



SHANKAR LAL RAMPAL DYE CHEM LIMITED

ANNUAL REPORT

2021-22

CONTENT

1	Corporate Profile	2	Our Company at a glance	3	Chairman's Message
5	Financial Highlights	6	Key Performance Indicator	7	Management Discussion and Analysis
14	Board of Director's Report	27	Annexure to the Director's Report	33	Corporate Governance Report
58	CSR Report	62	AOC-2	63	Independent Statutory Auditor's Report
84	Balance Sheet	85	Statement of Profit and Loss	87	Cash Flow Statement
86	Changes in Equity Statement	88	Notes to Financial Statements	127	Notice of the Annual General Meeting

***Forward looking statements**

In this annual report, we have shared information and made forward looking statements to enable investors to know our *modus operandi*, business logic and direction and thereby comprehend our prospects. Such statements that we make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results may vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

The Members may send in their comments or suggestions for improvement of the annual report by e-mail to cs@srdyechem.com.

CORPORATE PROFILE

Board of Directors and Key Managerial Personnel

Mr. Rampal Inani- Managing Director

Mr. Jagdish Chandra Inani- Whole Time Director

Mr. Dinesh Chandra Inani- Whole time Director

Mr. Vinod Kumar Inani- Whole Time Director

Mr. Susheel Kumar Inani- Whole Time Director Cum CFO

Mr. Anil Kumar Kabra- Independent Director and Chairman (Audit Committee)

Mrs. Apoorva Maheshwari- Independent Women Director

Mr. Harsh Kabra- Independent Director and Chairman (Stakeholder's Relationship Committee)

Mr. Murli Atal -Independent Director and Chairman (N&R Committee)

Mr. Aditya Soni-Independent Director and Chairman (Corporate Social Responsibility Committee)

Ms. Aditi Babel- Company Secretary and Compliance Officer

Auditors

Statutory Auditor	Secretarial Auditor	Internal Auditor
Alok Palod & Company Chartered Accountants	CS Sanjana Jain Practising Company Secretary	Laxman Kumar & Associates Chartered Accountants
Shop No.3, Hare Krishna Tower, Rajendra Marg, Bhilwara-311001, Raj.	A-409, V. S. Pathik Nagar, Bhilwara-311001, Raj.	30-A-6, Community Hall Road, Near Bapu Nagar, Bhilwara-311001, Raj.

Bankers

Axis Bank Limited

ICICI Bank Limited

Share Transfer Agent

Cameo Corporate Services Limited

"Subramanian Building", 1, Club House Road,

Chennai- 600002, India

Email at- investor@cameoindia.com



Our Company at a glance

CIN	L24114RJ2005PLC021340
Company Name	SHANKAR LAL RAMPAL DYE-CHEM LIMITED
ROC Code	RoC-Jaipur
Registration Number	021340
Company Category	Company limited by Shares
Company Sub-Category	Non-govt company
Class of Company	Public
Authorized Capital(Rs.)	640000000
Paid up Capital(Rs)	639667800
Date of Incorporation	19/09/2005
Registered Address	S.G. 2730 Suwana Bhilwara RJ 311011 IN
Email Id	info@sr dyechem.com
Whether Listed or not	Listed
Suspended at stock exchange	-
Date of last AGM	25/08/2021
Date of Balance Sheet	31/03/2021
GSTIN(Registered Office)	08AAKCS4423Q1ZQ

Chairman's Message

Dear Stakeholders,

The uncertainty due to global geopolitical conflict and aftermath of COVID-19 third wave; made 2021-22 a uniquely challenging fiscal year. Overall, the year was marked by rising inputs costs and supply chain bottlenecks, which put pressure on our margins.

At Shankar Lal Rampal Dye-chem Limited, our priority is always with the safety and health; we have adopted all necessary precautions and suggestive practices to safeguard health & interest of communities we work in and client we serve to.

World Chemical industry is sized at US\$ 5 tn and it grew by 25% (mainly because of lower base) in 2021. Indian Chemical industry is sized at US\$ 175 bn and it grew by 29% in 2021-22. This provides for an excellent potential to its constituents to improve, innovate and grow.

Dyes and Chemical Industries also seen a shift in customer preferences. Due to increase in use of hygienic, health and safety measures by customers; the demand for safety and precautionary measures has been increased.

Environmental and social investment in sustainability of good health and hygiene has seen a hike.

The starting of FY 2021-22 the entire economy was shutdown due to Pan-India Lockdown measure adopted by Indian Government; started as a year of no operations; the company still was working on digital mode to supply various materials necessary for various hygiene activities and as the operations were closed; working was slow down. The pandemic has tragically

cost many lives, hampering lifestyles and leaving many temporary and permanent changes in way of working.

Hygiene is the vital term in case of Health and Safety. Use of sanitizers, disinfectant, cleansing agents, masks, etc. has been the most trending outset of business. Your company is already dealing in Disinfectant and chemicals used for Hygiene; hence the company was able to fetch good and foreseen returns from investment in various business related opportunities, the company was able to announce Bonus Issue of equity shares and despite of tremendous problem in logistic, increasing material cost & facing economic slowdown due to several curfew, lockdown, etc.; the company is still able to maintain its sales & customers. In my opinion we were able to serve satisfactorily the market needs. This growing market valuation of our products is due to Shankar Lal Rampal Dye-chem Limited ("Srdyechem/SRDL")'s differentiated strategy, improving capital allocation and most importantly your firm belief in sustainability and growth of your company. Despite these challenges, the Castrol India team demonstrated remarkable resilience and delivered its highest-ever revenue till date of Rs. 303 Crores in 2021-22, marking a tremendous growth over last year. The company has also promoted E-payment or online payment facility among its customers.

The vision of better quality products, loyal customers, safety measures in handling operations and good trade practices have been driving force for your company to



ANNUAL REPORT 2021-22

sustain and earn favorable outcome. Advancing our sustainability agenda in India, we introduced targeted interventions in our operations, packaging, and distribution, with a focus on saving waste, reducing carbon, and improving people's lives.

The opportunities ahead are huge. By staying true to its vision, mission and its values, and by continually investing in building newer capabilities, your Company is positioned well to become the foremost partner of choice to all forward thinking

enterprises in their growth and transformation journeys.

We delivered these results while looking after our people, enabling vaccination for our employees & contractors, and ensuring that everyone was safe and well during testing times. With vaccination rates going up in India and the economic environment moving towards normalcy, we remain confident of the long-term growth opportunities for your company.

On behalf of Board of Directors, I want to thank you all for continued trust and confidence.

~ Rampal Inani

Chairman & Managing Director



ANNUAL REPORT 2021-22

Financial Highlights

Description	2022	2021
	Amount	Amount
	Rupees in lakhs	Rupees in lakhs
Income Statement	₹	₹
Revenue	30,332.59	17,769.26
Cost of Goods Sold	26,618.09	16,559.15
Interest Expense	134.24	133.34
Tax Expense	873.82	313.50
Income from Cont. Operations	3,714.49	1,210.10
Net Income	2,706.44	763.27
Balance Sheet		
Cash	53.78	1,084.81
Short Term Investments	0.00	0.00
Accounts Receivable	7,600.89	3,153.37
Inventory	627.61	657.81
Current Assets	10,459.11	6,469.88
Long Term Investments	0.00	0.00
Net Fixed Assets	63.34	58.99
Other Assets	0.50	0.50
Total Assets	10,522.95	6,529.37
Current Liabilities	2,845.31	1,547.76
Total Liabilities	2,845.61	1,547.81
Total Stockholders' Equity	7,677.34	4,981.57
Cash Flow		
Cash Flow from Operations	(1,701.08)	1,009.70
Dividends Paid	10.66	8.00
Interest Paid	134.24	133.34
Share Information (As per actuals)		
Market Price at Year End	166.00	67.80
Earnings Per Share - Basic	12.69	3.58
Shares Outstanding	2,13,22,260	2,13,22,260*
*As per 31.03.2022 : Bonus Shares are added for computation.		

KEY PERFORMANCE INDICATOR

Ratio

Particulars	As at 31st March 2022	As at 31st March 2021	% Change	Basis of Ratio Calculation	Reason for Change
Current Ratio (Including current maturities of Long term Borrowing)	3.68	4.18	-12.06%	Current Assets/Current Liabilities	Due to higher amount of current asset and current liabilities
Current Ratio (Excluding current maturities of Long term Borrowing)	-	-	-	Not Applicable as to there are no long term borrowings	-
Debt Equity Ratio	-	-	-	Not Applicable as to there are no long term borrowings	-
Debt Service Coverage Ratio (In times)	-	-	-	Not Applicable as to there are no long term borrowings	-
Return on Equity Ratio	35.25%	15.32%	130.08%	Profit After Tax/Total Equity	Due to higher net profit
Inventory Turnover Ratio (In times)	48.32	27.00	79.01%	Revenue from Operations/ Inventories	Due to better sales turnover
Trade Receivable Turnover Ratio (In times)	3.99	5.63	-29.14%	Revenue from Operations/ Trade Receivables	Average Realisation period increased
Trade Payable Turnover Ratio (In times)	45.20	121.06	-62.66%	Revenue from Operations/ Trade Payables	Average payment period increased
Net Capital Turnover Ratio (In times)	3.11	2.85	9.14%	Revenue from Operations/Total Equity, Long Term Borrowing & Short Term Borrowing	Due to higher revenues
Net Profit Ratio	8.92%	4.30%	107.61%	Profit After Tax/Revenue from Operations	Due to increase in Sale and higher margin
Return on Capital Employed	38.17%	19.53%	95.39%	EBIT/Total Equity, Long Term Borrowing & Short Term Borrowing	Due to higher operating margin & repayments of borrowings
Return on Investment	-	-	-	Not Applicable due to there are no investment	-
Dividend Payout Ratio	0.4%	1.0%	-62.4%	Dividend Paid/Net Income	Due to Board Policy

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT

1. THE COMPANY'S RESPONSE TO THE COVID-19 PANDEMIC:

In 2021, the world continued to reel under the threat of the coronavirus. The second wave of the COVID-19 pandemic hit India hard, and as a company, we were faced with several challenges and disruptions. Your company managed this unprecedented situation with three clear objectives:

- Protecting our employees,
- Supporting our communities, and
- Protecting the financial health of our business

Employees: All employees, except the employees managing business critical activities, worked from home. The Company created safe operating guidelines for its sales teams and standard operating procedures for staff following government advisories and guidelines. Guidelines for safe operations during COVID-19 were deployed at all plants to ensure safeguards for the wellbeing of our people on the frontline. The Company kept teams informed and well

engaged, and offered them psychological, ergonomic and IT support to work comfortably from home and safeguard their health.

Customers: The Company ensured business continuity and fulfilled customer demands during this period despite several logistic challenges. Sanitization services were provided at the branches.

Communities: As a responsible corporate citizen, the Company committed its support as part of a country wide COVID-19 response. Your company made a social investment of around Rs. 11.10 Lacs in 2021-22, collaborating with various national and local stakeholders to ensure sustained interventions.

Business continuity plans: The Company activated business continuity plans to respond effectively to the constantly evolving situation. Response plans were developed and continually monitored to protect the health and long-term sustainability of the company.

2. INDUSTRY STRUCTURE & DEVELOPMENTS:

Global Dye-Chemical Industry

As the demand for organic chemicals is rising across the world due to the spread of the coronavirus, manufacturers are on the verge of rising the prices of organic chemicals products along with suppliers and online vendors. Globally, the dyes and pigments market is expected to see healthy growth in the coming years, led by growing construction and automotive industries. Market growth is expected to be influenced by the rising demand for organic pigments.

Indian Dye-Chemical Industry

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Chemicals industry in India has been de-licensed except for few hazardous chemicals. Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Basic chemicals, Specialty chemicals, and Agrochemicals. Indian chemicals industry (excluding pharmaceutical products) ranks 14th in exports globally. Indian chemical industry employs more than 2 million people. The Indian industry has fared better and company growth rates have been in higher single digits as relatively stronger domestic consumption has

ensured that Indian chemical companies enjoyed better growth compared to their global peers. The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. With just a couple exceptions, outlooks for key chemical markets are equally bright.

3. Economic scenario:

Your Company has been continuously striving to keep its costs to minimum possible to aggressively compete with Indian & global competitors. Moreover, slowly India is getting competitive with respect to global manufacturers, as global environmental rules are becoming stringent like that of India. The lockdowns and restrictions imposed on various business operations due to COVID 19 pandemic have created several obstacles in day to day activities of the company. As stated earlier, retail facilities were shut down entirely during the lockdown phase as the company was not part of Government denominated essential services.

Corporate and regional offices were also shut, but the Company adopted the work from home policy during the entire duration of the lockdown. And In the very initial stage of this pandemic outbreak; the top level management suo-motu decided to make arrangements for sanitization, thermal screening, use of masks, staggered working and lunch schedules for whole staff members and customers. The