



**SHANKAR LAL RAMPAL DYE CHEM LIMITED**  
**ANNUAL REPORT**  
***2022-23***



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## **\*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@srध्येchem.com](mailto:cs@srध्येchem.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  |
|---|--|---|
| <b>Alok Palod &amp; Company</b><br>Chartered Accountants            | <b>CS Sanjana Jain</b><br>Practising Company Secretary | <b>Laxman Kumar &amp; Associates</b><br>Chartered Accountants |
| Shop No.3, Hare Krishna Tower, Rajendra Marg, Bhilwara-311001, Raj. | A-409, V. S. Pathik Nagar, Bhilwara-311001, Raj.       | A-1273 Bapu Nagar, Gautam Dham Road, 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

|                                    |  |
|------------------------------------|--|
| <b>CIN</b>                         | <b>L24114RJ2005PLC021340</b>           |
| <b>Company Name</b>                | SHANKAR LAL RAMPAL DYE-CHEM LIMITED    |
| <b>ROC Code</b>                    | RoC-Jaipur                             |
| <b>Registration Number</b>         | 021340                                 |
| <b>Company Category</b>            | Company limited by Shares              |
| <b>Company Sub-Category</b>        | Non-govt company                       |
| <b>Class of Company</b>            | Public                                 |
| <b>Authorized Capital(Rs.)</b>     | 640000000                              |
| <b>Paid up Capital(Rs)</b>         | 639667800                              |
| <b>Date of Incorporation</b>       | 19/09/2005                             |
| <b>Registered Address</b>          | S.G. 2730 Suwana Bhilwara RJ 311011 IN |
| <b>Email Id</b>                    | info@sr dyechem.com                    |
| <b>Whether Listed or not</b>       | Listed                                 |
| <b>Suspended at stock exchange</b> | -                                      |
| <b>Date of last AGM</b>            | 19/09/2022                             |
| <b>Date of Balance Sheet</b>       | 31/03/2022                             |
| <b>GSTIN(Registered Office)</b>    | 08AAKCS4423Q1ZQ                        |



## **Chairman's Message**

**Dear Stakeholders,**

It is my proud privilege to present you the 18th Annual Report of your Company for the financial year 2022-23. On behalf of the Board of Directors and employees of the company, I am elated to have an opportunity to reflect on our accomplishments over the past year and share our plans for the future.

Your continued support and trust is a source of inspiration and an encouragement to provide stability to operations. We grew our business and increased our profitability, which enabled us to improve our competitiveness and create value for shareholders. Year by year your Company is stepping ahead and getting stronger.

We are pivoting towards sustainable applications and green chemistries for growth. Our core portfolio led by various organic dyes.

Dyes and Chemical Industries also seen a shift in market conditions. Our business were impacted by rising energy cost, shipping cost and availability of vessels & containers across geographies.

Agile teamwork coupled with efficient operations and resilient supply chain ensured seamless supplies to our customers.

The company announced Bonus Issue of equity shares enhancing company's shareholder wealth to 300% 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 increase 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 team demonstrated remarkable resilience and delivered its all-time high revenue till date of Rs. 324 Crores in 2022-23, marking a tremendous growth over last year.

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 sustain and earn favorable outcome.

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

*Rampal Inani*

**Chairman & Managing Director**

## Financial Highlights

| Description   | 2023             | 2022             |
|---|------------------|------------------|
|   | Amount           | Amount           |
|   | Rupees in lakhs  | Rupees in lakhs  |
| Income Statement  | ₹                | ₹                |
| Revenue   | 32,392.62        | 30,332.59        |
| Cost of Goods Sold  | 29,345.80        | 25,910.39        |
| Interest Expense  | 104.16           | 134.24           |
| Tax Expense   | 538.70           | 873.82           |
| <b>Income from Cont. Operations</b>                                 | <b>3,046.82</b>  | <b>4,422.20</b>  |
| <b>Net Income</b>   | <b>2,403.96</b>  | <b>3,414.14</b>  |
|   |                  |                  |
| Balance Sheet   |                  |                  |
| Cash  | 857.90           | 53.78            |
| Short Term Investments  | 0.00             | 0.00             |
| Accounts Receivable   | 6,639.64         | 7,600.89         |
| Inventory   | 1,038.72         | 627.61           |
| <b>Current Assets</b>   | <b>10,918.72</b> | <b>10,459.11</b> |
| <b>Long Term Investments</b>  | <b>0.00</b>      | <b>0.00</b>      |
| <b>Net Fixed Assets</b>   | <b>85.72</b>     | <b>63.34</b>     |
| <b>Other Assets</b>   | <b>0.50</b>      | <b>0.50</b>      |
| <b>Total Assets</b>   | <b>11,004.95</b> | <b>10,522.95</b> |
| <b>Current Liabilities</b>  | <b>1,768.14</b>  | <b>2,845.31</b>  |
| <b>Total Liabilities</b>  | <b>1,768.66</b>  | <b>2,845.61</b>  |
| <b>Total Stockholders' Equity</b>                                   | <b>9,236.29</b>  | <b>7,677.34</b>  |
|   |                  |                  |
| Cash Flow   |                  |                  |
| Cash Flow from Operations   | 1,459.49         | (1,701.08)       |
| Dividends Paid  | 31.98            | 10.66            |
| Interest Paid   | 104.16           | 134.24           |
|   |                  |                  |
| Share Information (As per actuals)                                  |                  |                  |
| Market Price at Year End  | 139.45           | 166.00           |
| Earnings Per Share - Basic  | 2.49             | 4.23             |
| Shares Outstanding  | 6,39,66,780      | 2,13,22,260      |
|   |                  |                  |
| <b>*As per 31.03.2023 : Bonus Shares are added for computation.</b> |                  |                  |

# KEY PERFORMANCE INDICATOR

## Ratio

| Particulars  | As at 31st March 2023 | As at 31st March 2022 | % Change | Basis of Ratio Calculation   | Reason for Change   |
|--|-----------------------|-----------------------|----------|--|---|
| <b>Current Ratio (Including current maturities of Long term Borrowing)</b> | 6.18                  | 3.68                  | 67.99%   | Current Assets/Current Liabilities   | Due to higher amount of current asset and current liabilities |
| <b>Current Ratio (Excluding current maturities of Long term Borrowing)</b> | -                     | -                     | -        | Not Applicable as to there are no long term borrowings                           | -   |
| <b>Debt Equity Ratio</b>   | -                     | -                     | -        | Not Applicable as to there are no long term borrowings                           | -   |
| <b>Debt Service Coverage Ratio (In times)</b>                              | -                     | -                     | -        | Not Applicable as to there are no long term borrowings                           | -   |
| <b>Return on Equity Ratio</b>  | 17.22%                | 35.25%                | -51.14%  | Profit After Tax/Total Equity  | Due to higher net profit                                      |
| <b>Inventory Turnover Ratio (In times)</b>                                 | 31.14                 | 48.32                 | -35.56%  | Revenue from Operations/ Inventories   | Due to better sales turnover                                  |
| <b>Trade Receivable Turnover Ratio (In times)</b>                          | 4.87                  | 3.99                  | 22.09%   | Revenue from Operations/ Trade Receivables                                       | Average Realisation period increased                          |
| <b>Trade Payable Turnover Ratio (In times)</b>                             | 203.11                | 45.20                 | 349.37%  | Revenue from Operations/ Trade Payables  | Average payment period increased                              |
| <b>Net Capital Turnover Ratio (In times)</b>                               | 2.99                  | 3.11                  | -3.89%   | Revenue from Operations/Total Equity, Long Term Borrowing & Short Term Borrowing | Due to higher revenues  |
| <b>Net Profit Ratio</b>  | 4.92%                 | 8.92%                 | -44.88%  | Profit After Tax/Revenue from Operations   | Due to increase in Sale and higher margin                     |
| <b>Return on Capital Employed</b>  | 20.70%                | 38.17%                | -45.76%  | EBIT/Total Equity, Long Term Borrowing & Short Term Borrowing                    | Due to higher operating margin & repayments of borrowings     |
| <b>Return on Investment</b>  | -                     | -                     | -        | Not Applicable due to there are no investment                                    | -   |
| <b>Dividend Payout Ratio</b>   | 0.01%                 | 0.04%                 | -75%     | Dividend Paid/Net Income   | Due to Board Policy   |

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. OUTLOOK:

According to provisional estimates of National Income, released by the National Statistical Office of Ministry of Statistics and Programme Implementation, for the financial year 2022-23 the growth rate of GDP is estimated at 7.2%, as compared to 9.1% in the previous year.

The Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments. Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. The Indian chemicals industry stood

at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030. Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the CRISIL report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and better exports.

**Source** - NATIONAL STATISTICAL OFFICE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION GOVERNMENT OF INDIA –Press Note Q4 2022-23



## 2. INDUSTRY STRUCTURE & DEVELOPMENTS:

### Global Dye-Chemical Industry

The global chemical industry is a complex and important part of the global economy and supply chain network. The production of chemicals involves converting raw materials such as fossil fuels, water, minerals, metals, and so on, into tens of thousands of different products that are central to modern life as we know it.

The chemical industry is of strategic importance to the sustainable development of national economies. The ILO estimates that there are up to 20 million people employed in the global chemical, pharmaceutical and rubber and tyre industries today.

Global competition has rapidly changed the world map of chemical production and consumption. Greater competitiveness and uncertainty have triggered restructuring processes with significant implications for employment and earnings, composition of employment and working conditions in general.

### Indian Dye-Chemical Industry

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest

producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Source- <https://www.ibef.org/industry/chemical-industry-india>

## 3. Economic scenario:

The Company's businesses are supported by the pillars of safety, sustainability, operational excellence, customer focus, innovation and digitalisation. India's economy recovered quickly from the pandemic and further growth is expected to be supported by solid domestic demand and increase in capital investments.

The company also offers have a wide portfolio of organic and inorganic product offerings such as specialty performance chemicals to the Sanitization, Textile Dyeing and printing industry. Over the last few years, The Company has embarked on transformation journey and have made significant investments in new product capabilities.

The Trading facility of the company is situated at Bhilwara (Rajasthan) and Mumbai (Maharashtra). The facility is spread over 2 states. The company is an ISO 9001:2015 and ISO 14001:2015 certified company. Beside Trading of numerous types of Dyes and chemical

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products, Our Company has large number of products and offers an entire range of specialty chemicals used in Sanitization based products, Textiles & Garments processing.

Sustainability continues to be central to Srdyechem's functioning and is embedded across all facets of our

operations. The Company strives to lower its carbon footprint through the implementation of energy efficient practices and increasing in renewable energy sources. To ensure the adoption of ethical practices throughout the supply chain, we collaborate with suppliers and undertake responsible sourcing of raw materials.

#### **4. Key Ratios**

As required by SEBI (LODR) (Amendment) Regulations, 2018, the Company is required to furnish the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios based on standalone financial statement, along with detailed explanations for the changes. Kindly refer Page 5 for details.

Many Ratio show favorable trend as due to the product company deals in, has shown consistent demand in market. The turnover has shown a positive impact due to reasons stated in Business Outlook. Dividend Payout Ratio and return on equity was unfavorably impacted as company wants to retain some profits to meet increasing demand.