59 |

14 Long term loans and advances

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Capital Advances | 0.31 | 0.31 |
| Loans and advances to related parties | | |
| -Advance to Director | 296.84 | 307.51 |
| -Advance to subsidiary | 1,666.00 | 863.28 |
| Other loans and advances (Unsecured, considered good) | | |
| -Balances with Statutory / Govt. Authorities (long term) | 5.00 | 5.00 |
| -Other Advances - Long Term | 1.13 | 1.13 |
| -Receivable for Land | - | 919.53 |
| Total | 1,969.28 | 2,096.76 |

i) Loans and Advances to subsidiary:

Loans and Advances provided to subsidiary U C Colours and Intermediates Private Limited is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)

ii) Loans and Advances to directors:

Loans and Advances provided to directors is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)

15 Other non current assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------|---------------|---------------|
| Security Deposits | 174.21 | 173.42 |
| Total | 174.21 | 173.42 |

16 Inventories

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------|---------------|---------------|
| Raw materials | 444.25 | 292.60 |
| Finished goods | 473.15 | 353.96 |
| Packing Material | 2.89 | 2.72 |
| Total | 920.29 | 649.28 |

17 Trade receivables

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------|---------------|---------------|
| Unsecured considered good | 671.14 | 904.98 |
| Total | 671.14 | 904.98 |

17.1 Trade Receivables ageing schedule as at 31 March 2024

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivable considered good | 628.41 | 26.46 | 16.27 | | | 671.14 |
| Undisputed Trade Receivables- considered good | | | | | | - |
| Disputed Trade Receivables considered good | | | | | | - |
| Disputed Trade Receivables considered doubtful | | | | | | - |
| Sub total | | | | | | 671.14 |
| Undue - considered good | | | | | | |
| Total | | | | | | 671.14 |

17.2 Trade Receivables ageing schedule as at 31 March 2023

(₹ in lacs)

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

18 Cash and cash equivalents

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Cash on hand | 1.58 | 5.18 |
| Balances with banks in current accounts | 0.01 | 0.18 |
| Others | | |
| -CC with debit balance | - | 16.83 |
| Total | 1.59 | 22.19 |

19 Short term loans and advances

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Advance Income Tax (Net of provision for taxes) | 18.14 | 64.12 |
| Other loans and advances (Unsecured, considered good) | | |
| -Advance to suppliers | 0.86 | 2.11 |
| -Balances with Statutory / Govt. Authorities | 106.50 | 5.41 |
| -Forward Contract Receivable | 0.56 | 0.90 |
| -Loans to Employees | 3.84 | 3.49 |
| -Other advances | 2.36 | 1.59 |
| -Other Short Term Loans and Advances | 306.24 | 556.86 |
| -Prepaid Expenses | 21.14 | 11.67 |
| Total | 459.64 | 646.15 |

20 Other current assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Interest accrued but not due | 42.08 | - |
| Total | 42.08 | - |

21 Revenue from operations

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| Sale of products | | |
| -Sale of products (Finished & Traded, Gross) | 4,212.81 | 4,228.22 |
| -Scrap Sales | 0.80 | 2.00 |
| Other operating revenues | | |
| -Consultancy Income | 16.00 | 11.05 |
| -Duty Draw Back Income | 20.09 | - |
| -Export incentives | 9.17 | 26.56 |
| -Miscellaneous income | 0.01 | - |
| Total | 4,258.88 | 4,267.83 |

22 Other Income

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Interest Income | | |
| - On Bank Deposits | - | 0.07 |
| - Others | 242.96 | 107.33 |
| Dividend Income | - | 2.01 |
| Others | | |
| -Foreign Exchange Gain (net) | 12.87 | 23.60 |
| -Premium on Forward Contract | - | 0.56 |
| -Profit on Sale of Car | 12.51 | - |
| -Profit on sale of Land | - | 251.01 |
| Total | 268.34 | 384.58 |

23 Cost of Material Consumed

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|-----------------|-----------------|
| Raw Material Consumed | | |
| Opening stock | 292.60 | 420.76 |
| Purchases | 2,760.31 | 2,472.19 |
| Less: Closing stock | 444.25 | 292.60 |
| Total | 2,608.66 | 2,600.36 |
| Total | 2,608.66 | 2,600.36 |

24 Purchases of stock in trade

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Alpha/Pigment Dyes | 80.78 | 44.77 |
| Direct Dyes | 110.10 | 127.13 |
| Reactive Dyes | 10.17 | 4.55 |
| Solvent Dyes | 1.50 | - |
| Total | 202.55 | 176.45 |

25 Change in Inventories of work in progress and finished goods

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|----------------|---------------|
| Opening Inventories | | |
| Finished Goods | 353.96 | 375.34 |
| Less: Closing Inventories | | |
| Finished Goods | 473.15 | 353.96 |
| Total | -119.19 | 21.38 |

26 Employee benefit expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Salaries and wages | | |
| -Directors Remuneration | 149.50 | 141.14 |
| -Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI | 190.12 | 205.08 |
| Contribution to provident and other funds | | |
| -Gratuity Fund Contribution | 0.48 | 11.62 |
| -Others | 0.01 | - |
| Staff welfare expenses | 0.28 | 0.27 |
| Total | 340.39 | 358.11 |

27 Finance costs

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Interest expense | | |
| -Bank Charges and Commission | - | 0.11 |
| -Interest paid to Banks and Financial Institutions | 37.95 | 29.89 |
| -Other Interest Paid | 12.66 | 21.57 |
| Other borrowing costs | | |
| -Bank Charges and Commission | 6.47 | 5.10 |
| Total | 57.08 | 56.67 |

Note:

- The Company has availed interest subvention of Rs.6,08,174/- during the period (P.Y : Rs. 6,08,174/-) from bank on working capital facility which has been reduced from interest expenses.
- 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.

28 Other expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------|---------------|---------------|
| Auditors' Remuneration | 2.70 | 2.70 |
| Commission | 1.99 | 3.62 |
| Insurance | 20.05 | 18.38 |
| Rent | 8.70 | 8.70 |
| Repairs to buildings | 5.04 | 7.39 |
| Repairs to machinery | 48.59 | 53.87 |
| Total continuee | 87.07 | 94.66 |

Other expense:

(' in lacs)

| Particular: | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Total continued from previous page | 87.07 | 94.66 |
| Rates and taxes | 1.71 | 1.53 |
| Selling & Distribution Expenses | | |
| -Other Sales and Distribution Expenses | 9.67 | 6.98 |
| -Sales Promotion and Advertisement | 12.18 | 5.74 |
| Travelling Expenses | 27.03 | 12.75 |
| Miscellaneous expenses | | |
| -Interest on TDS | 0.07 | 0.01 |
| -Others | 4.03 | 5.08 |
| Import Expense | 0.17 | 0.11 |
| Laboratory Expenses | 5.93 | 7.08 |
| Labour and processing charges | 70.86 | 58.58 |
| Legal and Professional Fees | 12.59 | 12.70 |
| Office Maintenance | 5.82 | 7.07 |
| Packing Material Consumed | 11.30 | 8.48 |
| Pollution Control Expenses | 107.18 | 114.33 |
| Power, Fuel and Water | 687.48 | 703.63 |
| Premium on Forward Contract | 0.08 | - |
| Safety Expenses | 0.46 | 0.44 |
| Security Expense | 8.08 | 7.58 |
| Shipping Expenses | 25.79 | 37.64 |
| Stationary, Printing and Other Office Expenses | 9.98 | 8.37 |
| Telephone and Communication | 2.82 | 2.18 |
| Vehicle Running and Maintenance | 5.11 | 4.25 |
| Total | 1,095.41 | 1,099.19 |

29 Earning per share

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Profit attributable to equity shareholders (₹ in lacs) | 134.13 | 179.68 |
| Weighted average number of Equity Shares | 1,04,96,236 | 82,35,330 |
| Earnings per share basic (Rs) | 1.28 | 2.18 |
| Earnings per share diluted (Rs) | 1.28 | 2.18 |
| Face value per equity share (Rs) | 10 | 10 |

30 Auditors' Remuneration

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------------|---------------|---------------|
| Payments to auditor as | | |
| - Auditor | 2.50 | 2.50 |
| - for other services | 0.20 | 0.20 |
| Total | 2.70 | 2.70 |

31 Contingent Liabilities and Commitments

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Claims against the Company not acknowledged as debt | | |
| Corporate Guarantees given for Subsidiary Company Financial Facilities (UC Colours and Intermediates Pvt Ltd.) | 4,250.00 | 4,250.00 |
| Total | 4,250.00 | 4,250.00 |

32 Earnings in Foreign Currencies

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| Export of Goods calculated on FOB basis | 1,157.27 | 1,129.75 |
| Total | 1,157.27 | 1,129.75 |

33 Expenditure made in Foreign Currencies

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------|---------------|---------------|
| Other Matters | 6.50 | 0.01 |
| Commission | 0.74 | 2.20 |
| Travelling | 10.03 | 0.41 |
| Total | 17.26 | 2.63 |

34 Related Party Disclosure

(i) List of Related Parties

Relationship

| | |
|---------------------------------------|---|
| Minku S. Gandhi. | Key Managerial Personnel (KMP) |
| Maunal S. Gandhi | Key Managerial Personnel (KMP) |
| CS Anjali Saman | Key Managerial Personnel (KMP) |
| CS Archita Jitendra Shah | Key Managerial Personnel (KMP) |
| CFO Pradip B Parikh | Key Managerial Personnel (KMP) |
| Arjun Maunal Gandhi | Key Managerial Personnel (KMP) |
| Heli Akash Garala | Key Managerial Personnel (KMP) |
| Smt. Shefali M. Gandhi | Relative of Key Managerial Personnel |
| Shantibhai B. Gandhi | Relative of Key Managerial Personnel |
| Smt. Mona M. Gandh | Relative of Key Managerial Personnel |
| Arjun M. Gandhi | Relative of Key Managerial Personnel |
| Aadit M. Gandh | Relative of Key Managerial Personnel |
| HUF Industries | Enterprise in which Relative of KMP is interested as member |
| UC Colours and Intermediates Pvt Ltd. | Subsidiary Company |
| CS Vishakha A. Tanwar | Key Managerial Personnel (KMP) |

(ii) Related Party Transactions

(` in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|---|---|---------------|---------------|
| Loan Accepted | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 19.25 | 493.05 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 18.00 | 506.45 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 5.15 | 45.90 |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | - | 0.50 |
| Loan Repaid | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 95.83 | 430.53 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 56.11 | 525.57 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 37.03 | 32.87 |
| - Shantibhai B. Gandh | Relative of Key Managerial Personnel | - | 0.56 |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | - | 9.55 |
| Directors Remuneration | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 67.20 | 67.20 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 67.20 | 67.20 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 14.00 | 7.46 |
| Salary | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 7.00 | 8.51 |
| - Heli Akash Garala | Key Managerial Personnel (KMP) | - | 1.84 |
| - Smt. Shefali M. Gandhi | Relative of Key Managerial Personnel | 13.44 | 13.44 |
| - Shantibhai B. Gandh | Relative of Key Managerial Personnel | - | 24.02 |
| - Smt. Mona M. Gandi | Relative of Key Managerial Personnel | 13.44 | 13.44 |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | 14.00 | 7.46 |
| - CS Anjali Samar | Key Managerial Personnel (KMP) | 3.01 | 2.62 |
| - CS Vishakha A. Tanwar | Key Managerial Personnel (KMP) | 0.43 | - |
| Other Interest Paid | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 6.48 | 8.74 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 3.75 | 9.95 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 1.33 | 2.38 |
| - Shantibhai B. Gandh | Relative of Key Managerial Personnel | - | 0.01 |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | - | 0.31 |
| Rent Expense | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | 8.70 | 8.70 |
| Loan Given | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | - | 0.30 |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 881.27 | 362.94 |
| - CS Anjali Samar | Key Managerial Personnel (KMP) | - | 0.42 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | - | 150.00 |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | - | 150.00 |
| Rent Deposit Given | | | |
| Continued to next page | | | |

Related Party Transactions

(` in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|---|---|---------------|---------------|
| Continued from previous page | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | - | - |
| Consultancy Income | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 16.00 | 11.05 |
| Interest income | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 116.76 | 63.47 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 13.28 | 3.76 |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 13.28 | 3.76 |
| Loan received back | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 183.62 | 92.95 |

| | | | |
|--|--------------------------------|--------|--------|
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 0.25 | 0.35 |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 5.34 | - |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 5.34 | - |
| - CS Anjali Samar | Key Managerial Personnel (KMP) | 0.38 | - |
| Sale of Land | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | - | 779.26 |
| Sale of products (Finished & Traded, Gross) | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 258.70 | 53.66 |
| Purchase of Products | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 162.25 | - |
| Interest income(From VCCD's) | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 46.54 | - |
| | | - | - |
| | | - | - |
| | | - | - |

(iii) Related Party Balances

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|---|--------------------------------------|---------------|---------------|
| Unsecured Loans and advances from related parties | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 62.21 | 132.96 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 36.92 | 71.66 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 9.42 | 40.10 |
| - Shantibhai B. Gandh | Relative of Key Managerial Personnel | - | - |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | - | - |
| Provision for employee benefits | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 2.70 | 3.07 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 2.70 | 3.07 |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 0.55 | 0.71 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 0.96 | 0.46 |
| - Heli Akash Garala | Key Managerial Personnel (KMP) | - | - |
| - Smt. Shefali M. Gandhi | Relative of Key Managerial Personnel | 0.72 | 0.80 |
| - Shantibhai B. Gandh | Relative of Key Managerial Personnel | - | 1.93 |
| - Smt. Mona M. Gandt | Relative of Key Managerial Personnel | 0.72 | 0.80 |
| - Aadit M. Gandh | Relative of Key Managerial Personnel | 0.96 | 0.46 |
| Loans to Employees | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 1.14 | 1.39 |
| Continued to next page | | | |

Related Party Balances

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|---|---|---------------|---------------|
| Continued from previous page | | | |
| - CS Anjali Samar | Key Managerial Personnel (KMP) | - | 0.38 |
| Advance to subsidiary | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 1,666.00 | 863.28 |
| Trade Receivable | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 3.72 | 26.80 |
| Unquoted Trade Investments in Equity Instruments | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 204.50 | 4.50 |
| Rent Deposit receivable | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | 50.00 | 50.00 |
| Receivable for Land | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | - | 919.53 |
| Advance to Director | | | |
| - Minku S. Gandhi | Key Managerial Personnel (KMP) | 148.42 | 153.76 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 148.42 | 153.76 |
| Trade Payable | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 6.25 | - |
| Unquoted Trade Investments in Debt Instrument(VCCD's) | | | |
| - UC Colours and Intermediates Pvt Ltd. | Subsidiary Company | 579.26 | - |

35 Loans and Advances given to Related Parties

(₹ in lacs)

| Type of Borrower | 31 March 2024 | | 31 March 2023 | |
|------------------|--------------------|------------|--------------------|------------|
| | Amount outstanding | % of Total | Amount outstanding | % of Total |
| Promoters | 296.84 | 15.12% | 307.51 | 26.27% |
| Subsidiary | 1,666.00 | 84.88% | 863.28 | 73.73% |

| | | | | |
|-------|----------|---------|----------|---------|
| Total | 1,962.84 | 100.00% | 1,170.79 | 100.00% |
|-------|----------|---------|----------|---------|

Loans and Advances provided to subsidiary U C Colours and Intermediates Private Limited is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)

Loans and Advances provided to directors & Relatives ,is given and maintained during the year, are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)

36 Security of Current Assets Against Borrowings

| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
|---|------------------------------------|--|---------------------------------------|--|
| Inventory as per Quarterly Return filed with Bank | 529.11081 | 588.43927 | 767.29795 | 1068.24327 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Purchase Bill accounted later | 0 | 0 | 0 | 0 |
| others 1 | 3.76189 | 29.61176 | -3.2467346 | 17.694446 |
| others 2 | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Sale Bill accounted later | 0 | 0 | 0 | 0 |
| By mistake WIP added | 0 | 0 | 0 | 0 |
| Purchase Bill accounted twice | 0 | 0 | 0 | 0 |
| Expense entry booked in purchase | 0 | 0 | 0 | 0 |
| Inventory as per Books of Account | 532.8727 | 618.05103 | 764.0512154 | 1085.937716 |
| Reason for Material Dcrepancies | Due to change in Price Rate | Purchase bill & Challan Received after statement Submitted. | Due to correction in cost rate | Purchase bill & Challan Received after statement Submitted. |
| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
| Trade Receivable as per Quarterly Return filed with Bank | 1984.58783 | 754.20115 | 1033.15779 | 615.61879 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Purchase Bill accounted later | 0 | 0 | 0 | 0 |
| others 1 due to post dated chqs posting in current month | 0 | 0 | 0 | 0 |
| others 2 bk paymt advice not received in time and also some party deposited cheque directly to our account. | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Sale Bill accounted later | 0 | 0 | 0 | 0 |
| others 1 due to bank receipt entry done later. | 0 | 0 | 0 | 0 |
| others 2 | -956.3272 | 194.48468 | 220.58318 | 55.51135 |
| Trade Receivable as per Books of Account | 1028.26063 | 948.68583 | 1253.74097 | 671.13014 |
| Reason for Material Dcrepancies | - | - | - | - |
| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
| Trade Payable as per Quarterly Return filed with Bank | 474.88914 | 345.69761 | 557.58953 | 430.78314 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 1.90692 |
| Purchase Bill accounted later | 0 | 0 | 62.86922 | 0 |
| others 1 | 0 | 41.56779 | 0 | 0 |
| others 2 | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |

| | | | | | | | |
|--|--|--|--|-----------|----------|-----------|-----------|
| Sale Bill accounted later | | | | 0 | 0 | 0 | 0 |
| others 1 | | | | 0 | 0 | 0 | 0 |
| others 2 | | | | 0 | 0 | 0 | 0 |
| | | | | 0 | 0 | 0 | 0 |
| Trade Payable as per Books of Account | | | | 474.88914 | 387.2654 | 620.15875 | 428.87622 |

37 Ratio Analysis

| | | | | |
|--------------------------------------|--|--------|--------|---------|
| (b) Debt-Equity Ratio | <u>Total Dabis</u> Shareholder's Equity | 0.11 | 0.08 | 34.60% |
| (c) Debt Service Coverage Ratio | <u>Earning available for Debt Service</u> Debt Service | 159.06 | N.A. | N.A. |
| (d) Return on Equity Ratio | <u>Profit after Tax</u> Average Shareholder's Equity | 2.69% | 4.45% | -39.45% |
| (e) Inventory turnover ratio | <u>Total Turnover</u> Average Inventories | 5.43 | 5.89 | -7.90% |
| (f) Trade receivables turnover ratio | <u>Total Turnover</u> Average Account Receivable | 5.40 | 4.35 | 24.20% |
| (g) Trade payables turnover ratio | <u>Total Purchases</u> Average Account Payable | 5.77 | 4.06 | 42.23% |
| (h) Net capital turnover ratio | <u>Total Turnover</u> Net Working Capital | 4.73 | 4.12 | 14.84% |
| (i) Net profit ratio | <u>Net Profit</u> Total Turnover | 3.15% | 4.21% | -25.19% |
| (j) Return on Capital employed | <u>Earning before interest and taxes</u> Capital Employed | 4.23% | 4.45% | -4.74% |
| (k) Return on investment | <u>Return on Investment</u> Total Investment | 5.94% | 44.59% | -86.69% |

(b) Debt ratio: It is increased due to Inflow of funds through Deb facility..

(d) Return on Equity ratio : Correspondence increase in Shareholder Equity as well decline in profit.

(g) Trade Payables T/o ratio: it is increased due to increase in purchase.

(i) Net Profit ratio: Decline in profit for the current period.

(k) Return on Investment : increase in investment due to which there is substantial decline.

38 Other Statutory Disclosures as per the Companies Act, 2013

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

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

39 Regrouping

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

40 Other Notes

The Company has received intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006, and hence, disclosures, if any, relating to amount unpaid as at the period end as required under the act has been given. The interest has not been provided as per the explanation provided by the management after confirmation letters from the parties that the payment is made within due dates.

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

For DJNV & Co.
Chartered Accountants
Firm's Registration No. 115145W

For and on behalf of the Board
Ushanti Colour Chem Limited

CA Shruti C Shah
Partner
Membership No. 175839

Maunal Gandhi
Director
00118559

Maunal Gandhi
Director
00118559

Minku Gandhi
Director
00118617

Pradip Parikh
CFO
AIZPP5478J

Vishakha A. Tanwar
CS
M. No: 40517

UDIN: 24175839BKEFQP8625
Place: Ahmedabad
Date: 29, May 2024

Place: Ahmedabad
Date: 29 May 2024



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 31st March 2024, 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;

- d) In the case of the Balance Sheet, of the consolidated state of affairs of the Company as at March 31, 2024;
- e) In the case of the consolidated Statement of Profit and Loss, the profit for the year ended on that date.
- f) In the case of the consolidated Statement of Cash Flow for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Other Information

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

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

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

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

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in



accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group. The Board of Directors is also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. 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
- vii. 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:
- viii. 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.
- ix. 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:
- x. There were no pending litigations which would impact the consolidated financial position of the Group.



- xi. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- xii. 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.
- xiii.
- (d) 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;
- (e) 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
- (f) 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.
- xiv. The company has neither declared nor paid dividend during the year as per Section 123 of the Companies Act, 2013.
- xv. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' Report, according to the information and explanations given to us and based on the CARO report issued by us for the Holding Company and based on CARO report issued in respect of an subsidiary company whose financial information has been considered in the Consolidated Financial Statements and to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For, DJNV & CO.
Chartered Accountants
Sd/-
CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQQ7297
Firm Reg. No.0115145W

Place: Ahmedabad
Date: 29/05/2024



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 31st March 2024 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 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 31st March 2024, 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**

Sd/-

CA Shruti C Shah

(Partner)

Membership No. 175839

UDIN: 24175839BKEFQQ7297

Firm Reg. No.0115145W

Place: Ahmedabad

Date: 29/05/2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Consolidated Balance Sheet as at 31 March 2024

(in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|---|------|------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 1,070.17 | 1,030.17 |
| (b) Reserves and Surplus | 4 | 3,361.44 | 3,630.91 |
| (c) Money Received against Share Warrants | | - | - |
| Total | | 4,431.61 | 4,661.08 |
| (2) Share application money pending allotment | | - | - |
| (3) Minority Interest | | -21.81 | -0.65 |
| (4) Non-current liabilities | | | |
| (a) Long-term Borrowings | 5 | 2,543.66 | 2,885.76 |
| (b) Deferred Tax Liabilities (Net) | 6 | 104.21 | - |
| (c) Other Long term Liabilities | 7 | 0.15 | 0.15 |
| (d) Long-term Provisions | | - | - |
| Total | | 2,648.02 | 2,885.91 |
| (5) Current liabilities | | | |
| (a) Short-term Borrowings | 8 | 2,611.89 | 1,162.33 |
| (b) Trade Payables | 9 | | |
| - Due to Micro and Small Enterprises | | 458.24 | 539.41 |
| - Due to Others | | 464.31 | 140.03 |
| (c) Other Current Liabilities | 10 | 273.17 | 601.97 |
| (d) Short-term Provisions | 11 | 63.18 | 31.57 |
| Total | | 3,870.79 | 2,475.31 |
| Total Equity and Liabilities | | 10,928.61 | 10,021.65 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | |
| (i) Property, Plant and Equipment | 12 | 6,342.90 | 2,176.30 |
| (ii) Intangible Assets | 12 | 47.74 | 57.20 |
| (iii) Capital Work-in-progress | 12 | 43.10 | 3,815.19 |
| (iv) Intangible Assets under Development | 12 | 4.97 | 4.97 |
| (b) Non-current Investments | | - | - |
| (c) Deferred Tax Assets (net) | 13 | - | 7.41 |
| (d) Long-term Loans and Advances | 14 | 785.59 | 313.96 |
| (e) Other Non-current Assets | 15 | 232.87 | 241.66 |
| Total | | 7,457.17 | 6,616.69 |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 16 | 1,300.75 | 649.28 |
| (c) Trade Receivables | 17 | 961.11 | 1,058.17 |
| (d) Cash and cash equivalents | 18 | 5.55 | 96.77 |
| (e) Short-term Loans and Advances | 19 | 1,203.29 | 1,600.01 |
| (f) Other Current Assets | 20 | 0.74 | 0.73 |
| Total | | 3,471.44 | 3,404.96 |
| Total Assets | | 10,928.61 | 10,021.65 |

See accompanying notes to the financial statements

As per our report of even date
For DJNV & Co.
Chartered Accountants
Firm's Registration No. 115145W

For and on behalf of the Board
Ushanti Colour Chem Limited

CA Shruti C Shah
Partner
Membership No. 175839
UDIN: 24175839BKEFQQ7297
Place: Ahmedabad
Date: 29 May, 2024

Maunal Gandhi
Director
00118559

Minku Gandhi
Director
09254434

Pradip Parikh
CFO
AIZPP5478J

Vishakha Tanwar
CS
M. No: 40517

Place: Ahmedabad
Date: 29 May, 2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Consolidated Statement of Profit and loss for the year ended 31 March 2024

(` in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|---|------|-----------------|-----------------|
| Revenue from Operations | 21 | 5,070.95 | 4,399.35 |
| Other Income | 22 | 132.56 | 321.92 |
| Total Income | | 5,203.51 | 4,721.27 |
| Expenses | | | |
| Cost of Material Consumed | 23 | 3,262.32 | 2,600.36 |
| Purchases of Stock in Trade | 24 | 238.05 | 321.35 |
| Change in Inventories of work in progress and finished goods | 25 | -279.81 | 21.38 |
| Employee Benefit Expenses | 26 | 388.64 | 362.04 |
| Finance Costs | 27 | 304.28 | 56.67 |
| Depreciation and Amortization Expenses | 12 | 313.30 | 167.75 |
| Other Expenses | 28 | 1,287.08 | 1,099.88 |
| Total expenses | | 5,513.86 | 4,629.43 |
| Profit/(Loss) before Exceptional and Extraordinary Item and Tax | | -310.35 | 91.84 |
| Exceptional Item | | - | - |
| Profit/(Loss) before Extraordinary Item and Tax | | -310.35 | 91.84 |
| Prior Period Item | | - | - |
| Extraordinary Item | | - | - |
| Profit/(Loss) before Tax | | -310.35 | 91.84 |
| Tax Expenses | | | |
| - Current Tax | | 53.90 | - |
| - Deferred Tax | | 111.62 | -6.17 |
| - MAT Credit Entitlement | | - | - |
| - Prior Period Taxes | | 0.01 | 0.03 |
| - Excess/Short Provision Written back/off | | 0.87 | - |
| Profit/(Loss) for the Period from Continuing Operations | | -476.75 | 97.98 |
| Profit/(loss) from Discontinuing Operation (before tax) | | - | - |
| Tax Expenses of Discontinuing Operation | | - | - |
| Profit/(loss) from Discontinuing Operation (after tax) | | - | - |
| Profit/(Loss) for the period | | -476.75 | 97.98 |
| Profit/(Loss) for the period (before Minority interest adjustment) | | -476.75 | 97.98 |
| Less: Minority interest in (Profit)/losses | | -217.14 | -0.15 |
| Profit/(Loss) for the period (after Minority interest adjustment) | | -259.61 | 98.13 |
| Earnings Per Share (Face Value per Share Rs.10 each) | | | |
| -Basic | 29 | -2.47 | 1.19 |
| -Diluted | 29 | -2.47 | 1.19 |

See accompanying notes to the financial statements

As per our report of even date

For DJNV & Co.

Chartered Accountants

Firm's Registration No. 115145W

For and on behalf of the Board

Ushanti Colour Chem Limited

CA Shruti C Shah

Partner

Membership No. 175839

UDIN: 24175839BKEFQQ7297

Place: Ahmedabad

Date: 29 May,2024

Maunal Gandhi

Director

00118559

Minku Gandhi

Director

09254434

Pradip Parikh

CFO

AIZPP5478J

Vishakha Tanwar

CS

M. No: 40517

Place: Ahmedabad

Date: 29 May,2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Consolidated Cash Flow Statement for the year ended 31 March 2024

(in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|---|------|----------------|------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax | | -310.35 | 91.84 |
| Depreciation and Amortisation Expense | | 313.30 | 167.75 |
| Provision for tax | | - | - |
| Effect of Exchange Rate Change | | -12.87 | -23.60 |
| Loss/(Gain) on Sale / Discard of Assets (Net) | | -12.51 | -251.01 |
| Bad debt, provision for doubtful debts | | - | - |
| Net Loss/(Gain) on Sale of Investments | | - | - |
| Other Adjustments in Reserves | | 1.15 | - |
| Dividend Income | | - | -2.01 |
| Interest Income | | -104.83 | -44.74 |
| Finance Costs | | 304.35 | 56.67 |
| Operating Profit before working capital changes | | 178.25 | -5.10 |
| Adjustment for: | | | |
| Inventories | | -651.48 | 150.06 |
| Trade Receivables | | 109.93 | 21.32 |
| Other Current Assets | | -0.01 | 110.10 |
| Trade Payables | | 243.11 | -82.59 |
| Other Current Liabilities | | -328.80 | 285.58 |
| Short-term Provisions | | 31.61 | -0.70 |
| Cash generated from Operations | | -417.40 | 478.68 |
| Tax paid(Net) | | 54.78 | 0.03 |
| Net Cash from Operating Activities | | -472.18 | 478.65 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | | -957.82 | -2,956.83 |
| Sale of Property, Plant and Equipment | | 20.99 | - |
| Purchase of Investments Property | | - | - |
| Sale of Investment Property | | - | - |
| Purchase of Equity Instruments | | - | - |
| Proceeds from Sale of Equity Instruments | | - | 13.38 |
| Purchase of Mutual Funds | | - | - |
| Proceeds from Sale / Redemption of Mutual Funds | | - | - |
| Purchase of Preference Shares | | - | - |
| Proceeds from Sale/Redemption of Preference Shares | | - | - |
| Purchase of Government or trust securities | | - | - |
| Proceeds from Sale/Redemption of Government or trust securities | | - | - |
| Purchase of debentures or bonds | | - | - |
| Proceeds from Sale/Redemption of debentures or bonds | | - | - |
| Purchase of Other Investments | | - | - |
| Sale / Redemption of Other Investments | | - | - |
| Loans and Advances given | | -74.91 | -1,155.85 |
| Proceeds from Loans and Advances | | - | - |
| Investment in Term Deposits | | - | 21.27 |
| Other Non Current Deposits | | 8.78 | - |
| Interest received | | 104.83 | 44.74 |
| Dividend received | | - | 2.01 |
| Net Cash (Used in) Investing Activities | | -898.13 | -4,031.28 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Issue of Share Capital | | 280.00 | 1,288.13 |
| Buyback of Shares | | - | - |
| Proceeds from Long Term Borrowings | | - | 2,075.00 |
| Repayment of Long Term Borrowings | | -342.10 | - |
| Proceeds from Short Term Borrowings | | 1,449.56 | 319.50 |
| Repayment of Short Term Borrowings | | - | - |
| Minority Interest Movement | | 195.98 | - |
| Dividends Paid (including Dividend Distribution Tax) | | - | - |
| Interest Paid | | -304.35 | -56.67 |
| Net Cash (Used in) / Generated from Financing Activities | | 1,279.09 | 3,625.96 |
| Net (Decrease) in Cash and Cash Equivalents | | -91.22 | 73.32 |
| Opening Balance of Cash and Cash Equivalents | | 96.77 | 23.44 |
| Exchange difference of Foreign Currency Cash and Cash equivalents | | - | - |
| Closing Balance of Cash and Cash Equivalents | 18 | 5.54 | 96.77 |

Note:

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

See accompanying notes to the financial statements

As per our report of even date

For DJNV & Co.

Chartered Accountants

Firm's Registration No. 115145W

For and on behalf of the Board

Ushanti Colour Chem Limited

CA Shruti C Shah

Partner

Membership No. 175839

UDIN: 24175839BKEFQQ7297

Place: Ahmedabad

Date: 29 May, 2024

Maunal Gandhi

Director

00118559

Minku Gandhi

Director

09254434

Pradip Parikh

CFO

AIZPPS478J

Vishakha Tanwar

CS

M. No: 40517

Place: Ahmedabad

Date: 29 May, 2024

1 COMPANY 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 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 and the relevant provisions of the Companies Act, 2013. These financial statements are prepared on an accrual basis and under the historical cost convention except financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year.

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) Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Land is initially recognized at cost.

(ii) 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

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.

(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.

2.4 Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for its items of fixed assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtained from the sale of assets in the arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit. An impairment loss recognized for an asset in an earlier accounting period is reversed to the extent for its recoverable amount, if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized.

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) Interest income are accounted for on accrual basis.

2.6 Earning Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average numbers of equity share outstanding during the period.

2.7 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.

2.8 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.

3 Share Capital

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Authorised Share Capital | | |
| Equity Shares, Rs. 10 par value, 15000000 (Previous Year -15000000) Equity Shares | 1,500.00 | 1,500.00 |
| Issued, Subscribed and Fully Paid up Share Capital | | |
| Equity Shares, Rs. 10 par value 10701700 (Previous Year -10301700) Equity Shares paid up | 1,070.17 | 1,030.17 |
| Total | 1,070.17 | 1,030.17 |

(i) Reconciliation of number of shares

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--------------------------|--------------------|-----------------|--------------------|-----------------|
| | No. of shares | (` in lacs) | No. of shares | (` in lacs) |
| Opening Balance | 1,03,01,700 | 1,030.17 | 73,01,700 | 730.17 |
| Issued during the year | 4,00,000 | 40.00 | 30,00,000 | 300.00 |
| Deletion during the year | - | - | - | - |
| Closing balance | 1,07,01,700 | 1,070.17 | 1,03,01,700 | 1,030.17 |

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

| Equity Shares | 31 March 2024 | | 31 March 2023 | |
|---------------------------|---------------------|---------------|---------------|---------------|
| | Name of Shareholder | No. of shares | In % | No. of shares |
| Mr. Shantilal B. Gandhi | 1712247 | 16.00% | 17,12,247.00 | 23.45% |
| Mr. Minkubhai S. Gandhi | 1373427 | 12.83% | 13,73,427.00 | 18.81% |
| Mr. Maunal S. Gandhi | 1369416 | 12.80% | 13,69,416.00 | 18.75% |
| Mrs. Monaben M. Gandhi | 0 | 0.00% | 4,83,250.00 | 6.62% |
| Mrs. Shefaliben M. Gandhi | 0 | 0.00% | 4,83,250.00 | 6.62% |

(iv) Shares held by Promoters at the end of the year 31 March 2024

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------------|-----------------|---------------|-------------------|--------------------------|
| Mr. Maunal S. Gandhi | Equity | 1369416 | 12.80% | 0.00% |
| Mr. Minkubhai S. Gandhi | Equity | 1373427 | 12.83% | 0.00% |

Shares held by Promoters at the end of the year 31 March 2023

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------------|-----------------|---------------|-------------------|--------------------------|
| Mr. Maunal S. Gandhi | Equity | 13,69,416.00 | 18.75% | 0.73% |
| Mr. Minkubhai S. Gandhi | Equity | 13,73,427.00 | 18.81% | 0.73% |

4 Reserves and Surplus

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Capital Reserves | | |
| Opening Balance | 1.00 | 1.00 |
| Closing Balance | 1.00 | 1.00 |
| Securities Premium | | |
| Opening Balance | 2,385.77 | 968.27 |
| Add: Transfer from P&L/Prefrential Allotement | 240.00 | 1,417.50 |
| Closing Balance | 2,625.77 | 2,385.77 |
| Statement of Profit and loss | | |
| Balance at the beginning of the year | 1,244.14 | 1,146.02 |
| Add: Profit during the year | -259.61 | 98.13 |
| Less: Appropriation | | |
| Last year wrong effect given in building and p & m | -1.15 | - |
| Elimination of Profit on Sale of Land | 251.01 | - |
| Balance at the end of the year | 734.67 | 1,244.14 |
| Total | 3,361.44 | 3,630.91 |

5 Long term borrowings

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------------|-----------------|-----------------|
| Secured Term loans from banks | 1,942.66 | 2,383.90 |
| Unsecured Bonds/debentures | | |
| -Debentures | 601.00 | 501.86 |
| Total | 2,543.66 | 2,885.76 |

i)For Secured Term Loan from Bank :

The loan is repayable in 96 EMI including 12 EMI moratorium period. Another Secured term loan from The Kalupur Comm. Co. Op. Bank Ltd. The above Car Loan is taken against Principal security of Hyundai Alcazar car for which Loan facility is availed. Rate of interest 8.10 % with EMI of Rs. 38,370/-

- Loan amounting Rs. 25,00,00,000 is sanctioned for the purpose of purchase of Plant & machineries, Utilities & Equipment and for Building construction.

- The loan is secured against:

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

iii)For Debentures:

595840 Zero coupon Compulsory Convertible Debentures allotted on 02/03/2021 and 863960 allotted on 08/03/2021 @ Rs. 10/- convertible at the end of 5 months from the date of allotment.

- On 15/02/2022 the date of conversion changed with mutual consent of allottees by giving a notice of Conversion to the Company on or before 01 March, 2031.

- 359160 Unsecured 0% to 12% Variable Coupon bearing Convertible Debentures of Rs.100/- each were allotted which are convertible with mutual consent of allottees by giving a notice of Conversion to the Company on or before 01 March, 2031.

6 Deferred tax liabilities Net

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------|---------------|---------------|
| Deferred Tax Liability | 104.21 | - |
| Total | 104.21 | - |

7 Other Long term liabilities

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------|---------------|---------------|
| Others | | |
| -Deposits (Payable) | 0.15 | 0.15 |
| Total | 0.15 | 0.15 |

8 Short term borrowings

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| Current maturities of long-term debt | 378.87 | - |
| Secured Loans repayable on demand from banks | | |
| -Forward Contract Payable | - | 0.34 |
| -Working Capital facilities | 1,189.29 | 154.73 |
| Unsecured Loans and advances from related parties | 767.42 | 894.24 |
| Unsecured Other loans and advances | | |
| -Other Loans and Advances (Inter Corporate Deposit) | 276.31 | 113.02 |
| Total | 2,611.89 | 1,162.33 |

i)Loans and advances from Directors and Related Parties :

- Holding Company - Unsecured loans from directors and related parties are taken and maintained during the year pursuant to the stipulation mentioned by the banks for loans facilities availed from them and are repayable on demand and carries interest @ 9% p.a (P.Y. 9% p.a.)
- Subsidiary Company - Loan from Directors & other related Parties are repayable on demand and carries interest @ 9.25% p.a. (P.Y. 9.25% p.a.).

ii)Loans repayable on demand from banks:

- (a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 9% p.a. as on 26/06/2020 and 8.5% as on 10/07/2020.
- (b) Working capital facility is primarily secured against inventories, trade (export) receivables and collateral security of plant and equipments and factory shed of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company. It is repayable on demand and carries interest @ 9% p.a. as on 26/06/2020 and 8.5% as on 10/07/2020.

iii)For Inter Corporate Deposit:

- Loans from inter corporate companies are taken @ 9.25% interest p.a. (P.Y. 9.25% interest p.a.)

9 Trade payables

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| Due to Micro and Small Enterprises | 458.24 | 539.41 |
| Due to others | 464.31 | 140.03 |
| Total | 922.55 | 679.44 |

9.1 Trade Payable ageing schedule as at 31 March 2024

(` in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 450.52 | 5.98 | 1.64 | 0.10 | 458.24 |
| Others | 324.69 | 135.58 | | 0.08 | 460.35 |
| Disputed dues- MSME | | | | | - |
| Disputed dues- Others | | | | 3.96 | 3.96 |
| Sub total | | | | | 922.54 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | | | | | 922.54 |

9.2 Trade Payable ageing schedule as at 31 March 2023

(` in lacs)

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

10 Other current liabilities

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Interest accrued and due on borrowings | 41.54 | 39.09 |
| Income received in advance | 0.12 | - |
| Other payables | | |
| -Creditors for Capital Goods | 16.23 | - |
| -Creditors for Expenses | 173.15 | 373.51 |
| -Other Statutory Liabilities | 34.53 | 133.68 |
| -Retention money | - | 55.69 |
| Payroll Payable | 7.60 | - |
| Total | 273.17 | 601.97 |

11 Short term provisions

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------------------|---------------|---------------|
| Provision for employee benefits | 33.97 | 30.68 |
| Others | | |
| -Provision for Income Tax (Net) | 29.21 | - |
| -Provision for Tax Earlier Years | - | 0.89 |
| Total | 63.18 | 31.57 |

Property, Plant and Equipment

(₹ in lacs)

| Name of Assets | Gross Block | | | | Depreciation and Amortization | | | | Net Block | | Net Block | |
|---|--------------------|-----------------|---------------|--------------------|-------------------------------|-----------------|--------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| | As on 01-Apr-23 | Addition | Deduction | As on 31-Mar-24 | As on 01-Apr-23 | for the year | Deduction | As on 31-Mar-24 | As on 31-Mar-24 | As on 31-Mar-23 | | |
| (i) Property, Plant and Equipment | | | | | | | | | | | | |
| Factory Land | 1.82 | | | 1.82 | - | | | - | 1.82 | | 1.82 | |
| Leasehold Land - Dahej* | 1,438.69 | | 251.01 | 1,187.68 | 25.45 | 11.87 | | 37.32 | 1,150.36 | | 1,413.24 | |
| Office Building | 34.36 | | | 34.36 | 12.83 | 5.57 | | 18.40 | 15.95 | | 21.53 | |
| Factory Building | 273.16 | 1,977.40 | | 2,250.56 | 169.83 | 52.54 | | 222.36 | 2,028.19 | | 103.33 | |
| Plant and Equipments | 1,325.86 | 2,700.02 | | 4,025.88 | 826.80 | 198.93 | | 1,025.73 | 3,000.15 | | 499.06 | |
| Pollution Control Plant | 189.57 | | | 189.57 | 124.07 | 12.49 | | 136.56 | 53.01 | | 65.50 | |
| Furniture & Fixtures | 76.43 | 3.87 | | 80.30 | 35.26 | 9.65 | | 44.91 | 35.39 | | 41.17 | |
| Vehicles** | 146.67 | 45.03 | 26.33 | 165.37 | 129.14 | 5.86 | 17.85 | 117.15 | 48.22 | | 17.53 | |
| Office Equipments | 18.17 | 0.20 | | 18.36 | 13.05 | 0.93 | | 13.98 | 4.39 | | 5.12 | |
| Electric Fittings | 43.17 | 0.01 | | 43.19 | 37.30 | 3.97 | | 41.27 | 1.92 | | 5.88 | |
| Computers | 17.44 | 2.80 | | 20.24 | 15.30 | 1.44 | | 16.75 | 3.50 | | 2.13 | |
| | | | | - | | | | - | - | | - | |
| Total | 3,565.33 | 4,729.33 | 277.33 | 8,017.33 | 1,389.03 | 303.25 | 17.85 | 1,674.43 | 6,342.90 | | 2,176.30 | |
| Previous Year | 3,180.02 | 948.27 | 562.96 | 3,565.33 | 1,270.27 | 153.46 | 34.70 | 1,389.03 | 2,176.30 | | 1,909.75 | |
| (ii) Intangible Assets | | | | | | | | | | | | |
| Computer Software | 10.32 | 0.59 | | 10.91 | 8.15 | 1.78 | | 9.94 | 0.98 | | 2.17 | |
| Waste Disposal Rights | 120.69 | | | 120.69 | 65.65 | 8.27 | | 73.92 | 46.76 | | 55.04 | |
| | | | | - | | | | - | - | | - | |
| | | | | - | | | | - | - | | - | |
| Total | 131.01 | 0.59 | - | 131.60 | 73.80 | 10.06 | - | 83.86 | 47.74 | | 57.20 | |
| Previous Year | 124.01 | 7.00 | - | 131.01 | 59.52 | 14.29 | - | 73.80 | 57.20 | | 64.49 | |
| (iii) Capital Work-in-progress | | | | | | | | | | | 43.10 | 3,815.19 |
| (iv) Intangible Assets under Development | | | | | | | | | | | 4.97 | 4.97 |

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

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

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

(iii) Capital Work-in-progress

(₹ in lacs)

13 Deferred tax assets net

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Deferred tax asset | - | 7.41 |
| Total | - | 7.41 |

14 Long term loans and advances

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Capital Advances | 482.62 | 0.31 |
| Loans and advances to related parties | | |
| -Advance to Director | 296.84 | 307.51 |
| Other loans and advances (Unsecured, considered good) | | |
| -Balances with Statutory / Govt. Authorities (long term) | 5.00 | 5.01 |
| -Other Advances - Long Term | 1.13 | 1.13 |
| Total | 785.59 | 313.96 |

i) Loans and Advances to directors:

Loans and Advances provided to directors is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. N.A.)

15 Other non current assets

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------|---------------|---------------|
| Security Deposits | 232.87 | 241.66 |
| Total | 232.87 | 241.66 |

16 Inventories

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------|-----------------|---------------|
| Raw materials | 662.35 | 292.60 |
| Finished goods | 633.78 | 353.96 |
| Packing Material | 4.63 | 2.72 |
| Total | 1,300.75 | 649.28 |

17 Trade receivables

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------|---------------|-----------------|
| Unsecured considered good | 961.11 | 1,058.17 |
| Total | 961.11 | 1,058.17 |

17.1 Trade Receivables ageing schedule as at 31 March 2024

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 895.54 | 26.46 | 39.11 | | | 961.11 |
| Undisputed Trade Receivables-considered doubtful | | | | | | - |
| Disputed Trade Receivables considered good | | | | | | - |
| Disputed Trade Receivables considered doubtful | | | | | | - |
| Sub total | | | | | | 961.11 |
| Undue - considered good | | | | | | |
| Total | | | | | | 961.11 |

17.2 Trade Receivables ageing schedule as at 31 March 2023

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|-----------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 317.95 | 230.76 | | | | 548.72 |
| Undisputed Trade Receivables-considered doubtful | | | | | | - |
| Disputed Trade Receivables considered good | | | | | | - |
| Disputed Trade Receivables considered doubtful | | | | | | - |
| Sub total | | | | | | 548.72 |
| Undue - considered good | | | | | | 509.45 |
| Total | | | | | | 1,058.17 |

18 Cash and cash equivalents

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Cash on hand | 2.99 | 6.85 |
| Balances with banks in current accounts | 0.56 | 73.09 |
| Others | | |
| -CC with debit balance | - | 16.83 |
| Cash and cash equivalents - total | 3.55 | 96.77 |
| Other Bank Balances | | |
| Deposits with original maturity for more than 3 months but less than 12 months | 2.00 | - |
| Total | 5.55 | 96.77 |

19 Short term loans and advances

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Advance Income Tax (Net of provision for taxes) | 21.46 | 68.90 |
| Other loans and advances (Unsecured, considered good) | | |
| -Advance to suppliers | 28.01 | 2.11 |
| -Balances with Statutory / Govt. Authorities | 758.17 | 770.16 |
| -Capital Advances | 60.54 | 184.33 |
| -Forward Contract Receivable | 0.28 | 0.90 |
| -Loans to Employees | 3.84 | 3.49 |
| -Other Advances | 2.36 | 1.59 |
| -Other Short Term Loans and Advances | 306.24 | 556.86 |
| -Prepaid Expenses | 22.39 | 11.67 |
| Total | 1,203.29 | 1,600.01 |

20 Other current assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Advance to suppliers | 0.02 | - |
| Interest accrued but not due | 0.20 | - |
| Interest Receivable | 0.34 | 0.60 |
| Others | 0.06 | - |
| Preliminary Expense | 0.12 | 0.13 |
| Total | 0.74 | 0.73 |

21 Revenue from operations (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| Sale of products | | |
| -Sale of products (Finished & Traded, Gross) | 5,040.88 | 4,370.79 |
| -Scrap Sales | 0.80 | 2.00 |
| Other operating revenues | | |
| -Duty Draw Back Income | 20.09 | - |
| -Export incentives | 9.17 | 26.56 |
| -Miscellaneous income | 0.01 | - |
| Total | 5,070.95 | 4,399.35 |

22 Other Income (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Interest Income | | |
| - On Bank Deposits | - | 0.21 |
| - Others | 104.83 | 44.54 |
| Dividend Income | - | 2.01 |
| Other non-operating income (net of expenses) | | |
| -Scrap Sales | 1.99 | - |
| Total continued | 106.82 | 46.76 |

Other Income (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Total continued from previous page | 106.82 | 46.76 |
| Others | | |
| -Foreign Exchange Gain (net) | 12.87 | 23.60 |
| -Income Tax Refund | 0.36 | - |
| -Premium on Forward Contract | - | 0.56 |
| -Profit on sale of Land | - | 251.00 |
| -Profit on Sales of Car | 12.51 | - |
| Total | 132.56 | 321.92 |

23 Cost of Material Consumed (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|-----------------|-----------------|
| Raw Material Consumed | | |
| Opening stock | 292.60 | 420.76 |
| Purchases | 3,632.07 | 2,472.19 |
| Less: Closing stock | 662.35 | 292.60 |
| Total | 3,262.32 | 2,600.36 |
| Packing Material Consumed | | |
| Opening stock | - | - |
| Purchases | 1.74 | - |
| Less: Closing stock | 1.74 | - |
| Total | - | - |
| Total | 3,262.32 | 2,600.36 |

24 Purchases of stock in trade (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Alpha/Pigment Dyes | 80.78 | 44.77 |
| Direct Dyes | 110.10 | 127.13 |
| Reactive Dyes | 10.17 | 4.55 |
| Solvent Dyes | 1.50 | - |
| Stock in Trade | 35.50 | 144.90 |
| Total | 238.05 | 321.35 |

25 Change in Inventories of work in progress and finished goods

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|----------------|---------------|
| Opening Inventories | | |
| Finished Goods | 353.96 | 375.34 |
| Less: Closing Inventories | | |
| Finished Goods | 633.78 | 353.96 |
| Total | -279.81 | 21.38 |

26 Employee benefit expenses

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Salaries and wages | | |
| -Directors Remuneration | 149.49 | 141.14 |
| -Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI | 190.11 | 205.08 |
| -Others | 43.92 | 3.93 |
| Contribution to provident and other funds | | |
| -Gratuity Fund Contribution | 0.48 | 11.62 |
| -Others | 0.01 | - |
| Staff welfare expenses | 4.63 | 0.27 |
| Total | 388.64 | 362.04 |

27 Finance costs

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Interest expense | | |
| -Bank Charges and Commission | - | 0.11 |
| -Interest paid to Banks and Financial Institutions | 199.24 | 29.89 |
| -Other Interest Paid | 98.34 | 21.57 |
| Other borrowing costs | | |
| -Bank Charges and Commission | 6.70 | 5.10 |
| Total | 304.28 | 56.67 |

Note:

- 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.
- 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.
- 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.

28 Other expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Auditors' Remuneration | 2.90 | 2.90 |
| Commission | 1.99 | 3.62 |
| Insurance | 21.52 | 18.38 |
| Power and fuel | 49.65 | 0.08 |
| Rent | 8.70 | 8.70 |
| Repairs to buildings | 7.86 | 7.39 |
| Repairs to machinery | 57.58 | 53.87 |
| Rates and taxes | 8.23 | 1.52 |
| Selling & Distribution Expenses | | |
| -Other Sales and Distribution Expenses | 9.67 | 6.98 |
| -Sales Promotion and Advertisement | 12.43 | 5.74 |
| -Others | 4.76 | 0.27 |
| Travelling Expenses | 30.38 | 12.75 |
| Total continued | 215.67 | 122.20 |

Other expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Total continued from previous page | 215.67 | 122.20 |
| Miscellaneous expenses | | |
| -Interest on TDS | 0.07 | 0.02 |
| -Others | 5.12 | 5.08 |
| Import Expense | 0.17 | 0.11 |
| ISIN Charges | 0.50 | - |
| Laboratory Expenses | 7.88 | 7.08 |
| Labour and processing charges | 123.83 | 58.58 |
| Legal and Professional Fees | 20.24 | 12.70 |
| Office Maintenance | 7.63 | 7.07 |
| Packing Material Consumed | 13.01 | 8.48 |
| Pollution Control Expenses | 134.79 | 114.33 |
| Power, Fuel and Water | 687.48 | 703.63 |
| Premium on Forward Contract | 0.08 | - |
| Professional Tax Expense | - | 0.03 |
| Safety Expenses | 2.30 | 0.44 |
| Security Expense | 8.08 | 7.58 |
| Shipping Expenses | 25.79 | 37.64 |
| Stationary, Printing and Other Office Expenses | 11.58 | 8.37 |
| Telephone and Communication | 3.35 | 2.18 |
| Transportation Charges | 1.40 | - |
| Vehicle Running and Maintenance | 5.10 | 4.25 |
| Water Expenses | 13.01 | - |
| Website Expense | - | 0.11 |
| Total | 1,287.08 | 1,099.88 |

29 Earning per share

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Profit attributable to equity shareholders (₹ in lacs) | -259.61 | 98.13 |
| Weighted average number of Equity Shares | 1,04,96,236 | 82,35,330 |
| Earnings per share basic (₹) | -2.47 | 1.19 |
| Earnings per share diluted (₹) | -2.47 | 1.19 |
| Face value per equity share (₹) | 10 | 10 |

30 Auditors' Remuneration

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------|---------------|---------------|
| Payments to auditor as | | |
| - Auditor | 2.70 | 2.70 |
| - for other services | 0.20 | 0.20 |
| Total | 2.90 | 2.90 |

(₹ in lacs)

31 Contingent Liabilities and Commitments

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Claims against the Company not acknowledged as debt | | |
| Estimated Amount of contracts remaining to be executed on Capital Accounts and not provided for | - | 68.90 |
| Total | - | 68.90 |

(₹ in lacs)

32 Earnings in Foreign Currencies

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| Export of Goods calculated on FOB basis | 1,157.27 | 1,129.75 |
| Total | 1,157.27 | 1,129.75 |

(₹ in lacs)

33 Expenditure made in Foreign Currencies

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------|---------------|---------------|
| Other Matters | 6.50 | 0.01 |
| Commission | 0.74 | 2.20 |
| Travelling | 10.03 | 0.41 |
| Total | 17.26 | 2.63 |

(₹ in lacs)

34 Related Party Disclosure

(i) List of Related Parties

| | |
|---|--|
| <p>Minku S. Gandhi. Maunal S. Gandhi CS Anjali Samani CS Archita Jitendra Shah CFO Pradip B Parikh Arjun Maunal Gandhi Heli Akash Garala Smt. Shefali M. Gandhi Shantibhai B. Gandhi Smt. Mona M. Gandhi Arjun M. Gandhi Aadit M. Gandhi HUF Industries Kalpana Champaklal Shah Champakbhai A Shah (For 2021-22) Akash Dipakbhai Patel Moksha R Shah Champak Chemicals Pvt Ltd Jay Chloro Chem Pvt Ltd Nirbhay Rasayan Pvt Ltd Champakbhai A Shah (For 2022-23) Dipak Babulal Patel HUF Dipak Babulal Patel Kalpana Dipakbhai Patel Romitl Champaklal Shah Riya Rontl Shah CS Vishakha A. Tanwar Isochem Container Services Pvt Ltd</p> | <p>Relationship</p> <p>Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Enterprise in which Relative of KMP is interested as member Relative of Key Managerial Personnel Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Key Managerial Personnel (KMP) Enterprise in which KMP/Relative of KMP are interested Enterprise in which KMP/Relative of KMP are interested Enterprise in which KMP/Relative of KMP are interested Relative of Key Managerial Personnel Enterprise in which KMP/Relative of KMP are interested Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Relative of Key Managerial Personnel Key Managerial Personnel (KMP) Enterprise in which KMP/Relative of KMP are interested</p> |
|---|--|

(ii) Related Party Transactions

(` in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|------------------------------------|--|---------------|---------------|
| Loan Accepted | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 19.25 | 493.05 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 18.00 | 506.45 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 5.15 | 45.90 |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | - |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | - | 0.50 |
| Loan Repaid | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 95.83 | 430.53 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 58.11 | 562.37 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 37.03 | 32.87 |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | 0.56 |
| - Arjun M. Gandhi | Relative of Key Managerial Personnel | - | - |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | - | 9.55 |
| - Akash Dipakbhai Patel | Key Managerial Personnel (KMP) | 60.95 | 7.24 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | - | - |
| - Champak Chemicals Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 1.09 | 1.45 |
| - Champakbhai A Shah (For 2022-23) | Relative of Key Managerial Personnel | - | 0.47 |
| Directors Remuneration | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 67.20 | 67.20 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 67.20 | 67.20 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 14.00 | 7.46 |
| Salary | | | |
| - CS Archita Jitendra Shah | Key Managerial Personnel (KMP) | - | - |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 7.01 | 8.51 |
| - Heli Akash Garala | Key Managerial Personnel (KMP) | - | 1.84 |
| - Smt. Shefali M. Gandhi | Relative of Key Managerial Personnel | 13.44 | 13.44 |
| Continued to next page | | | |

Related Party Transactions

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---|---------------|---------------|
| Continued from previous page | | | |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | 24.02 |
| - Smt. Mona M. Gandhi | Relative of Key Managerial Personnel | 13.44 | 13.44 |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | 14.00 | 7.46 |
| - CS Anjali Samani | Key Managerial Personnel (KMP) | 3.01 | 2.62 |
| - CS Vishakha A. Tanwar | Key Managerial Personnel (KMP) | 0.43 | - |
| Interest Paid | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 6.48 | 8.74 |
| - Maunail S. Gandhi | Key Managerial Personnel (KMP) | 3.75 | 9.95 |
| - Arjun Maunail Gandhi | Key Managerial Personnel (KMP) | 1.33 | 2.38 |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | 0.01 |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | - | 0.31 |
| Rent Expense | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | 8.70 | 8.70 |
| Loan Given | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | - | 0.30 |
| - CS Anjali Samani | Key Managerial Personnel (KMP) | - | 0.42 |
| - Maunail S. Gandhi | Key Managerial Personnel (KMP) | - | 150.00 |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | - | 150.00 |
| Rent Deposit Given | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | - | - |
| Loans taken | | | |
| - Akash Dipakbhai Patel | Key Managerial Personnel (KMP) | 138.34 | 165.42 |
| - Moksha R Shah | Key Managerial Personnel (KMP) | 151.75 | 286.19 |
| - Champak Chemicals Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 135.75 | 19.50 |
| - Jay Chloro Chem Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | - | 90.00 |
| - Isochem Container Services Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 190.00 | - |
| Loan received back | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 0.25 | 0.35 |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 5.34 | - |
| - Maunail S. Gandhi | Key Managerial Personnel (KMP) | 5.34 | - |
| - CS Anjali Samani | Key Managerial Personnel (KMP) | 0.38 | - |
| Purchase of Product | | | |
| - Nirbhay Rasayan Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | - | 136.00 |
| Loans repaid | | | |
| - Moksha R Shah | Key Managerial Personnel (KMP) | 273.82 | 0.62 |
| - Jay Chloro Chem Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 93.51 | - |
| - Isochem Container Services Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 75.00 | - |
| Interest Income | | | |
| - Maunail S. Gandhi | Key Managerial Personnel (KMP) | 13.28 | 3.76 |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 13.28 | 3.76 |
| Debenture issued | | | |
| - Dipak Babulal Patel HUF | Enterprise in which KMP/Relative of KMP are interested | - | - |
| - Champak Chemicals Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | - | - |
| - Dipak Babulal Patel | Relative of Key Managerial Personnel | - | - |
| - Kalpana Dipakbhai Patel | Relative of Key Managerial Personnel | - | - |
| - Romit Champakkial Shah | Relative of Key Managerial Personnel | - | - |
| - Riya Romit Shah | Relative of Key Managerial Personnel | - | - |
| - Kalpana Champakkial Shah | Relative of Key Managerial Personnel | - | - |
| Continued to next page | | | |

Related Party Transactions

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|--------------------------------------|--|---------------|---------------|
| Continued from previous page | | | |
| - Akash Dipakbhai Patel | Key Managerial Personnel (KMP) | - | - |
| - Champakbhai A Shah (For 2021-22) | Key Managerial Personnel (KMP) | - | - |
| - Moksha R Shah | Key Managerial Personnel (KMP) | - | - |
| Interest paid | | | |
| - Akash Dipakbhai Patel | Key Managerial Personnel (KMP) | 31.76 | - |
| - Isochem Container Services Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 7.93 | - |
| - Moksha R Shah | Key Managerial Personnel (KMP) | 21.26 | - |

(iii) Related Party Balances

₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|---|--|---------------|---------------|
| Unsecured Loans and advances from related parties | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 62.21 | 132.96 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 36.92 | 71.66 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 9.42 | 40.10 |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | - |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | - | - |
| - Jay Chloro Chem Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | - | 93.51 |
| - Champak Chemicals Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 154.17 | 19.52 |
| - Akash Dipakbhai Patel | Key Managerial Personnel (KMP) | 403.57 | 297.59 |
| - Champakbhai A Shah (For 2021-22) | Key Managerial Personnel (KMP) | - | - |
| - Moksha R Shah | Key Managerial Personnel (KMP) | 255.30 | 358.24 |
| Provision for employee benefits | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 2.70 | 3.07 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 2.70 | 3.07 |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 0.55 | 0.71 |
| - Arjun Maunal Gandhi | Key Managerial Personnel (KMP) | 0.96 | 0.46 |
| - Heli Akash Garala | Key Managerial Personnel (KMP) | - | - |
| - Smt. Shefali M. Gandhi | Relative of Key Managerial Personnel | 0.72 | 0.80 |
| - Shantibhai B. Gandhi | Relative of Key Managerial Personnel | - | 1.93 |
| - Smt. Mona M. Gandhi | Relative of Key Managerial Personnel | 0.72 | 0.80 |
| - Aadit M. Gandhi | Relative of Key Managerial Personnel | 0.96 | 0.46 |
| Loans to Employees | | | |
| - CFO Pradip B Parikh | Key Managerial Personnel (KMP) | 1.14 | 1.39 |
| - CS Anjali Samani | Key Managerial Personnel (KMP) | - | 0.38 |
| Trade Payable due to MSME | | | |
| - Nirbhay Rasayan Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 135.48 | 135.48 |
| Unsecured Debentures | | | |
| - Moksha R Shah | Key Managerial Personnel (KMP) | 250.38 | 53.00 |
| - Champakbhai A Shah (For 2021-22) | Key Managerial Personnel (KMP) | 20.00 | 20.00 |
| - Dipak Babulal Patel HUF | Enterprise in which KMP/Relative of KMP are interested | 67.16 | 67.16 |
| - Champak Chemicals Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 31.00 | 31.00 |
| - Dipak Babulal Patel | Relative of Key Managerial Personnel | 55.00 | 55.00 |
| - Kalpana Dipakbhai Patel | Relative of Key Managerial Personnel | 105.00 | 105.00 |
| - Romil Champaklaj Shah | Relative of Key Managerial Personnel | 1.00 | 20.00 |
| - Riya Romil Shah | Relative of Key Managerial Personnel | 3.00 | 3.00 |
| - Kalpana Champaklaj Shah | Relative of Key Managerial Personnel | 5.00 | 5.00 |

Continued to next page

Related Party Balances

₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|--|---|---------------|---------------|
| Continued from previous page | | | |
| Rent Deposit receivable | | | |
| - HUF Industries | Enterprise in which Relative of KMP is interested as member | 50.00 | 50.00 |
| Advance to Director | | | |
| - Minku S. Gandhi. | Key Managerial Personnel (KMP) | 148.42 | 153.76 |
| - Maunal S. Gandhi | Key Managerial Personnel (KMP) | 148.42 | 153.76 |
| Other Loans and Advances (Inter Corporate Deposit) | | | |
| - Isochem Container Services Pvt Ltd | Enterprise in which KMP/Relative of KMP are interested | 122.93 | - |

35 Loans and Advances given to Related Parties

₹ in lacs)

| Type of Borrower | 31 March 2024 | | 31 March 2023 | |
|------------------|--------------------|----------------|--------------------|----------------|
| | Amount outstanding | % of Total | Amount outstanding | % of Total |
| Promoters | 296.84 | 100.00% | 307.51 | 100.00% |
| Total | 296.84 | 100.00% | 307.51 | 100.00% |

| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
|--|-----------------------------|---|--------------------------------|---|
| Inventory as per Quarterly Return filed with Bank | 529.11081 | 876.45163 | 1132.30416 | 1744.73392 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Purchase Bill accounted late | 0 | 0 | 0 | 0 |
| others 1 | 3.76189 | 53.76534 | -35.12142 | -209.84648 |
| others 2 | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Sale Bill accounted late | 0 | 0 | 0 | 0 |
| By mistake WIP addic | 0 | 0 | 0 | 0 |
| Purchase Bill accounted twice | 0 | 0 | 0 | 0 |
| Expense entry booked in purchas | 0 | 0 | 0 | 0 |
| Inventory as per Books of Account | 532.8727 | 930.21697 | 1097.182738 | 1534.887431 |
| Reason for Material Discrepancies | Due to change in Price Rate | Purchase bill & Challan Received after statement Submitted. | Due to correction in cost rate | Purchase bill & Challan Received after statement Submitted. |
| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
| Trade Receivable as per Quarterly Return filed with Bank | 1984.58723 | 883.44624 | 1717.25376 | 1038.39271 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Purchase Bill accounted late | 0 | 0 | 0 | 0 |
| others 1 due to post dated chqs posting in current mont | 0 | 0 | 0 | 0 |
| others 2 bk paymt advice not received in time and also some party deposited cheque directly to our a | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Sale Bill accounted late | 0 | 0 | 0 | 0 |
| others 1 due to bank receipt entry done late | 0 | 0 | 0 | 0 |
| others 2 | -956.3272 | 194.48468 | 220.42019 | -67.42652 |
| Trade Receivable as per Books of Account | 1028.26063 | 1077.93092 | 1937.67395 | 970.96619 |
| Reason for Material Discrepance: | - | - | - | - |
| Particulars | June, 2023 | September, 2023 | December, 2023 | March, 2024 |
| Trade Payable as per Quarterly Return filed with Bank | 474.88914 | 450.50864 | 931.00278 | 730.9978 |
| Add: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Purchase Bill accounted late | 0 | 0 | 62.86922 | 1.90692 |
| others 1 | 0 | 351.37739 | 286.15155 | 77.22108 |
| others 2 | 0 | 0 | 0 | 0 |
| Less: | 0 | 0 | 0 | 0 |
| Valuation Difference | 0 | 0 | 0 | 0 |
| Difference due to Physical verification | 0 | 0 | 0 | 0 |
| Sale Bill accounted late | 0 | 0 | 0 | 0 |
| others 1 | 0 | 0 | 0 | 0 |
| others 2 | 0 | 0 | 0 | 0 |
| Trade Payable as per Books of Account | 474.88914 | 801.88603 | 1279.72355 | 806.31196 |

37 Ratio Analysis

| Particulars | Numerator/Denominator | 31 March 2024 | 31 March 2023 | Change in % |
|--------------------------------------|--|---------------|---------------|-------------|
| (a) Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ | 0.90 | 1.38 | -34.80% |
| (b) Debt-Equity Ratio | $\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$ | 1.16 | 0.87 | 33.95% |
| (c) Debt Service Coverage Ratio | $\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$ | N.A. | N.A. | N.A. |
| (d) Return on Equity Ratio | $\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$ | -5.71% | 2.47% | -330.91% |
| (e) Inventory turnover ratio | $\frac{\text{Total Turnover}}{\text{Average Inventories}}$ | 5.20 | 6.07 | -14.37% |
| (f) Trade receivables turnover ratio | $\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$ | 5.02 | 4.16 | 20.68% |
| (g) Trade payables turnover ratio | $\frac{\text{Total Purchases}}{\text{Average Account Payable}}$ | 4.83 | 3.88 | 24.71% |
| (h) Net capital turnover ratio | $\frac{\text{Total Turnover}}{\text{Net Working Capital}}$ | -12.70 | 4.73 | -368.33% |
| (i) Net profit ratio | $\frac{\text{Net Profit}}{\text{Total Turnover}}$ | -5.12% | 2.23% | -329.53% |
| (j) Return on Capital employed | $\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$ | -0.06% | 1.71% | -103.67% |
| (k) Return on investment | $\frac{\text{Return on Investment}}{\text{Total Investment}}$ | 0.00% | 44.59% | -100.00% |

- (a) Current Ratio is decreased due to Increase in Current Liabilities.
(b) Debt-Equity Ratio is increased due to Increase in Total Debts.
(c) Return on Equity Ratio is decreased due to Decrease in Net Profit.
(d) Net capital turnover ratio is decreased due to Increase in Current Liabilities.
(f) Net profit ratio is decreased on account of incurring Loss.
(j) Return on Capital employed is Decreased on account of incurring Loss.
(k) Return on investment

38 Other Statutory Disclosures as per the Companies Act, 2013

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

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

39 Regrouping

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

40 Other Notes

The Company has received intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006, and hence, disclosures, if any, relating to amount unpaid as at the period end as required under the act has been given. The interest has not Disclosure requirement as required by the AS-15 (Revised 2005). Employee Benefits are not given in view of non-availability of the required information with the company.

For DJNV & Co.

Chartered Accountants
Firm's Registration No. 115145W

For and on behalf of the Board
Ushanti Colour Chem Limited

CA Shruti C Shah

Partner
Membership No. 175839

UDIN: 24175839BKFFQQ7297
Place: Ahmedabad
Date: 29 May 2024

Maunul Gandhi

Director
00118559

Arjun Gandhi

Director
09254434

Pradip Parikh

CFD
AIZPP5478J

Vishakha Tanwar

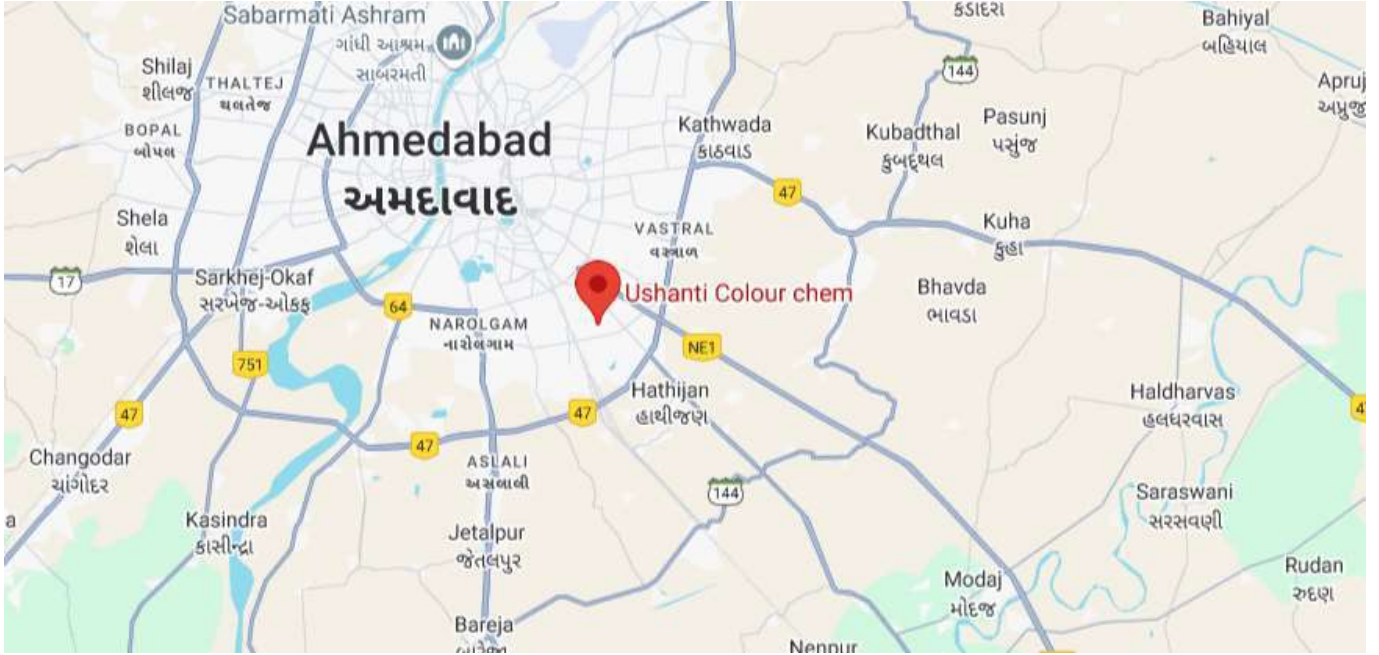
CS
M. No: 40517

Place: Ahmedabad
Date: 29 May 2024

Route Map of the venue for 31st Annual General Meeting of M/s. Ushanti Colour Chem Limited

Date & Time: Saturday, 28th September 2024 at 11:00 AM IST.

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





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

ATTENDANCE SLIP

31ST ANNUAL GENERAL MEETING

| | |
|--|--|
| 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 31st Annual General Meeting of the Company held on **Saturday, 28th September 2024 at 11:00 AM IST at registered office of the Company situated** at 88/8, GIDC 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]

Ushanti Colour Chem Limited

CIN: L24231GJ1993PLC019444

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/ Client Id: | |
| DP ID: | |

I/ We being the member of, holding Equity shares, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature:

2. Name:

Address:

E-mail Id:

Signature:

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 31st Annual General Meeting of members of the Company, to be held on **Saturday, 28th September 2024 at 11:00 AM IST** at 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 | Again |
| ORDINARY BUSINESS | | | |
| 1 | TO RECEIVE, CONSIDER, APPROVE AND ADOPT THE AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS' AND THE AUDITORS' THEREON. | | |
| 2 | TO APPOINT A DIRECTOR IN PLACE OF MR. SHANTILAL BHAILALBHAI GANDHI (DIN: 00118509), WHO RETIRES BY ROTATION AT THIS 31ST ANNUAL GENERAL MEETING, AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT. | | |
| 3 | TO RE-APPOINT STATUTORY AUDITORS OF THE COMPANY FROM THE CONCLUSION OF 31ST ANNUAL GENERAL MEETING TILL THE CONCLUSION OF THE 36TH ANNUAL GENERAL MEETING. | | |
| SPECIAL BUSINESS | | | |
| 4 | APPROVAL TO BORROW MONEY IN EXCESS OF SPECIFIED LIMITES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013 | | |
| 5 | APPROVAL FOR CREATION OF CHARGE ON MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY UNDER | | |



| | SECTION 180(1)(A) OF THE COMPANIES ACT, 2013. | | |
|----|---|--|--|
| 6 | APPROVAL TO INCREASE THE THRESHOLD OF LOANS/ GUARANTEES, PROVIDING SECURITIES AND MAKING INVESTMENTS IN SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013. | | |
| 7 | APPROVAL FOR TRANSACTIONS OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013. | | |
| 8 | APPROVAL OF ACQUISITION AND PURCHASE OF INDUSTRIAL LAND FROM HUF INDUSTRIES, A RELATED PARTY. | | |
| 9 | APPROVAL FOR SALE/DISPOSAL OF IMMOVABLE PROPERTIES OF THE COMPANY PURSUANT TO THE PROVISIONS OF SECTION 180(1)(A) OF THE COMPANIES ACT, 2013 AND REGULATION 37A(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. | | |
| 10 | APPROVAL OF TERMS AND CONDITIONS FOR PAYMENT OF REMUNERATION TO MR. MINKU SHANTILAL GANDHI (DIN: 00118617), JOINT MANAGING DIRECTOR OF THE COMPANY. | | |
| 11 | APPROVAL OF TERMS AND CONDITIONS FOR PAYMENT OF REMUNERATION TO MR. MAUNAL SHANTILAL GANDHI (DIN: 00118559), JOINT MANAGING DIRECTOR OF THE COMPANY. | | |

Signed this day of 2024

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 31st 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.
4. Please complete all details of member(s) in above box before submission.