



DUCOL  
ORGANICS & COLOURS LTD.



# EXPANDING HORIZONS

Annual Report 2022-23

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## Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward- looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/ images of our facilities, products or of any such nature/ kind

# EXPANDING HORIZONS

From its inception in 1994, Ducol Organics has consistently broadened its horizons, evolving into a global pigment dispersion powerhouse. This expansion is multifaceted: From having our presence felt in 30 countries across continents Ducol's horizons continually widen. The company's philosophy of mastering color, its relentless R&D pursuits, and its increasing production capacities underscore a commitment to not just growth but excellence. Their expanding product range, from Dutint to Dupralin, exemplifies a horizon that keeps stretching. With visionary leadership at the helm, advanced manufacturing capabilities, and strategic alliances, Ducol's journey isn't just about reaching new markets but about influencing, innovating, and imprinting excellence on every shade of the global canvas.



# Founded in 1994, Ducol Organics excels in pigment dispersions with global reach, robust fundamentals, enduring partnerships, and experienced leadership.

## Foundation and Facilities

Founded in 1994, Ducol Organics and Colours has emerged as a leading manufacturer of Pigment Dispersions. Our operational prowess spans two manufacturing sites: two existing Taloja plants and one new Mahad unit.

## Robust Fundamentals

Our success is anchored in robust fundamentals, healthy and thriving financial ratios, and consistent positive cash flow.

## Dual Core Expertise

At the heart of our operations lies our dual-core expertise - a comprehensive understanding of pigments coupled with the proficiency to craft high-efficacy dispersion. This unique blend of knowledge fuels our commitment to excellence and path to future progress & growth

## Global Reach

Spanning more than 30 countries, our exports reach far and wide, encompassing regions such as the USA, China, South Korea, Bangladesh, Middle East, Kenya, Tanzania, etc. This global presence reflects our capabilities to cater to diverse international markets.

## Enduring Partnerships

Our journey is marked by strong, enduring partnerships with global players across various geographies. These alliances underscore our commitment to fostering long-lasting relationships and delivering value.

## Experienced Leadership

Our seasoned promoters, directors bring close to three decades of industry experience. They are deeply involved in our company's daily decision-making and management, ensuring its continued success and growth.



What do we do

**Our core business involves the manufacturing and distribution of pigments and dispersions, preparations, concentrates, paste colourants, and masterbatches.**

Ducol offers a wide range of high-quality pigment dispersions tailored to meet the specific needs of industries. Our core business involves the manufacturing and distribution of pigments and dispersions, preparations, concentrates, paste colourants, and masterbatches.

With a nationwide customer base and a thriving export business, Ducol's integrated operations encompass developing, manufacturing,

marketing, and distributing pigments, dispersions and masterbatches. The company's well-equipped laboratories are dedicated to refining process capabilities and exploring innovative product application techniques. Our team of skilled professionals and technicians remain at the forefront of technological advancements to cater to industry requirements.

# Milestones and Colourful Landmarks



**1990**

R&D labs

Set up R&D labs to research and develop process capabilities & product application techniques.



**1994**

Ducol

Incorporation of Ducol Organics & Colours.



**1995**

Production

Commercial production facilities set up.

**2002**

Rheine Chemie

Tie up with Rheine Chemie (Bayer Group-now a part of Lanxess) for the production of rubber masterbatches.



**1997**

Pigment

In anticipation of the future, Ducol focuses on pigment dispersions for various industries.

**1996**

Unit-I

Started commercial production by setting up Unit-I at MIDC, Taloja.



**2009**

Unit-II

Setting up of Unit-II at MIDC, Taloja for masterbatches. Concurrently, Ducol begins producing plastics masterbatches.



**2010**

CPS Colours

Ducol ties up with CPS Colours for the production of machine colourants.



**2011**

Going Global

Agreement with DIC-AP for the distribution of Ducol's products, including Duprint and Dutint, in APAC and Middle East.

**2019**

Mahad

Setting up of facilities at Mahad.



**2014**

ERP

Implemented SAP as the operating system.

**2012**

3<sup>rd</sup> Plant

3<sup>rd</sup> Plant is set up to produce dry dispersions.



**2022**

Listing

Achieved SME Listing.

# Message From The Managing Director

Dear Fellow Shareholders,

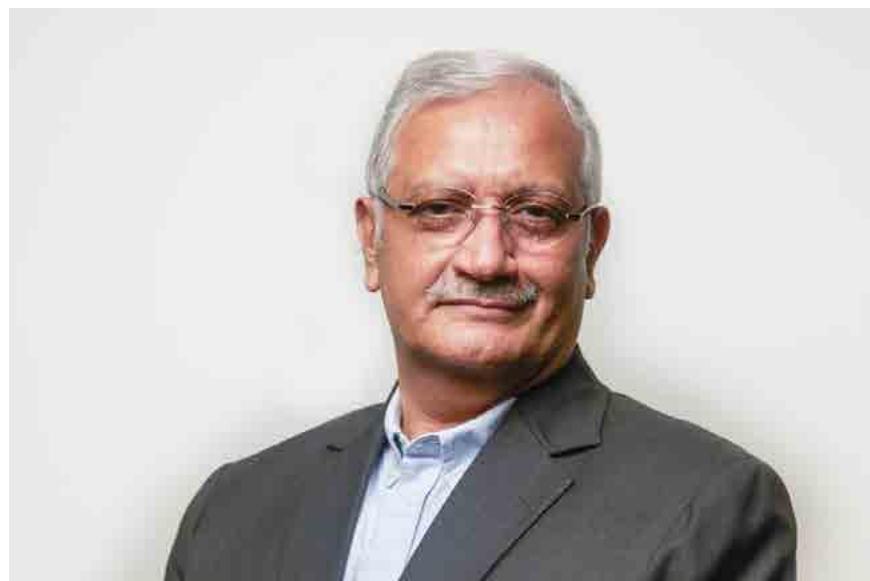
I am pleased to reach out to you all today and express my gratitude for your continued support and faith in our company. With immense pride, I share with you that we have achieved significant growth in the past year, and our company's performance has substantially improved. Our improved performance is a result of our employees' hard work and dedication and the trust and support of our stakeholders. We are confident that we will continue to achieve success and create value for our shareholders.

For F.Y. 2023, our revenue from operations was at Rs. 90.73 crore, showcasing a healthy growth rate of 10.25% compared to F.Y. 22. Our EBITDA for F.Y. 23 was at Rs. 12.71 crore, indicating a strong increase of 46.76% compared to F.Y. 22. F.Y. 23 PAT stood at Rs. 6.11 crore, reflecting a healthy YoY increase of 76.94% mainly due to our ability to capitalise on market opportunities and generate higher sales.

As you all know, we recently completed our Initial Public Offering (IPO), and it has been an exciting journey for us so far. The IPO has provided us with the opportunity to expand our operations and tap new opportunities.

We are establishing a state-of-the-art production facility in Mahad in a phased manner. We are delighted to inform you that this new facility will enable us to meet the increasing demands of our customers and support our growth plans for the future. The new facility will help us to cater to almost all industries that require pigment dispersions, including paint, detergent, plastic, and ink. We expect to complete the first phase in the current year.

We see double-digit growth in the paint industry riding on increased urbanisation, rising income, and high construction activity. However, we recognise that the future may present some challenges, and we must be vigilant to remain resilient and adaptable. The global uncertainties and their impact on India's economy



are of particular concern, and we will be closely monitoring the situation to ensure that we remain resilient and adaptable.

Our in-depth understanding of market trends and customer needs allows us to anticipate their requirements and develop tailored solutions that meet and exceed their expectations. By leveraging our technical expertise and strong R&D capabilities, we aim to remain at the forefront of technological advancements and maintain a competitive edge in the market. We are committed to providing exceptional customer service and building long-lasting relationships with our clients, which has been instrumental in our market expansion efforts.

In conclusion, I would like to express my gratitude to you all for your continued trust and support. Our company remains committed to delivering value to our stakeholders, and we look forward to a bright future ahead.

Sincerely,

**Aamer Ahmed Farid**  
Managing Director



## Vision

To create sustainable growth in pigment and dispersions and to be the preferred partner to the industry in the global arena.



## Mission

To improve values at the product level providing operational convenience and innovative solutions to our customers.



## Philosophy

Expertise through better understanding of colour, colour management and technology.



Ducol presents diverse products tailored to cater to distinct industrial needs and applications. Our colourful lineup includes:



#### **Dutint**

A water-based pigment dispersion designed for paints, ensuring optimal color consistency.



#### **Duprint**

Water based finely dispersed pigment concentrates, offering enhanced performance for printing inks.



#### **Duplast**

Masterbatches that combine polymers with pigments and additives, catering to diverse polymer applications.



#### **Dutex**

Organic pigment emulsions formulated for textile printing.

Ducol's product portfolio embodies both diversity and adaptability, catering adeptly to numerous industries. We present a broad spectrum of products, each fine-tuned to the distinct demands of various sectors. Our commitment shines in these custom-designed offerings, ensuring they not only meet but exceed industry challenges.



#### **Dusperse**

Water-based pigment dispersion tailored for the specific requirements of soaps and detergents.



#### **Dupren**

Pigment preparations optimised for rubber applications.



#### **Dupralin**

Aqueous pigment dispersion for paper.

## Key Strategies to Drive Growth

**The company also has ambitions to broaden its global customer reach. Strategic infrastructural developments and capacity boost dovetail with growing product demands, cementing Ducol's path to expansion.**

### Key Strategies

Ducol's growth blueprint encompasses expanding product lines and branching into diverse categories. Prioritising the incorporation of the latest technologies is pivotal, as innovation and technological synergy underpin Ducol's endeavours. The company also has ambitions to broaden its global customer reach. Strategic infrastructural developments and capacity boost dovetail with growing product demands, cementing Ducol's path to expansion.

- Enhancing Production Capacities 
- Building a Professional Organization 
- Expanding Geographical spread and increasing customer base 
- Increasing Product Portfolio 
- Getting into strategic alliances 

# CAPEX Initiative

Ducol's capital investment strategies emphasise rejuvenating the existing Taloja facility with updating technology and a superior infrastructure. Additionally, there are blueprints to inaugurate two new units within the Mahad plant, aiming at a larger expansion.

## Product Range Enhancement:

- Adding newer products to existing range.
- Formulating products for newer applications.
- Getting into futuristic & cutting-edge technologies.

## Projected Production Capacity for the Next 5 Years:

- Wet Dispersions: 8,000 to 10,000 MT
- Dry Dispersions: 18,000 to 20,000 MT
- Master Batches: 8,000 to 10,000 MT

## Geographical Proliferation:

- Manufacturing facilities that meet global benchmarks.
- Demonstrated product excellence on an international scale.
- Strategic investments in marketing, aiming to burgeon market presence domestically and overseas.



# Ducol's Wide-Ranging Clients

Ducol's reach extends to marquee clients across diverse industries such as paints, inks, textiles, rubber, plastics, paper, soaps, and detergents. Our enduring associations with clients across these domains underscore our unwavering commitment to product delivery. This varied client base provides Ducol with a resilience buffer against potential economic challenges in any specific industry. Proudly, Ducol exports to over 30 countries and has built lasting relationships with domestic and international clients.

## Major Clients



**INDIGO**  
Be surprised!



# Global Footprint

Ducol's focus on cultivating durable client ties and its expanding global footprint is evident in its stellar outcomes. Our satisfied client base, spanning both domestic and international markets, speaks volumes about our offerings' global resonance. Relationships that have weathered over two decades underscore the trust and respect we have fostered, reflecting our perpetual drive to add value to our clients' success worldwide.



# Manufacturing and R&D Capabilities

Ducol's spirit of innovation thrives on its robust in-house development initiatives. Armed with deep product and process insights, we relentlessly venture into groundbreaking territories. Our solid foundational knowledge empowers us to innovate, catering to an ever-evolving global landscape.

Presently operating from two units in Taloja, we are establishing a third unit in Mahad where trial production is undergoing. Backed by substantial infrastructure, production capacities, and fully equipped laboratories, we provide comprehensive support for product development, quality assurance, and application assistance, positioning us as a reliable source for holistic product solutions. ISO 9001:2015 certification has been achieved for Unit I and II at Taloja.

## Dispersion Mastery at Ducol

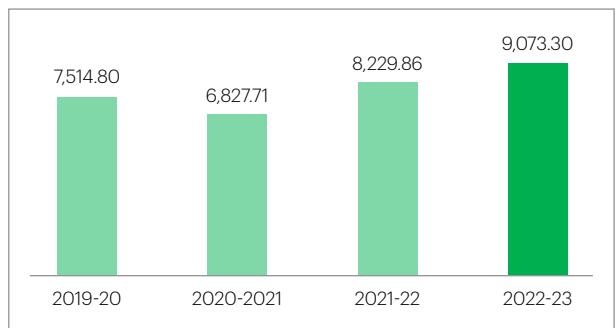
Ducol shines with good expertise in the dispersion domain, characterised by a unique dual-core specialisation like Pigment Powders & Dispersions, , making us the go-to for refined dispersion solutions.



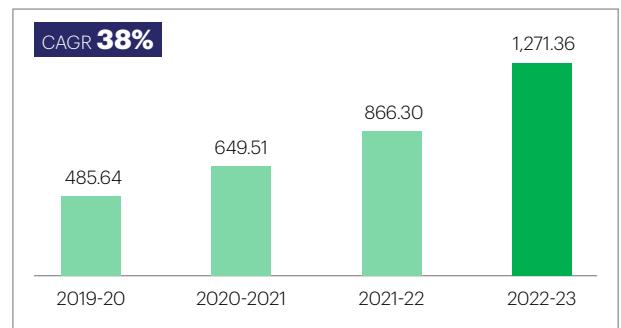
# Financial Highlights

## Key Financial Numbers

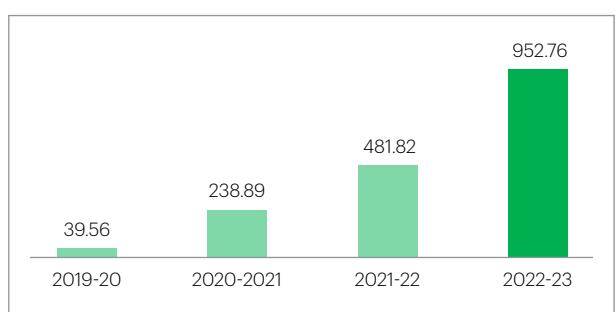
### Revenue



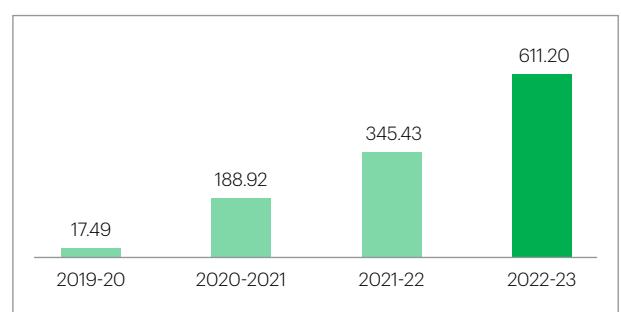
### EBIDTA



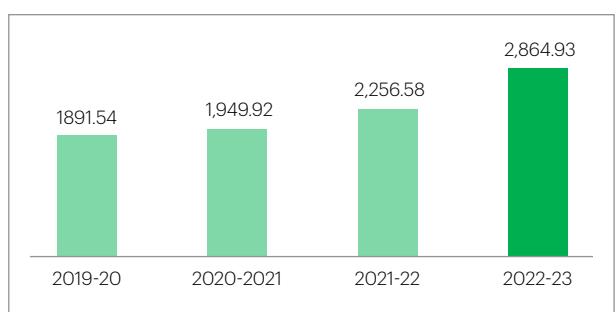
### PBT



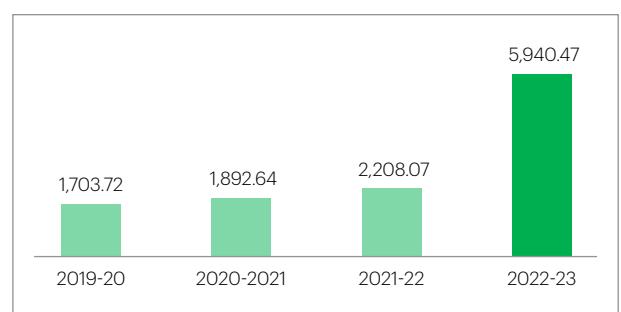
### PAT



### Fixed Assets

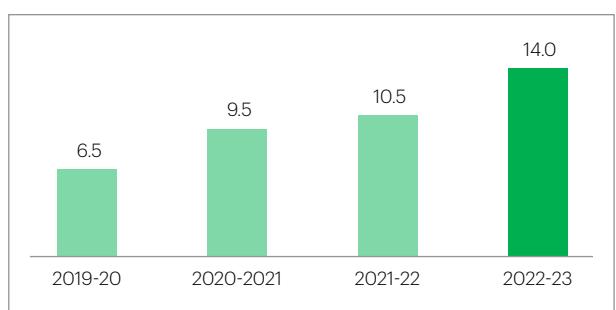


### Net Worth

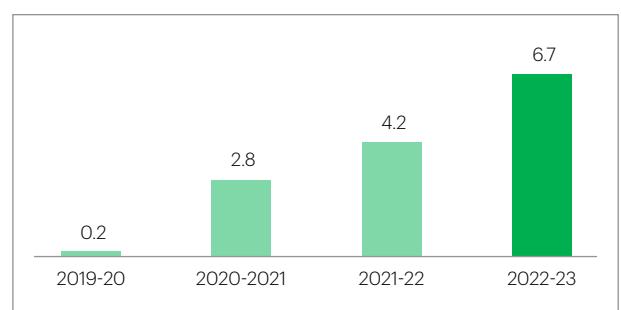


## Key Ratios

### EBIDTA (% of Revenue)



### PAT (% of Revenue)



# Notice of Annual General Meeting

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting of the members of Ducol Organics And Colours Limited (Formerly known as Ducol Organics & Colours Private Limited)** will be held on Tuesday, 26<sup>th</sup> September, 2023 at 11:00 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

## Ordinary Business:

1. To receive, consider, approve, and adopt the audited Standalone Financial Statement of the Company including the audited Balance Sheet as of 31<sup>st</sup> March, 2023, Statement of Profit and Loss, and Cash flow statement for the year ended together with the reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Aamer Ahmed Farid (DIN: 00711705), Director, who is liable to retire by rotation and being eligible, offers himself for re-appointment by rotation;

**"RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Mr. Aamer Ahmed Farid (holding DIN: 00711705) as a Director, to the extent that he is required to retire by rotation."

3. **Appointment of M/s. Choudhary Choudhary & Co., Chartered Accountants (Firm Registration No. 002910C) as statutory auditors of the Company for the period of 5 years:**

To consider and approve the appointment of M/s Choudhary Choudhary & Co., Chartered Accountants (ICAI Firm Registration Number: 002910C) as the "Statutory Auditors" of the Company for a First term of 5 (Five) years and if thought fit, to pass, the following as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Choudhary Choudhary & Co., Chartered Accountants (Firm Registration Number: 002910C), be and are hereby appointed as the "Statutory Auditors" of the Company for a first term of 5 (Five) consecutive years, commencing from the conclusion of the 29<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting (i.e., to conduct the Statutory Audit of the Company from the Financial Year 2023-24 up to the Financial Year 2027-28, on such remuneration as may be decided by the Board."

## 4. Declaration of Dividend:

To declare a Dividend of ₹ Re. 0.75 per share (i.e., 7.5% on face value) per Equity share of face value of ₹10/- each fully paid-up of the Company for the financial year ended March 31, 2023.

## SPECIAL BUSINESSES:

### Item No 5: Contribute to Charitable Trusts:

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

**"RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company to make contributions of donations to various legitimate charitable and other funds, the total of which shall not exceed INR 75,00,000/- p.a. (Indian Rupees Seventy-Five Lakhs only) from FY 2023-24 to F.Y. 2027-2028.

**"RESOLVED FURTHER THAT** any of the previous acts, deeds, actions done / performed / accomplished by the Company as mentioned in Section 181 of the Companies Act, 2013 (i.e., contribution/ donation to bona fide charitable and other funds) be and are hereby ratified by members of the Company."

**"RESOLVED FURTHER THAT** Mr. Aamer Ahmed Farid [DIN : 00711705] and/or Mr. Hani Ahmed Farid [DIN : 00711968], Directors of the Company, be and are hereby severally authorized to take all necessary/relevant step(s) as may be deemed expedient by them for giving effect to this resolution for and on behalf of the Board of Directors."

### Item No. 6: Approval of the Sitting Fees of the Non-executive Independent Director(s).

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

**"RESOLVED THAT** pursuant to provisions of Section 197 (5) of the Companies Act, 2013, read with rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company; approval of the Members of the Company be and is hereby accorded for payment of sitting fees to the Non-executive Independent Directors for attending meetings of the Board and/or Committees thereof existing or new and such other meeting attended as member, which shall not exceed ₹2,50,000/- per annum for meeting of the Committee thereof or such other meeting plus applicable Goods and Service Tax (GST) on reverse charge mechanism basis payable by the Company w.e.f. 1<sup>st</sup> April, 2023 and any other expense incurred on behalf of the Company as the Board may approve as per Company's policy."

**"RESOLVED FURTHER THAT** Mr. Aamer Ahmed Farid [DIN : 00711705] and/or Mr. Hani Ahmed Farid [DIN : 00711968], Directors of the Company, be and is hereby authorized to take all necessary step(s) as may be necessary, proper or expedient to give effect to the aforesaid resolution."

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
DUCOL ORGANICS AND COLOURS LIMITED**

Place: Mumbai  
Date: 24/08/2023

Sd/-  
**SABINA QURESHI**  
Company Secretary  
ACS: A65859

**Registered Address:**

Office No 302, Express Building, 14-E Road, Churchgate, Mumbai 400020

**NOTES**

1. In order curb COVID-19 pandemic, the Ministry of Corporate Affairs (hereinafter referred to as the said "**MCA**") vide Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 03/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 (collectively referred to as the said "**MCA Circulars**") read with Securities and Exchange Board of India (hereinafter referred to as the said "SEBI") vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023 (collectively referred to as the said "**SEBI Circulars**"), have provided relaxations from compliance with certain provision of the SEBI Regulations.
2. In compliance with Section 108 of the Companies Act, 2013 (the "**Act**") (including any statutory modifications or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), as amended from time to time, read with MCA Circulars, SEBI Circular and pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**the Listing Regulations**"), permitted the holding of Annual General Meeting through Video Conference (VC) or Other Audio-Visual Means (OAVM) without the physical presence of Members at a common venue, the 29<sup>th</sup> Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, the Members can attend and participate in the ensuing 29<sup>th</sup> AGM through VC/OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue for the 29<sup>th</sup> AGM.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 29TH AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS 29TH AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS & SEBI CIRCULARS THROUGH VC/ OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS**

**BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

4. The Company has engaged the services of Messrs Bigshare Services Private Limited (hereinafter referred to as the "**Registrar and share transfer agent**"), who are also the Registrar and Transfer Agent of the Company, as the authorized agency for conducting the VC/OAVM 29<sup>th</sup> AGM and providing remote e-voting facility for the 29<sup>th</sup> AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
5. Messrs Deep Shukla & Associates, through its Proprietor Shri Deep Shukla (FCS 5652/CP No. 5364), Practicing Company Secretaries (hereinafter referred to as the "**Scrutinizer**"), has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the 29<sup>th</sup> AGM. The result will also be submitted to the [www.nseindia.com](http://www.nseindia.com) and also will be disseminated on <https://www.ducol.com/>.
6. The Notice of the 29<sup>th</sup> Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Messrs Bigshares Services Private Limited/Depositories pursuant to the MCA Circulars 10/2022 dated December 28, 2022 read with Securities and Exchange Board of India Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 by the. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website <https://www.ducol.com/> and on the website of National Stock Exchange of India Limited at <https://www.nseindia.com/> Members can attend and participate in the 29<sup>th</sup> Annual General Meeting through VC/OAVM facility only.
7. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 5 & 6 of the Notice, are annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
8. The Members attending the 29<sup>th</sup> AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum pursuant to Section 103 of the Act.
9. Members seeking any information with regard to the accounts or any matter to be placed at the 29<sup>th</sup> AGM, are requested to write to the Company at least 03 days before the 29<sup>th</sup> AGM on so as to enable the Management to keep the information ready at the Meeting, by mentioning

their name demat account number/folio number, email id, mobile number through email at [cs@ducoll.com](mailto:cs@ducoll.com). The same will be replied by the Company suitably.

10. Those Members who intend to speak at the 29<sup>th</sup> AGM can register themselves as Speaker by marking their email to [cs@ducoll.com](mailto:cs@ducoll.com) at least 03 days before the 29<sup>th</sup> AGM. Those shareholders who have registered themselves as a speaker will only be allowed to express their ask questions during the meeting.
11. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
12. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
13. Institutional/corporate shareholders (i.e., other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent by e-mail on Scrutinizer's e-mail address at [cs@ducoll.com](mailto:cs@ducoll.com) with a copy marked to [csoffice@deepshukla.com](mailto:csoffice@deepshukla.com) Corporate Members/Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-Voting" tab in their login.
14. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 09.30 a.m. to 02.00 p.m. up to the date of 29<sup>th</sup> Annual General Meeting.
15. The Register of Members and share transfer books of the Company will remain closed from September 19, 2023 to September 26, 2023 (both days inclusive).
16. The Company has fixed cutoff date i.e.; September 19, 2023 for determining the eligibility for e-voting by electronic means at 29<sup>th</sup> AGM.
17. Members are requested to promptly notify any changes in their addresses to the Registrar and Share Transfer Agent i.e., Messrs. Bigshare Services Private Limited at their Address Office Pinnacle Business Park, Office No S6-2, 6<sup>th</sup>, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai, 400093.
18. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cutoff date i.e., September 19, 2023.
19. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to: Bigshare

Services Private Limited Office No S6-2, 6<sup>th</sup> floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India Phone: 022-62638200 | Fax : 022-62638299 Email : [info@bigshareonline.com](mailto:info@bigshareonline.com).

20. In terms of Section 152 of the Act, Mr. Aamer Ahmed Farid (holding DIN: 00711705), Managing Director is liable to retire by rotation at this 29<sup>th</sup> Annual General Meeting and being eligible, has offered himself for reappointment.
21. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode.
22. Pursuant to MCA and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this 29<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Accordingly, Corporate Members (i.e., other than individuals / HUF, NRI, etc.) intending to send their authorised representatives to attend the meeting are requested to send to the Scrutinizer a scanned copy of the Board or governing body Resolution/Authorization etc., authorising their representatives to attend the e-AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through the registered email address to [csoffice@deepshukla.com](mailto:csoffice@deepshukla.com).
23. The remote e-Voting period will commence on September 22, 2023, AT 9.00 A.M (IST) and end on September 25, 2023, AT 05:00 P.M. (IST). During this period, Members of the Company, holding shares in dematerialized form, as of the cut-off date of September 19, 2023 may cast their vote by remote e-Voting.
24. The remote e-Voting module shall be disabled by Messrs Bigshare Services Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
25. The e-Voting module on the day of the 29<sup>th</sup> AGM shall be activated during the proceeding of the 29<sup>th</sup> AGM and shall be disabled by Messrs Bigshare Services Private Limited for voting 15 minutes after the conclusion of the 29<sup>th</sup> AGM.
26. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection will be available electronically for inspection by the Members during the 29<sup>th</sup> AGM, Members seeking to inspect such documents can send an email to [cs@ducoll.com](mailto:cs@ducoll.com).

## PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

- 1) In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 as amended from time to time, provisions of Section 108 and other applicable

provisions of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 29<sup>th</sup> Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Bigshare Services Private Limited (RTA).

- 2) The Remote E-voting facility will commence from 09:00 AM (IST) on September 22, 2023 and will end at September 25, 2023 PM (IST) on 5:00 P.M. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by Bigshare Services Private Limited upon expiry of aforesaid period.
- 3) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut-off date i.e., September 19, 2023.
- 4) In order to increase the efficiency of the voting process, SEBI has decided to enable e-voting to all the demat account holders (including public non-institutional shareholders/retail shareholders) by way of a single login credentials, through their Demat accounts or websites of Depositories/Depository Participants. Demat account holder shall be able to cast their vote without having register again with the e-voting service providers.
- 5) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

## Bigshare i-Vote E-Voting System

### THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on September 22, 2023 and 09:00 AM and ends on September 25, 2023 and 05:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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 <b>BIGSHARE</b> the e-Voting service provider and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>BIGSHARE</b>, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>BIGSHARE</b> and you will be redirected to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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.

**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.

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

### 2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter your ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
  - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
  - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
  - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

**Note** If you have not received any user id or password, please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘Forgot your password?’

- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

#### Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right-hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/ UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

### 3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.

**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘Forgot your password?’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

#### **Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, **Bigshare E-voting system** page will appear.

#### **Investor Mapping:**

- First you need to map the investor with your user ID under **“DOCUMENTS”** option on custodian portal.
  - Click on **“DOCUMENT TYPE”** dropdown option and select document type power of attorney (POA).
  - Click on upload document **“CHOOSE FILE”** and upload power of attorney (POA) or board resolution for respective investor and click on **“UPLOAD”**.

**Note:** The power of attorney (POA) or board resolution has to be named as the **“InvestorID.pdf”** (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

#### **Investor vote File Upload:**

- To cast your vote, select **“VOTE FILE UPLOAD”** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **“UPLOAD”**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **“CHANGE PASSWORD”** or **“VIEW/ UPDATE PROFILE”** under **“PROFILE”** option on custodian portal.

#### **Helpdesk for queries regarding e-voting:**

<b>Login type</b>	<b>Helpdesk details</b>
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22.

#### **4. Procedure for joining the AGM/EGM through VC/OAVM:**

**For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- The Members may attend the AGM through VC/OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on **“VIEW EVENT DETAILS (CURRENT)”** under ‘EVENTS’ option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on **“VC/OAVM”** link placed beside of **“VIDEO CONFERENCE LINK”** option.
- Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**The instructions for Members for e-voting on the day of the AGM/EGM are as under: -**

- The Members can join the AGM/EGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM/EGM. However, they will not be eligible to vote at the AGM/EGM.

#### **Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22.

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

**Item No 5: Contribute to Charitable Trusts**

In accordance with the section 181 of the Companies Act 2013 read with any rules made thereunder, the company is required to obtain approval of the members before making any contribution to any charitable funds beyond a certain amount. The section also requires that the charitable fund should be a bona fide one. The company shall identify bona fide / registered charitable trusts in India from time to time to whom it would like to donate some funds in the interest of the society.

In light of the above, as per the said section, prior permission of the members of the company is sought to be obtained to enable the company to make donations and contributions to various registered / bona fide charitable trusts.

The Board of Directors, therefore, recommend the passing of the resolution as per Item No. 05 of the accompanying notice in accordance with the applicable provisions of the Companies Act, 2013.

None of the Directors of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution set out in item no. 05 of the Notice except to the extent of their shareholding in the Company.

**Item No. 6: Approval of the Sitting Fees of the Non-executive Independent Director**

In view of the above and in appreciation to the contribution and services the Independent Directors have rendered and continue to render to the Company, The Board, on the basis of the recommendation of the Nomination and Remuneration Committee ("NRC"), at their respective meeting held on 29<sup>th</sup> April, 2023, have approved and recommended an increase in the sitting fees of the Independent Directors from ₹1,50,000/- to ₹2,50,000/- to Independent Directors, per annum effective from 1<sup>st</sup> April, 2023.

The NRC and the Board would determine the annual sitting Fess (including commission) payable to the Independent Directors taking into consideration various factors such as the Director's participation in Board and Committee meetings and association with the Company during the year and contributions therein, other responsibilities undertaken, time devoted in carrying out their duties, role and functions as envisaged in Act and such other factors as the NRC may consider fit within the overall limits approved by the Members of the Company.

None of the Directors of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution set out in item no. 06 of the Notice except to the extent of their shareholding in the Company.

# Annexure to Notice

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Name of Director	Mr. Aamer Ahmed Farid
Date of Birth	August 6, 1960
Actual date of Appointment	June 16, 1994
Qualifications	B.Sc.
Expertise in Specific Functional Area	He has been associated with our Company since Inception and has been designated as Managing Director w.e.f. October 1, 2022. He has been the main guiding force. He has almost three decades of industry experience and has been instrumental in our Company's performance. He is actively involved in day-to-day business administration and marketing of the Company. He also helps us on addressing and mitigating various risks inherent in our business, including significant competition.
Directorships held in other listed companies (As on March 31, 2023)	Nil
Chairmanships/ Memberships of the Committees of the Board of Directors of other listed companies (As on March 31, 2023)	Nil
Shareholding of Directors (As on March 31, 2023)	28,00,800
Relationship between Directors inter-se	Mr. Aamer Ahmed Farid is a brother of Mr. Hani Ahmed Farid (Whole-time Director)

# Board's Report

To,  
The Members,  
**Ducol Organics And Colours Limited,**

Your directors are pleased to present the 29<sup>th</sup> Annual Report of the business and operations of your Company Ducol Organics And Colours Limited (hereinafter referred to as the said "Company" or "DUCOL") accompanied with Audited Financial Statements for the Financial Year ended on March 31, 2023. The standalone performance of the Company has been considered whenever required.

## 1. FINANCIAL RESULTS

The summarized financial performance for the financial year under review compared to the previous financial year is given here-in-below:

[₹ 000's]

	Current Financial Year ended on March 31, 2023	Previous Financial Year ended on March 31, 2022
Revenue from Operations	90,73,30.08	82,29,85.68
Other Income	70,69.23	95,04.45
<b>Total Revenue</b>	<b>91,43,99.31</b>	<b>83,24,90.14</b>
Less: Total Expenditure (Excluding Depreciation, Finance Costs, and Taxes)	78,72,63.34	74,58,60.61
<b>Profit / (Loss) before Depreciation, Finance cost &amp; Tax</b>	<b>12,71,35.97</b>	<b>8,66,29.53</b>
Less: Depreciation and amortization	1,37,94.90	1,16,79.52
Less: Finance Cost	1,80,65.39	2,67,68.14
<b>Profit before Tax</b>	<b>9,52,75.68</b>	<b>4,81,81.87</b>
Less: Provision for Tax (Including for prior year and deferred tax)	3,41,56.10	1,36,38.91
<b>Profit after Tax</b>	<b>6,11,19.57</b>	<b>345,42.96</b>
<b>Earnings per equity share – Basic and diluted</b>	<b>₹ 4.20</b>	<b>₹ 11.51</b>

## 2. REVIEW OF OPERATIONS

The performance of the Company showed a substantial improvement during the financial year under review. The Company earned total revenue grew by 9.84% at ₹ 91.43 crores (previous year ₹ 83.25 crores) and Net Profit after Tax grew by 76.94% at ₹ 6.11 crores (previous year ₹ 3.45 crores)

## 3. STATE OF AFFAIRS AND FUTURE OUTLOOK:

Your company has proactively initiated measures to navigate these challenges and drive growth. Key focus areas include optimizing supply chain efficiencies, expanding capacities, fostering innovation through the development of new products, and strengthening marketing and operational capabilities. By addressing these areas strategically, your company is poised to overcome obstacles and thrive in the evolving business landscape of 2023-24.

## 4. DIVIDEND AND RESERVES

Your directors have pleasure in recommending payment of dividend ₹ 0.75/- being 7.5% per share on Equity Shares of ₹ 10/- for the financial year ended 31<sup>st</sup> March 2023. This will absorb a total cash outflow of ₹ 109.05 Lacs The dividend, if approved, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries as on 19<sup>th</sup> September 2023.

During the financial year under review, the Company has not transferred any amount to the General Reserve.

## 5. CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY

During the financial year under review, there has been no change in the nature of the business of the Company.

The Board of Directors at their meeting held on 18<sup>th</sup> June 2022, approved the conversion of the Company from a Private

Limited Company to a Public Limited Company and altered its Articles of Association (AoA) and Memorandum of Association (MoA), consequently, the Company's name was changed from Ducol Organics & Colours Private Limited to Ducol Organics And Colours Limited, by removing the word "Private" before the word "Limited".

## **6. INITIAL PUBLIC OFFER ("IPO") AND LISTING:**

Pursuant to Section 23 (1) of the Companies Act, 2013 and other provision under the said Act and rules made thereunder read with chapter IX of the securities and exchange board of India (issue of capital and disclosure requirements) regulations, 2018 ("SEBI (ICDR) regulations"), as amended in terms of rule 19(2)(b) of the securities contracts (regulation) rules, 1957 had made Initial Public Offer aggregating to INR 3151.20 LAKHS ("Issue Size") and has issued and allotted 40,40,000 equity share of INR 10/- each at a price of INR 78/- per share through an Initial Public Offer. Furthermore, the Equity Shares of your company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") on Thursday, January 19, 2023.

## **7. SHARE CAPITAL**

As on March 31, 2023, the authorized capital of the company was INR 15,00,00,000/- (Indian Rupees Fifteen Crores only) divided into 1,50,00,000 (One crore fifty Lacs only) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

Further, the issued, subscribed and paid-up share capital of the company was INR 14,54,00,000/- (Indian Rupees Fourteen Crores Fifty-Four Lacs only) divided into 1,45,40,000 (One Crore Forty -Lacs Forty Thousand Only) Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

### **7.1. Changes in Authorised Capital:**

As on the date of signing of this report, the Company has increased its authorized capital from INR 3 Crores (Indian Rupees Three Crores only) to INR 15 Crores (Indian Rupees Fifteen Crores only) by creation of additional INR 12 Crores (Indian Rupees Twelve Crores only) comprising of 1,20,00,000 (One Crore Twenty Thousand) Equity Shares of ₹ 10 (Indian Rupees Ten Only) each and same was approved by the members of the company at the Extra-Ordinary General Meeting held on May 05, 2022.

## **7.2. Changes in Paid up Capital:**

On 12<sup>th</sup> May, 2022, the Company has allotted 75,00,000 (Seventy Five Lacs) Equity Shares through bonus issue to the existing shareholders of the company subject to members approval in the ratio of 5 new equity shares for every 2 shares held of INR 10.00 (Indian Rupees Ten Only) each to the shareholders whose names appear in the Register of Members as on the record date i.e., 13<sup>th</sup> April, 2022 and same was approved by the members at the May 05, 2022.

Consequently, the paid-up share capital of the company as on date comprises of 1,05,00,000 (Ten Crores Five Lacs) Equity Shares of ₹ 10/- (Indian Rupees Ten Only) each.

## **8. INVESTORS EDUCATION AND PROTECTION FUND ("IEPF")**

Section 125 of the Companies Act, 2013 ('the Act'), read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), provides that, all unpaid or unclaimed dividends shall be transferred by the Company to the IEPF Authority established by the Government of India after the completion of seven years. Further, according to the said IEPF Rules, the shares on which dividend remains unpaid or unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

The Company does not have unclaimed dividends at the beginning and end of the year. Ms. Sabina Qureshi, Company Secretary and Compliance Officer of the Company acts as the Nodal Officer to ensure compliance with the IEPF Rules.

## **9. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT.**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and up to the date of this report.

## **10. MANAGEMENT DISCUSSION AND ANALYSIS.**

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report as "**Annexure I**" and is incorporated herein by reference and forms an integral part of this report.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the financial year under review, the following changes took place:

SR NO	NAME OF DIRECTORS/ KMP'S	DIN/MEMBERSHIP NO	DATE OF APPOINTMENT/ CHANGES IN DESIGNATION	CURRENT POSITION
1	Mr. Aamer Ahmed Farid	00711705	October 01, 2022	Managing Director
2	Mr. Hani Ahmed Farid	00711968	October 01, 2022	Whole Time Director
3	Ms. Sabina Qureshi	A65859	May 05, 2022	Company Secretary & Compliance Officer
4	Ms. Shivani Tiwari	09359208	June 01, 2022	Non -executive, Independent Director
5	Mr. Ratnakar V. Rai	00126309	June 01, 2022	Non -executive, Independent Director
6	Mr. Abhishek Agrawal	09624370	June 01, 2022	Non -executive, Independent Director
7	Mrs. Manisha Agrawal	NA	June 13, 2022	Chief Financial Officer

- In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Aamer Ahmed Farid [DIN: 00711705], Managing Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 29<sup>th</sup> Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

Further, Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are:

Sr. No.	Name of KMP	Designation
1.	Mr. Aamer Ahmed Farid	Managing Director
2.	Mr. Hani Ahmed Farid	Whole Time Director
3.	Ms. Sabina Qureshi	Company Secretary & Compliance Officer
4.	Mrs. Manisha Agrawal	Chief Financial Officer

## 12. SEPARATE MEETING OF INDEPENDENT DIRECTORS: BOARD EVALUATION & DISCUSSIONS WITH INDEPENDENT DIRECTORS:

- Pursuant to paragraph VII of Schedule IV, in terms of Section 149 (8) of Companies Act, 2013 and Regulation 25 (3) & (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements, 2015, the Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business-related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

Sr. No	Name of Directors	Ms. Shivani Tiwari	Mr. Ratnakar V. Rai	Mr. Abhishek Agrawal
	Designation as on March 31,2023	Independent Director	Independent Director	Independent Director
1	24, March, 2023	Y	Y	Y

- Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement/ SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees. The Directors expressed satisfaction with the evaluation process.

## 13. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended,

Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

#### **14. COMPOSITION OF BOARD, NUMBER OF BOARD MEETINGS & ITS POLICY:**

The existing policy is having a blend of appropriate combination of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2023, the Board had 5 (Five) members, consisting of 2 (Two) executive directors, 01(One) non-executive & independent woman director of the board is a woman and 2 (Two) Independent directors. Dates for Board Meetings are well decided in advance and communicated to the Board and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement. The information as required under Regulation 17(7) read with Schedule II Part A of the LODR is made available to the Board. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('AGM') of the Shareholders. Additional meetings are held, when necessary.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

During the Financial Year 2022-23, the Company held 13 (Thirteen) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 was adhered to while considering the time gap between two meetings.

<b>Sr No.</b>	<b>Dates of Meeting</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1.	04-04-2022	2	2
2.	05-04-2022	2	2
3.	13-04-2022	2	2
4.	12-05-2022	2	2
5.	31-05-2022	2	2
6.	02-06-2022	5	2
7.	18-06-2022	5	5
8.	11-07-2022	5	5
9.	30-08-2022	5	5
10.	05-09-2022	5	5
11.	27-10-2022	5	5
12.	28-11-2022	5	5
13.	16-01-2023	5	5

Attendance details of Directors for the year ended March 31, 2023 are given below:

<b>Name of the Directors</b>	<b>Category</b>	<b>No. of Board Meetings attended</b>
Mr. Aamer Ahmed Farid	Managing Director	13
Mr. Hani Ahmed Farid	Whole-time Director	13
Mr. Ratnakar Venkappa Rai	Independent Director	7
Mr. Shivani Shivshankar Tiwari	Independent Director	7
Mr. Abhishek Agrawal	Independent Director	7

#### **15. FORMATION OF THE COMMITTEES OF THE BOARD**

##### **AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 177 of the Companies Act, 2013 ("Act").

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the statutory auditor and notes the processes and safeguards employed by each of them.

During the year 02 (Two) meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2023, the dates which are 27<sup>th</sup> October, 2022 and 28<sup>th</sup> November, 2022.

**Details of Composition of the Committee:**

Sr. No	Name of Director	Position in Committee	No. of Meetings Attended
1	Mr. Ratnakar Venkappa Rai	Chairperson,Independent Director	02
2	Ms. Shivani Tiwari	Member,Independent Director	02
3	Mr. Abhishek Agrawal	Member,Independent Director	02

**NOMINATION & REMUNERATION COMMITTEE:**

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

During the year ended 31<sup>st</sup> March, 2023, 01 (One) meeting of the Committee was held on 28<sup>th</sup> November, 2022.

**Details of Composition of the Committee:**

Sr. No	Name of Director	Category	No. of Meetings Attended
1	Mr. Ratnakar Venkappa Rai	Chairperson, Independent Director	01
2	Miss Shivani Tiwari	Member, Independent Director	01
3	Mr. Abhishek Agrawal	Member, Independent Director	01

**Nomination and Remuneration Policy:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The Board of Directors is authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members. The Nomination & Remuneration committee has been assigned to approve and settle the remuneration package with optimum blending of monetary and non-monetary outlay.

Sr.No.	Name of Directors and KMP	Designation	Remuneration per annum (In ₹)
1	Mr. Aamer Ahmed Farid	Whole-time Director	84,00,000/-
2	Mr. Hani Ahmed Farid	Whole-time Director	78,00,000/-
3.	Mrs. Manisha Agrawal	Chief Financial Officer	4,03,200/-
4.	Ms. Sabina Qureshi	Company secretary	5,17,984/-

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

During the year 01 (One) meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2023, the date of which is 28<sup>th</sup> November, 2022.

Details of the composition of the Committee and attendance during the year are as under:

Sr. No	Name of Director	Category	No. of Meetings Attended
1	Mr. Ratnakar Venkappa Rai	Chairman,Non- Executive Director	01
2	Miss Shivani Tiwari	Member, Independent Director	01
3	Mr. Abhishek Agrawal	Member, Independent Director	01
4	Mr. Aamer Ahmed Farid	Member, Managing Director	01

The details of complaints received and resolved during the Financial Year ended March 31, 2023 are given in the Table below. The complaints relate to non-receipt of annual report, dividend, share transfers, other investor grievances, etc.

Details of complaints received and resolved during the Financial Year 2022-23:

Particulars	Number of Compliant
Opening as on April 1, 2022	-
Received during the year	-
Resolved during the year	-
Closing as on March 31, 2023	-

## 16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 17. CODE FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted the Internal Code of conduct for Regulating, monitoring and reporting of trades by Designated persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 ("Code") for prohibition of insider trading in the securities of the DUCOL to curb the practice for dealing in the securities while having Unpublished Price Sensitive Information ("UPSI") by the Insiders of the Company.

The Code, inter alia, prohibits dealing in securities by insiders while in possession of unpublished price sensitive information. The said Code has been amended, from time to time, to give effect to the various notifications/circulars of Securities and Exchange Board of India ("SEBI") with respect to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Your Company has also formulated and adopted the Policy and Procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information [Under Regulation 9A (5) of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015].

## 18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as 'Annexure III' and forms an integral part of this report.

Further, as per the provisions specified in Chapter XIII of Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules, 2016, none of the employees of the Company are in receipt of remuneration exceeding ₹ 1,02,00,000/- per annum, if employed for whole of the year or ₹ 8,50,000/- per month if employed for part of the year.

## 19. ANNUAL RETURN:

Pursuant to Notification dated 28<sup>th</sup> August, 2020 issued by the Ministry of Corporate Affairs as published in the Gazette of India on 28<sup>th</sup> August, 2020, the details forming part of the extract of Annual Return in Form MGT-9 is not required to be annexed herewith to this report. However, the Annual Return will be made available at the website of the Company at: [www.ducol.com](http://www.ducol.com).

## 20. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES:

The Company does not have any subsidiary / Associate company and has not entered into a joint venture with any other company.

## 21. STATUTORY AUDITORS' AND AUDITORS' REPORT:

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), proposed to appoint M/s Choudhary Choudhary & Co. Chartered Accountants, bearing ICAI Registration Number: 002910C, as the Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of the 33<sup>rd</sup> AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of Choudhary Choudhary & Co., Chartered Accountants, for the financial year 2022-23 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Choudhary Choudhary & Co, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s Choudhary Choudhary & Co., have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Hence, the Notice convening the ensuing 29<sup>th</sup> AGM contains a resolution of appointment of Statutory Auditors.

## 22. SECRETARIAL AUDIT:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made there under, mandate the company to have Company Secretary in practice for furnishing secretarial audit report, accordingly, M/s Deep Shukla & Associates have been appointed as Secretarial Auditors of the Company. The Board of Directors of your DUCOL had already appointed Messrs Deep Shukla & Associates, Practicing Company Secretaries, Mumbai, a peer-reviewed firm, to act as the Secretarial Auditor. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2023, as required under Section 204 of the Act.

The Secretarial Auditors' Report for fiscal 2023 does not contain any qualification, reservation, or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure IV** to the Board's report, which forms part of this Integrated Annual Report.

## 23. INTERNAL AUDIT & CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statement. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed. The Audit Committee of the Board periodically reviews the internal control systems with the management and Statutory Auditors.

Further, M/s. A.P & Co., Chartered Accountants (Firm Reg. No. 100040W) acting as an Internal Auditor of the Company for a term of five (5) years i.e., from Financial Year 2022-23 to 2026-27.

## 24. EMPLOYEES' STOCK OPTION PLAN:

The Company has not provided stock options to any employee.

## 25. VIGIL MECHANISM:

In pursuant to the provisions of sections 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been

uploaded on the website of the Company at [www.ducol.com](http://www.ducol.com). The employees of the Company are made aware of the said policy at the time of joining the Company.

## 26. RISK MANAGEMENT POLICY:

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of the top 500 listed entities, determined on the basis of market capitalization as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

## 27. CORPORATE GOVERNANCE REPORT:

Your Company is committed to achieving and adhering to the highest standards of Corporate Governance. However, the provisions of Corporate Governance are not applicable to the Company pursuant to Regulation read with Regulation 15(2)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, your Company undertakes that when the above said provision is applicable to the Company the same will be duly complied with in the period of 6 months.

## 28. DEPOSITS:

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2023.

## 29. LOANS & GUARANTEES:

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013, to any person or other body corporate.

## 30. RELATED PARTY TRANSACTIONS:

Related party transactions, if any, that were entered into during the period ended March 31, 2023, were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The details of the related party transactions as per Indian Accounting Standard 24 are set out in Note No. 40 to the Significant Accounting policies part of this report.

### **31. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

#### **(a) Conservation of Energy:**

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process. Even though its operations are not energy-intensive, significant measures are taken to reduce energy consumption by using energy-efficient equipment. The Company regularly reviews power consumption patterns in its all locations and implements requisite improvements/ changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings.

Steps taken for utilizing alternate sources of energy;

The Company has not made any investment for utilizing alternate source of energy.

Capital investment on energy conservation equipment;

The Company has taken adequate measures to conserve energy by way of optimizing usage of power.

#### **(b) Absorption of Technology:**

The efforts made towards technology absorption:

In this era of competition, in order to maintain and increase the number of clients and customers, we need to provide the best quality services to our clients and customers at a minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services.

The Company has not imported any technology during the year under review;

The Company has not expended any expenditure towards Research and Development during the year under review.

Foreign exchange earnings and outgo (₹ 000's)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Earning in Foreign Exchange	55,889.79	84,126.16
Expenditure in Foreign Currency		
CIF Value of Import Purchase	79,634.01	29,325.07
Foreign Travelling Expenses	594.93	258.58

### **32. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is committed to discharging its social responsibility as a good corporate citizen.

As per the Financial Statements for the period under review, stating an increment in the profit margins of the Company, which made applicable the provisions of Section 135 of Companies Act, 2013 on the Company w.e.f. 01.04.2023. Consequently, the Company is required to formulate the Corporate Social Responsibility (CSR) Committee, if applicable as per stipulated provisions and Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, with the recommendation of the Board, and on the recommendation of such committee (if any), the Company shall spend such amount as may arrive by them on the basis of financial statements during the financial year 2023-24 and shall take note on the Report of the same in the ensuing financial year.

The Company has approved the CSR policy vide the Board meeting dated 24<sup>th</sup> August 2023. The CSR Policy is enclosed as "Annexure V" to the Board's report, which forms part of this Integrated Annual Report

### **33. COST AUDIT / COST RECORDS:**

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to our Company. However, in accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

### **34. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31<sup>st</sup> March 2023, Company has not received any complaint of harassment.

**35. LISTING WITH STOCK EXCHANGE:**

The shares of the Company were listed on National Stock Exchange of India Limited on Small, Medium Enterprise ("SME") on Thursday, January 19, 2023 only.

**36. SECRETARIAL STANDARDS:**

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

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

**38. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

During the year under review there were no material changes which affect the financial position of the Company.

**39. ACKNOWLEDGEMENT:**

The Directors would like to thank all shareholders, customers, bankers, suppliers and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

**ON BEHALF OF THE BOARD OF DIRECTORS  
DUCOL ORGANICS AND COLOURS LIMITED**

Sd/-

**AAMER AHMED FARID**  
MANAGING DIRECTOR  
(DIN: 00711705)

Sd/-

**HANI AHMED FARID**  
WHOLE TIME DIRECTOR  
(DIN: 00711968)

PLACE: MUMBAI  
DATE: 24/08/2023

**Registered Address:**

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400020

## Annexure – I

# Management Discussion and Analysis Report

The year 2022-23 was marked by two major events: the COVID-19 pandemic and the ongoing Ukraine conflict, both of which had far-reaching consequences for the global economy and supply chains. The following key factors played a significant role in shaping the economic landscape:

- a. Economic contraction - The pandemic-induced lockdown measures disrupted business operations worldwide, leading to a substantial global economic downturn. This resulted in decreased consumer demand, supply chain disruptions, and adverse effects on various sectors. Numerous countries experienced recessions, declining GDP growth rates, and escalating unemployment levels.
- b. Inflation pressures affected a wide range of commodities, prompting central banks worldwide to adopt measures such as tightening monetary policies and raising interest rates. This response aimed to curb inflation and stabilize economies.
- c. Logistics costs surged during this period, further straining supply chains. The increased expenses added to the challenges faced by businesses, necessitating innovative solutions to optimize logistics and maintain operational efficiency.
- d. Supply chain bottlenecks – The pandemic exposed the vulnerabilities associated with over reliance on global supply chains, particularly the concentration of production in a few countries. As disruptions occurred, companies faced difficulties sourcing essential components and materials, highlighting the need for diversification and more resilient supply chain strategies.
- e. Strengthening of USD vs other currencies - resulted in higher input costs for businesses operating in countries with weaker currencies. This currency dynamic added to the financial pressures faced by organizations, particularly those involved in international trade.
- f. Geopolitical uncertainty – The confluence of the pandemic and the ongoing Ukraine conflict heightened geopolitical tensions and created an atmosphere of uncertainty. This environment impacted global trade and investment, as markets became more risk-averse. Investor confidence wavered, affecting economic stability and posing challenges to businesses navigating these uncertain times.

Despite the prevailing challenges, the Indian economy showcased remarkable resilience and sustained robust growth throughout 2022-23. Effective pandemic management, a resilient manufacturing sector, accelerated digital transformation, focused infrastructure development, and a favorable investment climate contributed to India's economic success.

Your company's unwavering commitment to cost efficiencies through effective supply chain management and continuous process improvements yielded significant performance improvements during the year 2022-23.

Key performance indicators (Rs. Lakhs) for the years 2019-20, 2020-21, 2021-22, and 2022-23 are as follows:

	2019-20	2020-21	2021-22	2022-23
Net Sales	6,466	6,828	8,230	9,073
EBIDTA	409	555	866	1,271
PAT	17	189	345	611
Fixed Assets	1,892	1,950	2,257	2,865

## Outlook for the year 2023-24

As we look ahead to the year 2023-24, it is essential to recognize that the challenges from 2022-23 are expected to persist. Revival in most large economies remains elusive, impacting global financial health. However, the Indian economy is anticipated to continue its expansion, presenting opportunities for growth.

Your company has proactively initiated measures to navigate these challenges and drive growth. Key focus areas include optimizing supply chain efficiencies, expanding capacities, fostering innovation through the development of new products, and strengthening marketing and operational capabilities. By addressing these areas strategically, your company is poised to overcome obstacles and thrive in the evolving business landscape of 2023-24.

## CHANGES IN KEY FINANCIAL RATIOS:

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios is given hereunder:

S. No.	Key Financial Ratio		FY 2022-23	*FY 2021-22
1.	Debtors Turnover Ratio	%	8.98%	8.8%
2.	Inventory Turnover Ratio	%	2.91%	3.08%
3.	Interest Coverage Ratio	%	2.96%	2%
4.	Current Ratio	%	3.18%	1.41%
5.	Debt Equity Ratio	%	0.08%	0.81%
6.	Operation Profit Margin	%	12.1%	8.3%
7.	Net Profit Margin	%	6.74%	3.93%

\*Previous year's Figures have been regrouped / rearranged wherever necessary

### Risks and concerns:

The nature and the magnitude of the risks associated with the Company are reviewed and placed before the Board periodically. Various measures for modernization have been introduced to reduce the dependency on labour, which also ensures optimum capacity utilization & quality outputs.

### Cautionary Statement:

Statements in this Management Discussion and Analysis Report, Describing the Company's objectives, estimates, and expectations may constitute Forward-Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

### ON BEHALF OF THE BOARD OF DIRECTORS DUCOL ORGANICS AND COLOURS LIMITED

Sd/-  
**AAMER AHMED FARID**  
MANAGING DIRECTOR  
(DIN: 00711705)

Sd/-  
**HANI AHMED FARID**  
WHOLE TIME DIRECTOR  
(DIN: 00711968)

PLACE: MUMBAI  
DATE: 24/08/2023

### Registered Address:

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400020

# Nomination and Remuneration Policy

## CONSTITUTION OF COMMITTEE

The Board of Directors of the Company ("the Board") constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee."

## OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to the remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

## APPLICABILITY

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

## DEFINITIONS:

**"Act"** shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

**"Board"** means Board of Directors of the Company.

**"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

**"Company"** means Ducol Organics and Colours Limited.

**"Directors"** mean Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

**"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes -

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

**"Policy" or "This policy"** means Nomination and Remuneration Policy.

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

**"Senior Management"** Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

## ROLE AND POWER OF THE COMMITTEE: -

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i). Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii). Term / Tenure

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

be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

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

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

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

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i). General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;

- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii). Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- Fixed pay:  
The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii). Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided

that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP:-**

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN:-**

- Chairman of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **MINUTES OF COMMITTEE MEETING**

- Proceedings of all meetings must be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

#### **AMENDMENTS TO THE POLICY**

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

#### **AMENDMENTS IN THE LAW**

- Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

#### **ON BEHALF OF THE BOARD OF DIRECTORS DUCOL ORGANICS AND COLOURS LIMITED**

Sd/-

**AAMER AHMED FARID**  
MANAGING DIRECTOR  
(DIN: 00711705)

Sd/-

**HANI AHMED FARID**  
WHOLE TIME DIRECTOR  
(DIN: 00711968)

PLACE: MUMBAI

DATE: 24/08/2023

#### **Registered Address:**

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400020

### Annexure III

## Particulars of Remuneration

[Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016]

- i. **The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23; and**
- ii. **The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary of the Company in the financial year 2022-23.**

Name & Designation	*Remuneration of each Director & KMP for Financial Year 2022-23 (Amount in ₹)	% increase/ decrease in remuneration in the Financial Year 2021-22	Ratio of remuneration of each Directors to median remuneration of employees
<b>A. Directors</b>			
Mr. AAMER AHMED FARID (MD)	78,00,000	16.7%	14.80
Mr. HANI AHMED FARID (WTD)	75,00,000	8.3%	14.23
<b>B. Key Managerial Personnel</b>			
Mrs. Manisha Agrawal (CFO)	4,03,200	-	0.76
Ms. Sabina Qureshi (CS)	5,17,984	-	0.98

MD – Managing Director, WTD – Whole-time Director, CFO – Chief Financial Officer; CS –Company Secretary

#### Notes:

1. Median remuneration of all the employees of the Company for the financial year 2022-23 is ₹ 5,27,171/-
- i. **The percentage increase/decrease in the median remuneration of employees in the financial year 2021-22**
- ii. **The number of permanent employees on the rolls of Company.**

There were 74 permanent employees on the rolls of Company as on March 31, 2023.
- iv. **Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increases in the salaries of employee other than the Key managerial personnel in the Financial Year 2022-23 was 18.08%.
- v. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

- B. Names of other employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakhs during the FY22-23 or not less than rupees eight lakh and fifty-thousand per month (if employed for part of the FY22-23): NA
- C. If 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: NA

**ON BEHALF OF THE BOARD OF DIRECTORS  
DUCOL ORGANICS AND COLOURS LIMITED**

Sd/-

**AAMER AHMED FARID**  
MANAGING DIRECTOR  
(DIN: 00711705)

Sd/-

**HANI AHMED FARID**  
WHOLE TIME DIRECTOR  
(DIN: 00711968)

PLACE: MUMBAI  
DATE: 24/08/2023

**Registered Address:**

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400020

## Annexure IV

### Form No. MR-3

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Ducol Organics And Colours Limited**  
(Formerly known as Ducol Organics & Colours Private Limited)  
Regd. Office: Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai 400020, Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ducol Organics And Colours Limited** (hereinafter called the Company). It is listed on NSE (SME emerge) platform on 19<sup>th</sup> January, 2023.

Based on my said verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended; Not applicable during period.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;
- (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;(to the extent as may be applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Stock Exchange viz NSE Ltd along with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the resolutions were passed with consent of majority Directors

I further report that:

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

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

**For: M/s. DEEP SHUKLA &ASSOCIATES**  
COMPANY SECRETARIES  
(Peer Review Certificate No.: 2093/2022)

Sd/-

**DEEP SHUKLA**  
{PROPRIETOR}  
FCS: 5652  
CP NO.5364  
UDIN: F005652E000772110

Place: Mumbai  
Date: 09/08/2023

# Annexure to Secretarial Report and forming part of the report

To,

The Members,

**Ducol Organics And Colours Limited**

**(Formerly known as Ducol Organics & Colours Private Limited)**

Regd. Office: Office No 302, Express Building,  
14-E Road, Churchgate, Mumbai 400020, Maharashtra, India.

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis and shall not stand responsible for any non -compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For: M/s. DEEP SHUKLA & ASSOCIATES**

COMPANY SECRETARIES

(Peer Review Certificate No.: 2093/2022)

Sd/-

**DEEP SHUKLA**

{PROPRIETOR}

FCS: 5652

CP NO.5364

UDIN: F005652E000772110

Place: Mumbai

Date: 09/08/2023

## Annexure V

# CSR Policy

(Approved by the Board of Directors on August 24<sup>th</sup> 2023)

### 1. Title and applicability:

The document describes the Corporate Social Responsibility Policy ("CSR policy") of DUCOL ORGANICS AND COLOURS LIMITED (Formerly known as Duco Organics & Colours Private Limited) ("DUCOL" or "the company"). It includes DUCOL's vision, mission and other relevant attributes of Corporate Social Responsibility.

The CSR policy shall be guided by DUCOL's corporate philosophy of respect for the individual and the society at large.

The CSR policy has been formulated in accordance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the relevant amendments / notifications / circulars.

The CSR policy shall apply to all CSR programs of DUCOL

### 2. Vision and Mission:

DUCOL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns about health-care.

In pursuance of our vision that DUCOL desires to assist people and animals to live healthier through innovative medicines. We are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavor to positively impact and influence the Society for its sustainable development.

### 3. CSR Committee:

#### 3.1. Constitution of CSR Committee

In compliance with the CSR Rules, a Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report and the Website of the Company.

#### 3.2. Responsibilities of the CSR Committee

- a. To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b. To recommend the amount of expenditure to be incurred on CSR activities;

- c. To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- d. To ensure that DUCOL corporate website displays the approved CSR policy of the company;
- e. To monitor the CSR Policy, Projects and Programs from time to time.
- f. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR

Policy which shall include the following:

The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

The manner of execution of such projects or programmes;

The modalities of utilization of funds and implementation schedules for the projects or programmes; and

Monitoring and reporting mechanism for the projects or programmes.

### 3.3. Meetings of CSR Committee

The CSR Committee shall meet as and when the CSR Committee deems appropriate and, in any event, shall be held not less than twice a year.

### 4. Monitoring of CSR programs:

Corporate Social Responsibility Committee shall monitor Corporate Social Responsibility Policy of the company from time to time and it shall provide its report to the Board of Directors on annual basis.

### 5. Effective Date:

The new CSR Policy shall be effective from the date of its approval by the Board of Directors.

### 6. Review Mechanism & Governance

Every year, the CSR Committee will place for the Board's approval, a CSR plan delineating the CSR programs to be carried out during the financial year and the specified budgets thereof as per the applicable provisions of the Act. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary. The Board of a company shall satisfy itself that the funds so disbursed for CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. The CSR Committee will assign the task of implementation to the management group led by the Managing Director who

will in turn report to the CSR Committee on progress as such frequency as the CSR Committee may direct. At the end of every financial year, the CSR committee will submit its report to the Board.

#### **7. CSR Expenditure:**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR programs undertaken in accordance with the approved CSR Plan. Any income arising from the CSR programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure. The expenditure will be fully supported with all documentary evidences as may be required and specified by the CSR committee.

#### **8. CSR Funds:**

- a) The Board of the Company to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken.
- b) In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.
- c) Any surplus generated out of the CSR activities not to be added to the normal business profits of the Company.
- d) In case the company spends an amount in excess of the 2%, then the company may set off such excess amount up to immediate succeeding 3 (Three) financial year subject to following conditions:
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;

- (ii) the Board of the Company shall pass a resolution to that effect.

#### **9. DISCLOSURE:**

The Company's engagement in this domain shall be disseminated on its website, annual reports and/ or its in-house journals as and when deemed fit.

The Company will also disclose the CSR projects/programmes/activities on the official website as required under the Act and the rules. A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act. The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website.

#### **10. Review and amendments of the CSR Policy:**

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

#### **ON BEHALF OF THE BOARD OF DIRECTORS DUCOL ORGANICS AND COLOURS LIMITED**

Sd/-

**AAMER AHMED FARID**  
MANAGING DIRECTOR  
(DIN: 00711705)

Sd/-

**HANI AHMED FARID**  
WHOLE TIME DIRECTOR  
(DIN: 00711968)

PLACE: MUMBAI  
DATE: 24/08/2023

#### **Registered Address:**

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400020

# Independent Auditor's Report

## To the Members of DUCOL ORGANICS AND COLOURS LIMITED

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

#### Opinion

We have audited the standalone financial statements of **DUCOL ORGANICS AND COLOURS LIMITED** ("the Company") having CIN No **U24239MH1994PLC079015**, which comprise the balance sheet as at 31<sup>st</sup> March, 2023, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year ended as on 31<sup>st</sup> March, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the Returns for the period ended on that date audited by the branch auditors of the Company's branches.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit (changes in equity) and its cash flows for the year ended on 31st March, 2023.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no Key Audit matters to be reported.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the 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 derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

**For Choudhary Choudhary & Co.**

Chartered Accountants  
Firm Reg. No. 02910C

**Alok Kumar Mishra**

Partner  
Membership No. 124184  
UDIN : 23124184BGWIGT3098

Place: Mumbai

Date: 19.05.2023

# “Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date)

## TO THE MEMBERS OF DUCOL ORGANICS AND COLOURS LIMITED

i. (a) In respect of Plant, Property and Equipment:

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Plant, Property and Equipment;

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. a) The Inventory has been physically verified by management.

In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate of each class of inventory.

b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore (₹ 15 crore), in aggregate, at any points of time during the year, from bank (NKGSB Co-operative Bank Ltd.) on the basis of security of current assets and quarterly returns or statements filed by the company with such bank are in agreement with the books of accounts of the company.

iii. The company has made investments in companies and granted unsecured loans to other parties during the year in respect of which :

a) The Company has provided loans during the year and details of which are given below:

Particulars	Advances in nature of loans (Amount in ₹)
A. Aggregate amount granted/provided during the year	
1) Subsidiaries	0.00
2) Joint Ventures	0.00
3) Associates	0.00
4) Others	5,36,944.00
B. Balance outstanding as at balance sheet date in respect of above cases	
1) Subsidiaries	0.00
2) Joint Ventures	0.00
3) Associates	0.00
4) Others	10,03,543.00

The Company has not provided any guarantee or security to companies, firms, limited liability partnerships or other parties.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, *prima facie*, not prejudicial to the Company’s interest.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and payment of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

iv. The Company has not advanced loans or made investments in or provided guaranty or security to parties covered by section 185 and section 186 is not applicable

to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. As per the information and explanation provided, the company has maintained cost records as required by the provisions of section 148 of Companies Act, 2013.

vii. a) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

viii. There were no transactions relating to previously unrecorded income that 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) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has raised ₹ 31,51,20,000 by way of initial public offer or further public offer where company has issued 40,40,000 equity shares of the face value of ₹ 10/- at a price of ₹ 78 (including a premium of ₹ 68) per Equity share during the year, the board approved the allotment of total of 40,40,000 equity shares of the company on 27<sup>th</sup> October, 2022 and the amount has been used for the purpose for which the funds were raised.

(b) According to the information and explanation given to us the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. However, the company has allotted 75,00,000 (Seventy Lacs) Equity Shares through bonus issue to the existing shareholders of the company subject to members approval in the ratio of 5 new equity shares for every 2 shares held of INR 10.00 on 05<sup>th</sup> May, 2022.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As per information provided, the company did not received any whistle blower complaints during the reporting period and hence reporting under clause 3(xi)(c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal control commensurate with the size and the nature of its business.

(b) We have consider the reports of the internal auditors report for the period under audit.

xv. According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. As per the information provided, R H Modi & Co, the statutory auditors of the company have resigned with effect from 08<sup>th</sup> October, 2022 and as informed no objections or concerns have been raised by the outgoing auditors.

xix. 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 and 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 indicating 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. The provisions of section 135 of Companies Act,2013 towards Corporate Social Responsibility are not applicable to the company and hence reporting under clause 3(xx) is not applicable.

**For Choudhary Choudhary & Co.**  
Chartered Accountants  
Firm Reg. No.002910C

**Alok Kumar Mishra**  
Partner  
Membership No. 124184  
UDIN : 23124184BGWIGT3098

Place: Mumbai  
Date: 19.05.2023

## “Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date)

We have audited the internal financial controls over financial reporting of **DUCOL ORGANICS AND COLOURS LIMITED**, having CIN No **U24239MH1994PLC079015** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over

Financial Reporting issued by the Institute of Chartered Accountants of India. 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 standalone 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 standalone 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 standalone 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 standalone 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, to the best of our information and according to the explanations given to us, 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 March 31, 2023, based on the internal control over financial reporting

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

**For Choudhary Choudhary & Co.**  
Chartered Accountants  
Firm Reg. No. 02910C

**Alok Kumar Mishra**  
Partner  
Membership No. 124184  
UDIN : 23124184BGWIGT3098

Place: Mumbai  
Date: 19.05.2023

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ In 000's)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property,Plant and Equipment	2	173,012.65	142,955.60
(b) Intangible assets	3	67.12	-
(c) Capital Work In Progress	4	113,413.38	82,702.42
(d) Financial assets			
(i) Investments	5	4,145.24	3,863.24
(ii) Others	6	217,415.88	7,692.73
(e) Deferred tax assets (net)	7	-	-
(f) Other non - current assets	8	-	-
<b>(2) Current assets</b>			
(a) Inventories	9	209,064.00	188,148.58
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables from Customer from related parties	10	99,747.23	102,326.61 65,961.97
(iii) Cash and cash equivalents	11	28,145.94	18,194.38
(iv) Bank balances other than cash and cash equivalents	12	50,000.00	1,044.20
(v) Others	13	413.01	-
(c) Other current assets	14	12,533.38	27,354.80
<b>Total Assets</b>		<b>907,957.83</b>	<b>640,244.52</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	15	145,400.00	30,000.00
(b) Other equity	16	448,646.60	190,807.03
<b>Liabilities</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Long Term Borrowings	17	96,579.67	110,434.24
(ii) Lease Liabilities		-	-
(iii) Other Financial Liabilities		-	-
(b) Deferred Tax Liability (net)	18	19,211.92	16,174.85
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Short Term Borrowings	19	31,407.33	88,716.83
(ii) Trade payables	20	-	-
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors others than micro enterprises and small enterprises		131,590.13	177,666.39
(iii) Other financial liabilities	21	-	-
(b) Provisions	22	21,474.14	17,470.24
(c) Other current liabilities	23	13,648.04	8,974.96
<b>Total Equity and Liabilities</b>		<b>907,957.83</b>	<b>640,244.52</b>
Significant accounting policies and estimates	1		
The accompanying notes 1 to 47 are an integral part of the financial statement.			

As per our report of even date attached.

**For Choudhary Choudhary & Co.**  
Chartered Accountants  
Firm's Registration Number - 002910C

**CA Alok Kumar Mishra**  
Membership No. 124184  
Partner  
UDIN : 23124184BGWIGT3098

Place: Mumbai  
Dated: 19.05.2023

**For and on behalf of the Board of Directors of**  
**Ducol Organics and Colours Limited**

**Aamer Ahmed Farid**  
Managing Director  
DIN : 00711705

**Manisha Agrawal**  
(Chief Financial Officer)

**Hani Ahmed Farid**  
Whole-time Director  
DIN : 00711968

**Sabina Qureshi**  
(Company Secretary)

# Standalone Profit and Loss Account

for the year ended 31<sup>st</sup> March, 2023

(₹ In 000's)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
I. Revenue from operations	24	907,330.08	822,985.68
II. Other income	25	7,069.23	9,504.45
<b>III. Total Income ( I+II)</b>		<b>914,399.31</b>	<b>832,490.14</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	586,861.07	552,937.54
Purchase of Traded Goods	27	-	-
Changes in inventories of finished goods, by-products and work in progress	28	(9,432.54)	7,509.39
Employee benefits expense	29	72,574.44	62,034.50
Finance costs	30	18,065.39	26,768.14
Depreciation and amortization expense		13,794.90	11,679.52
Other expenses	31	137,260.37	123,379.19
<b>Total expenses (IV)</b>		<b>819,123.63</b>	<b>784,308.27</b>
<b>V. Profit before tax ( III-IV)</b>		<b>95,275.68</b>	<b>48,181.87</b>
<b>VI. Tax expense :</b>			
Current tax		25,800.00	12,600.00
Deferred tax		3,037.07	362.05
Income tax relating to earlier years		5,319.03	676.85
		<b>34,156.10</b>	<b>13,638.90</b>
<b>VII. Profit for the year</b>		<b>61,119.57</b>	<b>34,542.96</b>
<b>VIII. Other comprehensive income</b>	31		
(i) Items that will not be reclassified to profit or loss Remeasurement of the net defined benefit liability/asset		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income, net of tax</b>			
<b>IX. Total comprehensive income for the year</b>			
<b>X. Earnings per equity share (Nominal value per share ₹ /-)</b>			
- Basic (₹)		4.20	11.51
- Diluted (₹)		10.00	10.00
<b>Number of shares used in computing earning per share</b>			
- Basic (Nos.)		-	-
- Diluted (Nos.)		-	-
Significant accounting policies and estimates	1		
The accompanying notes 1 to 47 are an integral part of the financial statement.			

As per our report of even date attached.

**For Choudhary Choudhary & Co.**  
Chartered Accountants  
Firm's Registration Number - 002910C

**CA Alok Kumar Mishra**  
Membership No. 124184  
Partner  
UDIN : 23124184BGWIGT3098

Place: Mumbai  
Dated: 19.05.2023

**For and on behalf of the Board of Directors of**  
**Ducol Organics and Colours Limited**

**Aamer Ahmed Farid**  
Managing Director  
DIN : 00711705

**Hani Ahmed Farid**  
Whole-time Director  
DIN : 00711968

**Manisha Agrawal**  
(Chief Financial Officer)

**Sabina Qureshi**  
(Company Secretary)

# Statement of Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2023

(₹ In 000's)

PARTICULARS	2022-23	2021-22
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Net Profit Before Taxes	95,275.68	48,181.87
<b>Adjustment for other head &amp; non cash expenses</b>		
Add: Depreciation & Amortisation	13,794.90	11,679.52
Finance Cost	18,065.39	26,768.14
	31,860.29	38,447.66
<b>Less: Income From Non Operating Activities:</b>		
Interest Income	3,337.28	6,815.83
Profit On Sale Of Car	215.00	-
Dividend Received	75.58	0.90
	3,627.86	6,816.73
<b>Add/(Less): Operating Profit Before Change In Working Capital</b>	<b>123,508.11</b>	<b>79,812.80</b>
<b>Adjustment For Working Capital</b>		
Increase/(Decrease) In Short Term Borrowings	(57,309.49)	48,369.11
Increase/(Decrease) In Trade Payables	(46,076.26)	(25,080.88)
Increase/(Decrease) In Other Current Liabilities	4,673.07	1,430.98
Increase/(Decrease) In Short Term Provision	106.79	7,111.42
Increase/(Decrease) In Long Term Provision	1,511.40	6,757.64
(Increase)/Decrease In Inventories	(20,915.42)	(11,887.41)
(Increase)/Decrease In Trade Receivables	2,579.38	(4,610.68)
(Increase)/Decrease In Short Term Loans And Advances	74,560.44	(20,698.34)
(Increase)/Decrease In Long Term Loans And Advances	(6,101.30)	1,994.00
(Increase)/Decrease In Other Current Assets	5,809.93	9,230.16
<b>Cash Generated From Operations</b>	<b>82,346.65</b>	<b>92,428.81</b>
Adjustment For Income Tax		
Less: Income Taxes Paid	28,733.32	13,276.85
<b>Net Cash Flow From Operating Activity - (A)</b>	<b>53,613.33</b>	<b>79,151.95</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Interest Income	3,337.28	6,815.83
(Purchase) / Sale Of Fixed Assets	(74,415.04)	(42,345.00)
Rental Income	-	-
Purchase Of Investments	(282.00)	(2,856.44)
Long term FDs with banks	(203,621.84)	
Dividend Income	75.58	0.90
<b>Net Cash Flow From Investing Activity - (B)</b>	<b>(274,906.02)</b>	<b>(38,384.72)</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Issue Of Shares (Including Share Premium)	315,120	-
Repayment Of Loans	(13,854.56)	(14,886)
Dividend Paid	(3,000.00)	(3,000)
Finance Cost	(18,065)	(26,768.14)
<b>Net Cash Flow From Financing Activity - (C)</b>	<b>280,200</b>	<b>(44,654)</b>
<b>CASH GENERATED DURING THE YEAR (A + B + C)</b>	<b>58,907</b>	<b>(3,886.70)</b>
<b>Add:</b> Cash & Cash Equivalents As On 01.04.2022	19,238.58	23,125
Cash & Cash Equivalents As On 31.03.2023	<b>78,145.94</b>	<b>19,238.58</b>

**For Choudhary Choudhary & Co.**

Chartered Accountants

Firm's Registration Number - 002910C

**CA Alok Kumar Mishra**

Membership No. 124184

Partner

UDIN : 23124184BGWIGT3098

Place: Mumbai

Dated: 19.05.2023

**For and on behalf of the Board of Directors of  
Ducol Organics and Colours Limited**

**Aamer Ahmed Farid**

Managing Director

DIN : 00711705

**Hani Ahmed Farid**

Whole-time Director

DIN : 00711968

**Manisha Agrawal**

(Chief Financial Officer)

**Sabina Qureshi**

(Company Secretary)

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

**(a) Equity Share capital**

(₹ In 000's)

	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31 <sup>st</sup> March, 2022	30,000.00	-	30,000.00		30,000.00
For the year ended 31 <sup>st</sup> March, 2023#	30,000.00	-	30,000.00	115,400.00	145,400.00

#Note: During the year ended 31<sup>st</sup> March, 2023, the company had issued (i) 75,00,000 bonus shares of ₹ 10 each, and (ii) 40,40,000 shares of ₹ 10 each at a premium of ₹ 68 each

**(b) Other Equity**

(₹ In 000's)

	Reserves and Surplus		Items of Other Comprehensive Income	
	General Reserve	Retained Earnings	Re-measurement of defined benefit plan	Total
Balance as at 1 <sup>st</sup> April, 2021	-	159,264.07	-	159,264.07
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as on 01.04.2021	-	159,264.07	-	159,264.07
Profit for the year	-	34,542.96	-	34,542.96
Other Comprehensive Income (net of tax)	-	-	-	-
Total Comprehensive Income for the year	-	34,542.96	-	34,542.96
Transfer from retained earnings	-	-	-	-
Transfer to general reserve	-	-	-	-
Final Dividend	-	3,000.00	-	3,000.00
Dividend distribution tax	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2022	-	190,807.03	-	190,807.03
Balance as at 1 <sup>st</sup> April, 2022	-	190,807.03	-	190,807.03
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as on 01.04.2022	-	190,807.03	-	190,807.03
Profit for the year	-	61,119.57	-	61,119.57
Other Comprehensive Income (net of tax)	-	-	-	-
Total Comprehensive Income for the year	-	61,119.57	-	61,119.57
Share Premium account	-	274,720.00		274,720.00
Issue of bonus shares		75,000.00		75,000.00
Transfer from retained earnings	-	-	-	-
Transfer to general reserve	-	-	-	-
Final Dividend	-	3,000.00	-	3,000.00
Dividend distribution tax	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2023	-	448,646.60	-	448,646.60

**For Choudhary Choudhary & Co.**

Chartered Accountants

Firm's Registration Number - 002910C

**CA Alok Kumar Mishra**

Membership No. 124184

Partner

UDIN : 23124184BGWIGT3098

Place: Mumbai

Dated: 19.05.2023

**For and on behalf of the Board of Directors of  
Ducol Organics and Colours Limited**

**Aamer Ahmed Farid**

Managing Director

DIN : 00711705

**Hani Ahmed Farid**

Whole-time Director

DIN : 00711968

**Manisha Agrawal**

(Chief Financial Officer)

**Sabina Qureshi**

(Company Secretary)

# Notes to financial statements

for the year ended 31 March, 2023

## Company Overview

Dducol Organics and Colours Limited (the company) is a public limited company (CIN:U24239MH1994PLC079015) incorporated on under the provisions of the Companies Act, 2013 with the Registrar of companies. Its registered office is Express Building, Office No. 302, 3<sup>rd</sup> Floor, 14-E Road, Churchgate, Mumbai - 400 020.

## Note - 1. Significant accounting policies

### 1.1 Basis of preparation of financial statements

The financial statements of the company have been prepared under the historical cost convention, in accordance with generally accepted accounting principles in India (Indian GAAP) on an accrual basis. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013, to the extent applicable and the guidance notes, standards issued by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

### 1.2 Use Of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### 1.3 Fixed Assets, Intangible assets and capital work in progress

Fixed assets are stated at cost, after reducing accumulated depreciation and impairment up to the date of the Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition of construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use. Intangible assets, if any, are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### 1.4 Depreciation

Depreciation on fixed assets is determined based on

the estimated useful life of the assets using the written down value method as prescribed under the schedule II to the Companies Act, 2013. Individual assets costing less than ₹ 5000.00 or less are depreciated within a year of acquisition. Depreciation on assets purchased/sold during the period is proportionately charged. Leasehold land is amortized on a straight line basis over the period of lease. Intangible assets, if any, are amortized over their useful life on a straight line method.

### 1.5 Employee benefits

Short Term benefits are recognized as an expense at the undiscounted amount in the statement of Profit and Loss of the year in which related service is rendered. Retirement benefits in form of gratuity, leave encashment etc. will be accounted for on accrual basis. The company has not incurred any liabilities in this respect till the end of the year. Provisions of Employees' Provident Fund and Miscellaneous Provisions Act and Payment of gratuity act are not applicable to the company. However, there is no liability accrued in this respect as on the end of the financial year.

### 1.6 Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grants or subsidy related to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' fund.

### 1.7 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

# Notes to financial statements

for the year ended 31 March, 2023

## 1.8 Inventories

All trading goods are valued at lower of cost and net realizable value. Cost of inventories is determined on first in first out basis. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

## 1.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

### Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from the revenue.

### Income from Job work/Services

Revenue from Job work/ Services is recognized when the contractual obligation is fulfilled and goods/services are delivered to the contractee.

### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. Interest income is included under the head "Other Income" in the statement of profit and loss."

## 1.10 Income Taxes

Tax expenses comprise current and deferred tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual

certainty supported by convincing evidences that they can be realized against future taxable profits. Deferred tax assets are reviewed at each reporting date.

Minimum Alternate Tax paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of minimum alternate tax under the income tax act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" at each reporting date.

## 1.11 Provisions and contingent liabilities

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a present obligation that cannot be estimated reliably or a possible or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 1.12 Earning Per Share

Earning per share are calculated by dividing the net profit or loss after taxes for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating, diluted earnings per share, the net profit/ (loss) for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

## 1.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK
		Rate of Depreciation	As at 1 <sup>st</sup> April, 2022	Additions / Deduction During the year	As at 31 <sup>st</sup> March, 2023	Upto 1 <sup>st</sup> April, 2022	During the year	
1	Land (Free hold)	56,750.72	-	-	56,750.72	5,902.52	-	-
2	Factory Building	9.5%	100,051.11	-	100,051.11	56,503.46	4,137.03	-
3	Laboratory Equipments	25.89%	3,745.45	142.01	3,887.46	2,661.75	139.58	-
3	Plant & Equipment	13.91%	90,687.22	20,530.95	111,218.18	54,352.09	4,281.87	-
4	Water Storage Tank	18.10%	62.25	141.00	-	203.25	12.52	26.63
5	Electrical Equipments & Installations	25.89%	16,355.26	2,263.09	-	18,618.35	11,274.29	1,035.44
6	Office Equipments	45.07%	716.17	585.37	-	1,301.54	436.54	228.98
7	Furniture & Fixtures	25.89%	1,891.87	3,732.61	-	5,624.48	876.05	494.46
8	Motor Cars	31.23%	16,007.53	15,060.82	1,192.34	29,876.01	11,956.73	2,946.30
9	Motor Bikes	25.89%	129.68	-	-	129.68	95.86	80.02
10	Computer & Audio visual	63.16%	4,990.23	1,393.33	-	6,383.56	4,385.23	486.77
11	Mobile Phones	27.96%	4000	-	-	40,000	14,87	703
<b>Total</b>		<b>291,427.50</b>	<b>43,849.18</b>	<b>1,192.34</b>	<b>334,084.34</b>	<b>148,471.90</b>	<b>13,792.12</b>	<b>-</b>
<b>Previous Year</b>		<b>282,550.29</b>	<b>8,877.21</b>	<b>-</b>	<b>291,427.50</b>	<b>136,792.38</b>	<b>11,679.52</b>	<b>-</b>

(₹ In 000's)

Sl. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK
		As at 1 <sup>st</sup> April, 2022	Additions / During the Year	Adjustment/ Deduction during the Year	As at 31 <sup>st</sup> March, 2023	As at 1 <sup>st</sup> April, 2022	During the year	
1	Computer Software (Acquired)	-	69.90	-	69.90	-	2.78	6712
	Previous Year	-	-	-	-	-	-	-

Note No : 2

## PROPERTY, PLANT AND EQUIPMENT

Note No : 3

## INTANGIBLE ASSETS

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 4**

## Capital Work In Progress

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Projects Work In Progress</b>				
- less than 6 months	19,234.04		28,607.12	
- 1 year to 2 years	47,241.54		20,486.08	
- 2 year to 3 years	13,328.58		13,351.57	
- More than 3 years	33,609.22	113,413.38	20,257.65	82,702.42
	<b>113,413.38</b>		<b>82,702.42</b>	
<b>Projects Temporarily Suspended</b>				
- less than 6 months	-		-	
- 1 year to 2 years	-		-	
- 2 year to 3 years	-		-	
- More than 3 years	-		-	
	<b>113,413.38</b>		<b>82,702.42</b>	

**Note No : 5**

## Non-current investments

Particulars	Face value	Number of Shares/ units	As at 31 <sup>st</sup> March, 2023	Number of shares / units	As at 31 <sup>st</sup> March, 2022
<b>(1) Designated at fair value through profit or loss:</b>					
<b>(i) Quoted</b>					
<b>(a) In equity shares of Companies</b>					
Fully paid up :					
Bew Engineering Limited	10.00	8,000	1,401.80	8,000	1,119.80
Vaidya Sane Ayurved Laboratories Limited	10.00	20,800	1,736.64	20,800	1,736.64
<b>(b) In units of mutual fund</b>					
<b>(ii) Unquoted</b>					
NKGSB Co-operative Bank Ltd.	10.00	50,000	500.00	50,000	500.00
Shamrao Vithal Co-operative Bank	78.00	100	7.80	100	7.80
Apna Sahakari Bank Ltd.	25.00	19,960	499.00	19,960	499.00
			<b>4,145.24</b>		<b>3,863.24</b>
<b>Aggregate market value of quoted Investments</b>			<b>10,573.20</b>		<b>10,452.00</b>

**Note No : 6**

## Other financial assets - Non current

(Unsecured, considered good)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security deposits	13,794.03	7,692.73
Fixed deposits with banks	203,621.84	217,415.88
	<b>217,415.88</b>	<b>7,692.73</b>

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 7**

## Deferred tax assets/liability (net)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Tax effect of items constituting deferred tax assets/(liability)</b>		-
On Depreciation	-	-
On Gratuity	-	-
	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>

**Note No : 8**

## Other non-current assets

(Unsecured, considered good)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Capital advances	-	-
<b>Advance other than capital advance</b>		
Income Tax refundable	-	-
	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>

**Note No : 9**

## Inventories

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Raw materials	65,676.60	53,786.85
Raw materials in transit	-	-
Packing materials	2,867.46	3,274.32
Work-in-progress	82,096.15	92,605.37
Finished goods	58,423.79 209,064.00	38,482.03 188,148.58
	<b>209,064.00</b>	<b>188,148.58</b>

(At lower of cost and net realizable value, unless stated otherwise)

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 10**

## Trade receivables - Current

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Unsecured, considered good</b>				
Due from related parties	-		65,961.97	
Due from others	99,747.23	-	102,326.61	168,288.58
	<b>99,747.23</b>	<b>-</b>	<b>168,288.58</b>	
<b>TRADE RECEIVABLES AGEING SCHEDULE</b>				
<b>Undisputed, considered good</b>				
- not yet due	59,050.45	-	51,221.97	-
- less than 6 months	24,758.97		29,241.38	
- 6 months to 1 year	566.17		66,009.85	
- 1 year to 2 years	209.91		321.58	
- 2 year to 3 years	259.26		543.18	
- More than 3 years	14,902.47	99,747.23	20,950.61	168,288.58
<b>Undisputed, considered doubtful</b>				
	<b>99,747.23</b>		<b>168,288.58</b>	

**Note No : 11**

## Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
Balances with banks				
<b>In current accounts</b>	8,122.27		9,518.70	
<b>In EEEC accounts</b>	-		1,684.38	
<b>Debit balance in CC Account with NGSB CO OP BANK LTD</b>	16,928.74			
Cash on hand	3,094.93	28,145.94	6,991.29	18,194.38
	<b>28,145.94</b>		<b>18,194.38</b>	

**Note No : 12**

## Bank balances other than cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Fixed deposits with banks</b>				
- Current portion of original maturity period more than 12 months	-		1,044.20	
- Original maturity period upto 12 months	50,000.00	50,000.00	-	1,044.20
	<b>50,000.00</b>		<b>1,044.20</b>	

**Note No : 13**

## Other financial assets - Current

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>(Unsecured, considered good)</b>				
<b>Interest Accrued But Not Due</b>		413.01		-
	<b>413.01</b>			-

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 14**

## Other current assets

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>(Unsecured, considered good)</b>				
<b>Other Loans &amp; Advances</b>				
Advance to Suppliers & Others	1,003.54		9,602.01	
Deferred Revenue expenditure : [to the extent not written off]	6,507.50		11,395.64	
GST Receivables	-		1,402.35	
VAT & Other Receivables	3,277.54		3,408.29	
Prepaid Expenses	1,544.44		1,345.31	
Export incentive receivable	200.36	12,533.38	201.21	27,354.80
	<b>12,533.38</b>		<b>27,354.80</b>	

**Note No : 15**

## Equity Share capital

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>(a) Authorised</b>				
Equity shares of par value ₹ 10 /- each	15000000	150,000.00	3000000	30,000.00
	<b>15000000</b>	<b>150,000.00</b>	<b>3000000</b>	<b>30,000.00</b>
<b>(b) Issued, subscribed and fully paid up</b>				
Equity shares of par value ₹ 10 /- each at the beginning of the year	3000000	30,000.00	-	-
Bonus shares issued during the year	7500000	75,000.00	-	-
Shares issued for cash during the year	4040000	40,400.00	-	-
<b>At the end of the year</b>	<b>14540000</b>	<b>145,400.00</b>	<b>3000000</b>	<b>30,000.00</b>

Note: During the year ended March 31, 2023, the Company has issued 40,40,000 shares of ₹ 10 each at a premium of ₹ 68 Each

**(c)** The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d)** Shareholders holding more than 5% of the equity shares in the Company :

Name of shareholder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Hani Ahmed Farid	2800800	19.26%	1000000	33.33
Aamer Ahmed Farid	2801290	19.27%	1000000	33.34
Ali Mohamed Ali Bagash	2741400	18.85%	1000000	33.33
<b>Total Shares for the year</b>	<b>8343490</b>	<b>57.38%</b>	<b>3000000</b>	<b>100.00</b>

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

## (e) Shares held by the promoters and promoters group at the end of the year

Name of Promoters / Promoters group	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Hani Ahmed Farid	2800800	19.26%	1000000	33.33
Aamer Ahmed Farid	2801290	19.27%	1000000	33.34
Ali Mohamed Ali Bagash	2741400	18.85%	1000000	33.33
<b>Total Shares for the year</b>	<b>8343490</b>	<b>57.38%</b>	<b>3000000</b>	<b>100.00</b>

**Note No : 16**

### Other equity

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) General reserve</b>		
Balance as per last account	-	-
Add: Transfer from Retained earnings	-	-
<b>(b) Share Premium</b>	<b>274,720.00</b>	-
<b>(c) Retained earnings</b>		
Balance as per Last Account	190,807.03	159,264.07
Add : Surplus as per Statement of Profit and Loss	61,119.57	34,542.96
Other Comprehensive Income(net of tax)	-	-
Amount available for appropriation	251,926.60	193,807.03
Less : Appropriations:		
Bonus share issued	(75,000.00)	-
Dividend on equity shares	(3,000.00)	(3,000.00)
Tax on dividend	-	-
Transfer to general reserve	-	-
Balance at the end of the year	173,926.60	190,807.03
<b>(c) Other Comprehensive Income (OCI)</b>		
Balance as per Last Account	-	-
Add: Other comprehensive income for the year	-	-
Less: Transfer to retained earnings	-	-
<b>Total other equity</b>	<b>448,646.60</b>	<b>190,807.03</b>

**Note No : 17**

### Non-Current financial Liability

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Long Term Borrowings (See note below) #	96,579.68	110,434.24
Lease Liabilities	-	-
Other Financial Liabilities	-	110,434.24
		<b>96,579.68</b>
		<b>110,434.24</b>

**#Note :**

#### Vehicle loans

- 1 Loans against vehicles are secured against hypothecation of vehicles against which loans are taken.

**Term Loan : Apna Sahakari Co - Operative Bank Ltd**

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

2 Primary :- First charge by way of mortgage & hypothecation of following immovable fixed assets:

- Land & building situated at Plot No.22/2 MIDC Ind. Area, Taloja, Taluka Panvel, Dist - Raigad.
- Land & building situated on Plot No. T-5/1 MIDC Ind. Area, Taloja, Taluka Panvel, Dist - Raigad.

3 **Term Loan with NKGSB Bank**

Primary :- Extension of first charge on Land & building situated at Plot no.K-7 Additional MIDC Mahad, Dist Raigad & hypothecation of movable fixed asset at K7, Mahad

Collateral :- First charge by way of hypothecation on fixed assets of the company includes:

- Land & building situated at Plot No.22/2 MIDC Ind. Area, Taloja, Taluka Panvel, Dist Raigad.
- Land & building situated on Plot No. T-5/1 MIDC Ind. Area, Taloja, Taluka Panvel, Dist - Raigad.

Rate of Interest: 9%

**Note No : 18**

**Deferred tax assets/liability (net)**

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Tax effect of items constituting deferred tax assets/(liability)</b>		
On Depreciation	16,747.53	14,160.64
On Gratuity	2,464.39	2,014.21
	19,211.92	16,174.85
	<b>19,211.92</b>	<b>16,174.85</b>

**Note No : 19**

**Short - term borrowings**

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<u>Other Loans</u>		
From banks - Secured ( see note below) #	-	54,297.83
Term Loan from bank (refer note 17)	31,407.33	33,456.62
From Directors	-	962.37
	<b>31,407.33</b>	<b>88,716.83</b>

#Working Capital Security:

Company has sanction of 15 Cr from NKGSB Cooperative Bank Ltd as working capital limits

Primary :- First charge by way of hypothecation of entire current assets of the company, present and future, including entire stocks (including goods in transit) & receivables

Collateral: Extension of first charge on entire immovable Property, plant & Equipments of the company

The immovable fixed assets of the company include:

- Land & building situated at Plot No.22/2 MIDC Ind. Area, Taloja, Taluka Panvel, Dist Raigad.
- Land & building situated on Plot No. T-5/1 MIDC Ind. Area, Taloja, Taluka Panvel, Dist Raigad.
- Land & building situated at Plot No.K-7 Additional MIDC Mahad, Dist Raigad.

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 20**

## Trade Payables - Current

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Total outstanding dues of micro enterprises and small enterprises</b>				
Creditors for Goods & Services				
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>				
Creditors for goods	114,434.51		154,770.67	
Creditors for services	17,155.62	131,590.13	22,895.71	177,666.39
			131,590.13	177,666.39
<b>TRADE PAYABLES AGEING SCHEDULE(Outstanding for following periods from due date of payment)</b>				
<b>Micro and small enterprises</b>				
- less than 1 year				
- 1 year to 2 years				
- 2 year to 3 years				
- More than 3 years				
<b>OTHERS</b>				
- less than 1 year	129,343.17		168,326.78	
- 1 year to 2 years	377.13		4,862.00	
- 2 year to 3 years	542.38		496.78	
- More than 3 years	1,327.46		3,980.82	
			131,590.13	177,666.39

**Note No : 21**

## Other financial liabilities - Current

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
<b>Other payables</b>				
Payable to suppliers of capital goods				
Total outstanding dues of other than Micro and Small enterprises				
Outstanding Liabilities for Expenses				

**Note No : 22**

## Non-Current provisions

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
Provision for Income Tax	12,615.79		10,230.08	
(Net of advance tax & TDS ₹ 1,31,84,207/- (Previous year ₹1,02,30,078/-)				
Provision for Employee benefits	8,858.35		7,240.16	
			21,474.14	17,470.24

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 23**

## Other current liabilities

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Advance Received	500.00	218.00
Statutory liabilities	4,404.16	1,468.84
Other Liabilities	8,743.88	7,288.12
	<b>13,648.04</b>	<b>8,974.96</b>

**Note No : 24**

## Revenue From Operations

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Sale Of Goods	907,330.08	822,985.68
Sale Of Scrap	-	-
Other Operating Revenues	-	-
	<b>907,330.08</b>	<b>822,985.68</b>

**Note No : 25**

## Other Income

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Interest Income</b>	-	-
Fixed Deposits With Banks	3,337.28	81.01
Income tax Refunds	-	449.06
Interest On Advances	-	6,285.76
<b>Dividend Income</b>	75.58	0.90
<b>Net Gain on Sale of Investments</b>	-	-
<b>Other Non- Operating Income</b>		
Rent	-	-
Profit On Sale of Property, Plant & Equipment	215.00	-
Other Income	3,441.37	2,687.73
	<b>7,069.23</b>	<b>9,504.45</b>

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note - 26**

## Cost of materials Consumed

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Raw Materials Consumed</b>		
Opening stock	53,786.85	34,695.56
Add: Purchases	571,837.31	545,895.38
	625,624.17	580,590.94
Less: Closing Stock	65,676.60	53,786.85
	559,947.57	526,804.08
<b>Packaging Materials Consumed</b>		
Opening stock	3,274.32	2,968.82
Add: Purchases	26,506.64	26,438.96
	29,780.96	29,407.78
Less: Closing Stock	2,867.46	3,274.32
	26,913.50	26,133.46
<b>Total Cost of material Consumed</b>	<b>586,861.07</b>	<b>552,937.54</b>

**Note No : 27**

## Purchase Of Traded Goods

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Purchases	-	-
	-	-

**Note No : 28**

## Changes in Inventory of Finished goods, Work in Progress & Stock-in-Trade

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(Increase)/ Decrease in Stocks</b>		
Stock at the end of the Year:		
Work-in-process	82,096.15	92,605.37
Finished Goods	58,423.79	38,482.03
<b>TOTAL(A)</b>	<b>140,519.94</b>	<b>131,087.40</b>
Less: Stock at the Beginning of the year		
Work-in-process	92,605.37	112,997.69
Finished Goods	38,482.03	25,599.10
<b>TOTAL(B)</b>	<b>131,087.40</b>	<b>138,596.79</b>
<b>TOTAL (B-A)</b>	<b>(9,432.54)</b>	<b>7,509.39</b>

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

**Note No : 29**

## Employee Benefit expenses

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Salaries & Wages	65,471.76	49,997.40
Contribution to Provident & Other Funds	2,916.60	2,410.05
Gratuity	1,618.19	7,240.16
Staff Welfare Expenses	2,567.90	2,386.89
	<b>72,574.44</b>	<b>62,034.50</b>

**Note No : 30**

## Finance Costs

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Interest Expenses	14,325.90	24,866.66
Other Borrowing Costs	-	-
Bill Discounting Charges	3,739.49	1,901.48
	<b>18,065.39</b>	<b>26,768.14</b>

**Note No : 31**

## Other Expenses

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Payment to Auditors</b>		
As auditor:		
~Audit Fee	515.00	200.00
Bank Charges	2,837.85	1,317.51
Accounting Charges	-	-
Conveyance & Travelling	8,619.84	6,897.78
Carriage Outward	14,192.60	12,756.07
Courier Charges	1,082.97	822.43
General Expenses	-	-
Insurance	1,479.78	1,601.40
Interest on Income Tax	-	-
Late Fees	-	-
Miscellaneous Expenses	-	-
Repairs & Maintenance	2,151.54	1,132.10
Filing Fees	-	-
Printing & Stationery	2,629.38	1,711.01
Professional Fees	12,533.39	9,819.79
Processing Charges	-	-
Rates & Taxes	-	-
Factory Expenses	38,271.14	35,880.89

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Commission Paid	16,927.24	13,917.11
Capital Advances Written Off	5,922.53	5,844.98
Donations	5,587.50	3,726.58
IPO Listing Charges	5,444.03	-
Office Expenses	4,564.75	3,838.92
Business Promotion Expenses	3,297.56	10,540.17
Provision For Doubtful Debts	1,354.46	-
Telephone Charges	1,327.37	1,340.83
Security Charges	1,283.64	1,347.89
Clearing & Forwarding Charges	956.26	975.89
Computer Expenses	919.12	852.28
Annual Maintenance Charges	544.12	567.09
Export Charges	691.51	730.38
Advertisement	279.63	300.00
Electricity Office	208.97	207.14
Discount Given	34.87	45.44
Membership & Subscription	57.35	118.50
Sundry Balance W/Off	-	5,077.98
Rent	3,545.98	1,809.05
	<b>137,260.37</b>	<b>123,379.19</b>

## Note No : 32

### Other comprehensive income

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Items that will not be reclassified to profit or loss		
Re- measurement of defined benefit plans	-	-
<b>Less: Income tax relating to items that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>

## NOTE: 33: Earning Per Share (EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	61,118.57	34,542.96
Weighted Average number of equity shares used as denominator for calculating EPS	14,540,000	3,000,000
Basic and Diluted Earnings per share	₹ 4.20	₹ 11.51
Face Value per equity share	₹ 10	₹ 10

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

## NOTE: 34: Disclosures

The following disclosures shall be made where Loans or Advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties , either severally or jointly with any other person:

Type Of Borrowers	Amount Of Loan or Advance in the nature of loan Outstanding	Percentage to the Loans & Advances in the nature of Loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

## NOTE: 35: Contingent Liability & Capital Commitments

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Contingent liability - Claims the company not acknowledged as debt.		
- Indirect Tax matters	21,775.59	-
Estimated amount of contract remaining to be executed on capital account and not provided for.	-	-

## Note 36

In compliance with AS 15 (Revised), Employee Benefits, Upto current year ended 31 March 2023 company has made provision for Gratuity at Rs 88,583.49 including that of earlier years Rs 72,401.60 (Rs. In hundred).

## Note 37 - Earnings and expenditure in foreign exchange

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Earning in Foreign Exchange	55,889.79	84,126.16
Expenditure in Foreign Currency		
CIF Value of Import Purchase	79,634.01	29,325.07
Foreign Travelling Expenses	594.93	258.58

## Note 38 - Foreign Currency Exposure

Particulars	US Dollar	Rs.000's
Foreign Currency Receivable	192,484	15,757.90
	(237969)	(18,194.42)
Foreign Currency Payable	31,000	2,588.50
	(35,000)	(2,682.75)

Figures in the bracket represents figures of previous year

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

## NOTE: 39: Segment Reporting

The company has only one business segment viz. Manufacture of other chemical products, which is being considered as the primary segment.

The information regarding the secondary segment, i.e. 'geographical segments' is given below:

Particulars	Geographical Segments		
	India	Outside India	Total
<u>Segment Revenue</u>			
Sales and Other Income from operations	858,509.52	55,889.79	914,399.31
	(805,234.93)	(84,126.17)	(889,361.16)
<u>Carrying amount of assets by geographical location of assets</u>			
Segment Assets - Debtors	83,989.33	15,757.90	99,747.23
	(89,196.74)	(18,194.42)	(107,391.15)
<u>Additions to fixed assets and intangible assets</u>			
Addition to fixed assets	73,437.69	-	73,437.69
	(42,345.00)		(42,345.00)

## Notes

- Secondary segments identified are as per the requirements of Accounting Standard AS-17 'Segment Reporting' issued by The Institute of Chartered Accountancy of India, taking into account the organization structure as well as the differing risks and returns
- The segment revenue, results and total assets include the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis
- Figures in the bracket represents figures of previous year

## Note 40 - Related party disclosures (As per Ind AS 24 - Related Party Disclosures)

### Transactions with related parties / Key Management Personnel:

Name	On account	Year ended 31 March 2023	Year ended 31 March 2022
<b>Key Management Personnel</b>			
Mr. Hani Farid	Director Remuneration	7,500.00	3,725.00
Mr. Aamer Farid	Director Remuneration	7,800.00	3,725.00
Mrs. Manisha Agrawal	CFO - Remuneration	360.00	-
Ms. Sabina Qureshi	Company Secretary	462.49	-
<b>Enterprises on which key management personnel or their relatives has significant influence</b>			
M/s. M.A. Bagash	Rent Paid	1,140.00	978.00
Prime Foods & Confectionery LLP	Business Promotion	-	207.85
Mr. Hani Farid	Dividend Paid	1,000.00	1,000.00
Mr. Aamer Farid	Dividend Paid	1,000.00	1,000.00
Mr. Ali Bagash	Dividend Paid	1,000.00	1,000.00
Prime Foods & Confectionery LLP	Interest Income	-	6,285.76
Prime Foods & Confectionery LLP	Loan Given (excluding interest credited)	5,379.36	14,030.00
Prime Foods & Confectionery LLP	Loan advanced Repayment	71,310.32	30.00
Mr. Hani Farid	Loan Received	511.56	170.20

# Notes to financial statements

for the year ended 31 March, 2023

(₹ In 000's)

Name	On account	Year ended	Year ended
		31 March 2023	31 March 2022
Mr. Hani Farid	Loan Repaid	789.55	170.20
Mr. Aamer Farid	Loan Received	512.84	5,000.00
Mr. Aamer Farid	Loan Repaid	549.67	5,000.00
Jazira Real Estate Pvt Ltd	Loan Repaid	-	31.00
Jazira Plantation Pvt. Ltd		-	-

**Balances outstanding of related parties :**

(₹)

Name	As at	As at	Remarks
	31 March 2023	31 March 2022	
Mr. Hani Farid	-	277.99	Balance Payable
Mr. Aamer Farid	-	36.83	Balance Payable
Mr. Ali Bagash	-	647.55	Balance Payable
M/s. M.A. Bagash	-	96.70	Balance Payable
M/s. M.A. Bagash	3,580.00	3,580.00	Rent Deposit Receivable
Prime Foods & Confectionery LLP	-	65,930.97	Balance Payable
Jazira Real Estate Pvt Ltd	-	31.00	Balance Receivable

**Note 41 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:**

(₹)

Type of Borrower	As at 31 March 2023	As at 31 March 2022
	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
Key managerial personnel	-	-
Related Parties	-	65,961.97 9.93

#### NOTE: 42 : Corporate Social Responsibility

Company does not fall under the provision of section 135 Of the Companies Act, 2013 i.e. CSR Provision.

#### NOTE: 43 : Immovable Property Not Held In Company's Name

The company shall provide the details of all the immovable property(other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) whose title deeds are not held in the name of the company in format given below and where such immovable property is jointly held with others , details are required to be given to the extent of the company's share

Relevant Line Item in the Balance Sheet	Description of Items Of Property	Gross Carrying Value	Title Deeds held in the name of	Whether Title deed holder is a promoter/ director, OR relative of Promoter/ Director OR employee of promoter/director	Property Held since which date	Reason for not being held in the name of the company
- None -						

#### Note: 44: Details Of Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

# Notes to financial statements

for the year ended 31 March, 2023

## Note : 45: Registration Of Charges or Satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## Note : 46: Undisclosed Income

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## Note : 47: Details of Crypto / Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

### As per Reports of even Date

#### For Choudhary Choudhary & Co.

Chartered Accountants

Firm's Registration Number - 002910C

#### CA Alok Kumar Mishra

Membership No. 124184

Partner

UDIN : 23124184BGWIGT3098

Place: Mumbai

Dated: 19.05.2023

#### For and on behalf of the Board of Directors of Ducol Organics and Colours Limited

#### Aamer Ahmed Farid

Managing Director

DIN : 00711705

#### Manisha Agrawal

(Chief Financial Officer)

#### Hani Ahmed Farid

Whole-time Director

DIN : 00711968

#### Sabina Qureshi

(Company Secretary)

# Ratio Analysis

Particulars	F.Y. 2022-23	F.Y. 2021-22
<b>1 CURRENT RATIO (In Times)</b> (Total Current Assets / Current Liabilities) <b>Current Liabilities</b> = Total Current Liabilities- Current Maturities of Non current Borrowings & Lease Obligations	3.18	1.41
<b>2 NET DEBT EQUITY RATIO(In Times)</b> (Net Debt/ Average Equity) <b>Net Debt</b> = Non Current Borrowings+Current Borrowings+Non current and Current Lease Liabilities- current Investments- Cash & Cash Equivalents- Other Balances with Banks <b>Equity</b> = Equity Share Capital+ Other Equity	0.08	0.81
<b>3 DEBT SERVICE COVERAGE RATIO (In Times)</b> <b>EBIT/ Net Finance Charges</b> <b>EBIT</b> = Profit before taxes( +/-) Exceptional Items + Net Finance Charges <b>Net Finance Charges</b> = Finance Costs (excluding interest on current borrowings) - Interest Income - Dividend Income from Current Investments - Net Gain / Loss on sale of Current Investments	2.96	2
<b>4 CURRENT LIABILITY RATIO ( In Times)</b> (Total Current Liabilities/ Total Liabilities)	0.60	0.68
<b>5 TOTAL DEBTS TO TOTAL ASSET RATIO</b> (Non current Borrowings+ Current Borrowings+Non Current & Current Lease Liabilities)/ Total Assets	0.14	0.31
<b>6 DEBTORS TURNOVER RATIO ( In Times)</b> (Average Trade Receivable / Turnover in Days) <b>Turnover</b> = Revenue From Operations	8.98	8.8
<b>7 INVENTORY TURNOVER RATIO ( In Times)</b> (Average Inventory/ Sale of Product in days)	2.91	3.08
<b>8 NET PROFIT MARGIN(%)</b> (Net Profit after tax/ Turnover) <b>Turnover</b> = Revenue From Operations	6.74%	3.93%
<b>9 NET WORTH</b> (Equity Share Capital + Other Equity+ Hybrid Perpetual Securities)	594,047	220,807
<b>10 RETURN ON EQUITY (%)</b> (Profit after Preference Dividend / Average Equity Shareholders)	15.0%	16.8%
<b>11 TRADE PAYABLES TURNOVER RATIO ( In Times)</b> (Cost of Goods & Services / Average Trade Payables)	3.87	3.01
<b>12 NET CAPITAL TURNOVER RATIO ( In Times)</b> (Turnover / Average Working Capital)	3.42	7.28
<b>13 RETURN ON CAPITAL EMPLOYED (%)</b> (Earning before Interest & Tax / Capital Employed)	15.78%	21.16%
<b>14 RETURN ON INVESTMENT (%)</b> (Profit after Tax / Total Average Investment)	1.82%	0.02%

Notes:

- 1 Current Ratio: Has Increased Due To Increase Investment In Fixed Deposits & Inventory
- 2 Debt Equity Ratio: Increase Due To Increase In Share Capital And Reserve & Surplus
- 3 Trade Payables: Increase Due To Increase In Ratio Due To Decrease In Trade Payables
- 4 Net Capital Turnover Ratio: Increase Due To Increase In Sales And Reduced Bank Borrowing





## **Ducol Organics And Colours Limited**

Registered Office: Office No 302,

Express Building, 14-E Road,

Churchgate Mumbai 400020.

[cs@ducol.com](mailto:cs@ducol.com)

[www.ducol.com](http://www.ducol.com)

### **REGISTERED OFFICE**

Office No 302, Express Building, 14-E Road, Churchgate,  
Mumbai 400 020, Maharashtra

### **PLANTS LOCATIONS**

#### **Unit 1**

Plot No. 22/2, Taloja Industrial Area, MIDC Taloja,  
Tal - Panvel, Dist. - Raigad Pin - 410208

#### **Unit 2**

Plot No. T-5/1, Taloja Industrial Area, MIDC Taloja,  
Tal - Panvel, Dist. - Raigad Pin - 410208

#### **Unit 3**

Unit Address: Plot No. K-7, Addl Mahad Industrial Area,  
Tal - Mahad, Dist. - Raigad Pin - 402302