



ULTRAMARINE &  
PIGMENTS LTD.

**61<sup>st</sup>**

**ANNUAL  
REPORT  
2021–2022**





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### Board of Directors

Mr. R. Sampath	- Chairman
Mrs. Indira Sundararajan	- Vice Chairperson
Ms. Tara Parthasarathy	- Joint Managing Director
Mr. R. Senthil Kumar	- Whole-time Director
Mr. V. Bharathram	- Whole-time Director

### Independent Directors

Mr. Nimish U. Patel
Mr. Navin M. Ram
Mr. Rajeev M. Pandia
Mr. C.R. Chandra Bob
Dr. P. Arunasree
Mr. Harsh R. Gandhi

### Audit Committee

Mr. C.R. Chandra Bob, Chairman
Mr. Nimish U. Patel
Mrs. Indira Sundararajan
Mr. Navin M. Ram

### Nomination and Remuneration Committee

Mr. Rajeev M. Pandia, Chairman
Mr. R. Sampath
Mr. Navin M. Ram

### Corporate Social Responsibility Committee

Mr. C.R. Chandra Bob, Chairman
Mr. Navin M. Ram
Mrs. Indira Sundararajan

### Stakeholders Relationship Committee

Mr. Navin M. Ram, Chairman
Mr. C.R. Chandra Bob
Mrs. Indira Sundararajan

### Chief Financial Officer

Mr. S. Ramanan

### Company Secretary

Mr. Kishore Kumar Sahoo

### Auditors

Brahmayya & Co.,  
Chartered Accountants  
48, Masilamani Road,  
Balaji Nagar, Royapettah, Chennai - 600014

### Factory

#### Ambattur

556, Vanagaram Road  
Ambattur, Chennai - 600 053  
Tel. : +91-44-26136700 -704  
Fax: +91-44-26821201

#### Ranipet

25-B, SIPCOT Industrial Complex,  
Ranipet - 632 403, Tamilnadu  
Tel: +91-4172-278500-504  
Fax: +91-4172-664400

#### Naidupet

59A, 60 & 61, APIIC Industrial Park  
Block C, Road No. 13, Naidupet,  
SPSR Nellore -524 126, Andhra Pradesh  
Tel: +91 86232 75400

### Bankers

Bank of India  
The Hongkong and Shanghai Banking Corporation Limited (HSBC)  
Axis Bank Ltd

### Registered Office

Thirumalai House, Road No.29  
Near Sion Hill Fort, Sion (E), Mumbai - 400 022  
Tel : +91-22-43686200, 6256  
Fax : +91-22-24011699/24014754  
E-mail: cs@ultramarinepigments.net  
Website: www.ultramarinepigments.net

### Registrar & Share Transfer Agent

Cameo Corporate Services Limited  
Subramanian Building, No. 1, Club House Road,  
Anna Salai, Chennai - 600002,  
Ph : +91-44-28460390  
Fax : +91-44-28460129  
E-mail: Cameo@cameoindia.com, investor@cameoindia.com

### General Information

- Company's Corporate Identification Number (CIN): L24224MH1960PLC011856
- Company's Shares Listed at BSE Ltd.
- Company's Shares are mandated for trading in demat mode.
- ISIN allotted to Company's share is INE405A01021

### 61<sup>st</sup> Annual General Meeting

#### Date & Time

25<sup>th</sup> July, 2022 at 4.00 p.m.

#### Venue

The AGM is to be held through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA).

### Dividend declared

250% (₹ 5.00 per share)

### Book closure

16<sup>th</sup> July, 2022 to 25<sup>th</sup> July, 2022  
(both days inclusive)



## Board of Directors



**Mr. R. Sampath** is the Chairman of Ultramarine & Pigments Limited. He is a Chemistry graduate from University of Bombay and has a Chemical Engineering degree from Washington State University, USA. He started his career in a Multinational Company and possesses more than 50 years of experience in operation, and managing businesses of the Company.



**Mrs. Indira Sundararajan** is the Vice Chairperson of Ultramarine & Pigments Limited. She is a Technologist with extensive experience of more than 3 decades in Business and Trade. She has a BSc-Tech degree from University Department of Chemical Technology (now Institute of Chemical Technology), Mumbai.



**Ms. Tara Parthasarathy** is the Joint Managing Director of Ultramarine & Pigments Limited. She serves as a Trustee of the Thirumalai Charity Trust. Prior to her work with UPL, she worked at the World Resources Institute and the Shakti Sustainable Energy Foundation on sustainable energy policy issues at the national and state levels, specifically on energy efficiency and renewable energy policy measures and industrial applications. She has a B.Tech in Industrial Biotechnology from Anna University and a Masters in Environmental Management from Yale University.



**Mr. R. Senthil Kumar** is the Whole-time Director of Ultramarine & Pigments Limited. He has been working in the Company since 1988. He is looking after the operation of plants at Ranipet, Naidupet and Ambattur. He has more than 28 years of experience in various areas viz, manufacturing, sales and marketing, Projects, Commercials and day-to-day plant operations. He is a Science graduate and Masters in Business Administration.



**Mr. V. Bharathram** is the Whole-time Director of Ultramarine & Pigments Limited. Mr. Bharathram is a graduate in Computer Science and holds Masters Degree in Business Administration.

Mr. Bharathram has more than 25 years of experience and before joining Ultramarine & Pigments Limited, was the National Head for Consumer Durable lending of a reputed non-banking finance Company belonging to a large corporate group in India. He has extensively worked in large commercial hubs and possesses sound knowledge in marketing, broad basing of network, risk assessment of business enterprises, etc.



**Mr. Nimish U. Patel** is the Managing Director of Shri Dinesh Mills Limited and Chairman & Managing Director of Dinesh Remedies Ltd. He has more than 28 years experience in the field of Textile and more than 12 years in the field of Electro Plating and Pharma Industries.



**Mr. Navin Muthu Ram** is the Executive Director of Pipe Hangers and Supports Private Limited, a global market leader for supply of spring hangers and supports for thermal movement of hot pipelines (for refineries and power plants) to leading blue chip Companies. Prior to this, Mr. Navin M. Ram worked with Goldman Sachs in London as an Executive Director with their global products business. He is the Chairman of the Stakeholders Relationship Committee of the Board of Ultramarine & Pigments Limited.



**Mr. Rajeev M. Pandia** is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and holds the Master's degree in the same field from Stanford University, California. A Distinguished Alumnus of IIT Bombay and a Rotary International scholar; he is a fellow of Indian National Academy of Engineering and of Indian Institute of Chemical Engineers. He has more than 45 years of experience in strategic planning, project evaluation and management, technology transfer, international marketing, safety, health and environmental issues, Government policies and general management. He advises several Indian and international companies in the areas of Strategy, Project execution and operational excellence.

In 2009, Mr. Pandia received the ICC Lifetime Achievement Award from Indian Chemical Council for his contribution to the Indian chemical industry. He currently occupies the position of Independent Director as well as membership and chairmanship of Audit Committees and Stakeholders Relationship Committees of GRP Limited, Excel Industries Ltd, The Supreme Industries Ltd. He is the Chairman of the Nomination and Remuneration Committee of the Board of Ultramarine & Pigments Limited.



**Mr. C. R. Chandra Bob** is a fellow member of Institute of Chartered Accountants of India. He has more than 30 years of experience in Audit, Assurance and Taxation. He has worked as Regional Finance Controller (Southern Region) and Plant Manager of Praxair India Pvt. Ltd, a well-known MNC, where he was heading the complete operations and business of the Unit as a Profit Centre. Since then he has set up a professional Auditing Firm with the base in South India performing Audit, Assurance, Taxation, Compliance and related matters. He has extensive experience in these areas and provides the services to well-known Companies. He is the Chairman of the Audit Committee and Corporate Social Responsibility Committee of the Board of Ultramarine & Pigments Limited.



**Dr. P. Arunasree** is a Doctorate in Organic Chemistry and Bachelor of Law. She has more than 16 years of experience in the field of Intellectual Property Rights. She is the Director of Gnanlex Hermenueticus Pvt. Ltd., a Knowledge & Technology based firm providing services in Intellectual Property, regulatory linkages, technology development, licensing & contracts of IP related areas within India and Globally.

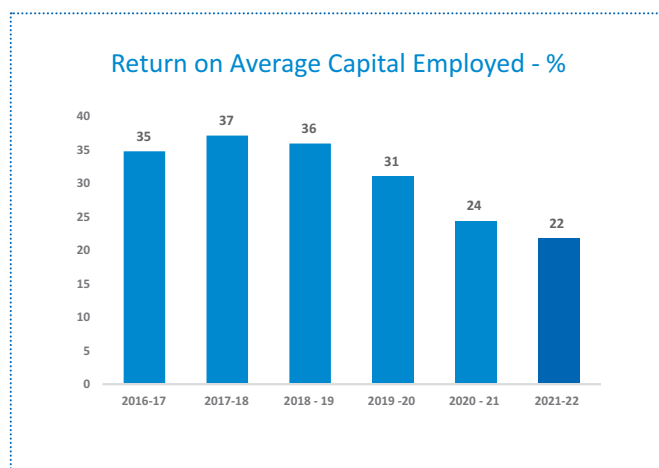
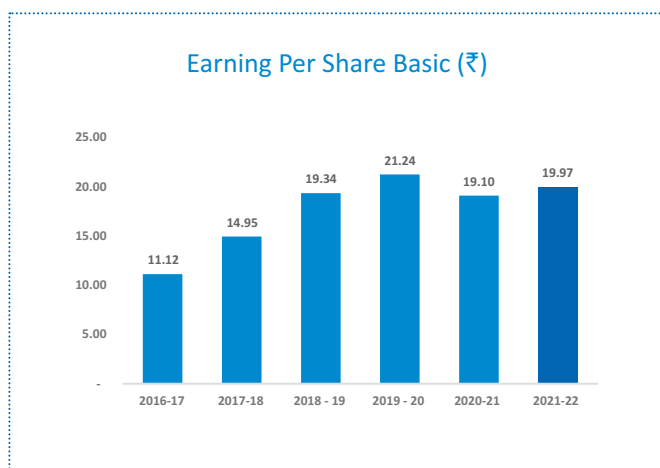
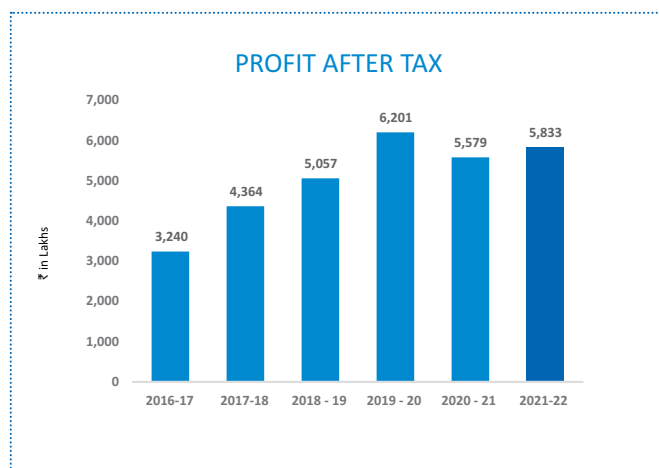
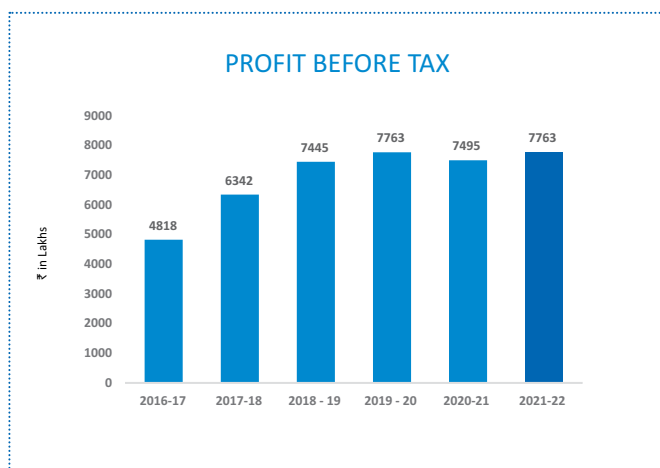
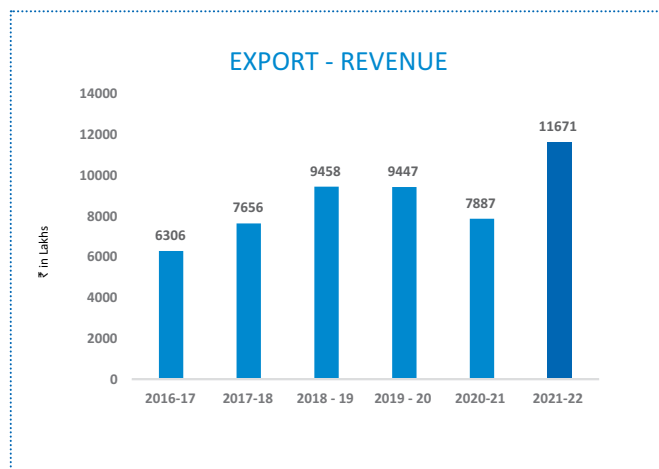
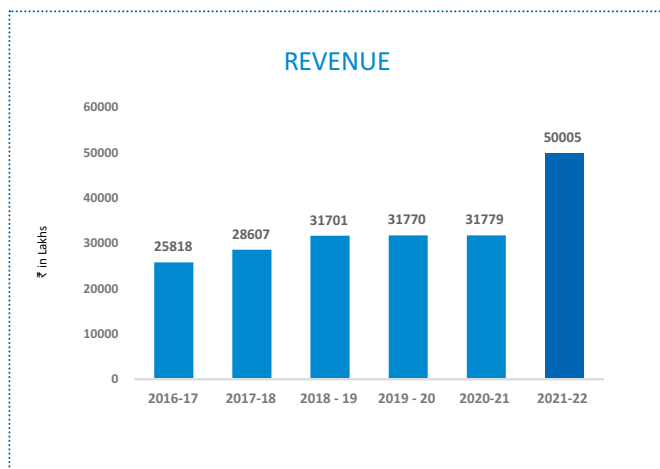


**Mr. Harsh R Gandhi** is a Science graduate from Purdue University, USA, completed Owner / President Management program with Harvard Business School, Boston, USA. He is the Joint Managing Director of GRP Limited. GRP Limited is a manufacturer of sustainable materials, focused on upgrading end-of-life tyre waste to make raw materials and products for use in automotive, electrical, transportation and defence sectors. Before joining GRP, he was an Associate of The Boston Consulting Group, Mumbai and an analyst with Kotak Securities, New York.

Mr. Harsh Gandhi possesses more than 18 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning, etc.



## Financial Snapshot



**FINANCIAL HIGHLIGHTS for 10 YEARS**

₹ in Lakhs

Sl. No.	Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
		IndAS						IGAAP			
1	Paid up Share Capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	85372	45,524	29664	37,905	50,524	30,771	10,869	9,364	8,633	8,048
3	Net Worth	85956	46,108	30248	38,489	51,108	31,355	11,453	9,948	9,217	8,632
4	Fixed Assets (Net)	15720	14154	12673	8,110	7,082	6,054	5,454	3,969	4,215	4,296
5	Sales/ Other Income*	50005	31779	31770	31,701	28,607	25,818	22,522	17,389	15,328	14,394
6	Profit before Tax **	7,763	7495	7,763	8,037	6,342	4,818	3,904	2,752	2,159	1,737
7	Current Tax	(1,796)	(1818)	(1,882)	(2,517)	(1,907)	(1,312)	(957)	(755)	(755)	(588)
8	Deferred Tax	(134)	(99)	320	128	(71)	(259)	(212)	(122)	36	64
9	Tax Expenses	(1,930)	(1917)	(1,562)	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)	(524)
10	Profit after Tax	5,833	5,579	6,201	5,648	4,364	3,247	2,735	1,875	1,440	1,213
11	Dividend ***	1,460	1460	1760	1,582	1,494	1,406	1,230	1,054	854	769
12	Dividend (%)	250	250	250	225.00	212.50	200.00	175.00	150.00	125.00	112.50
13	Earnings Per share - Basic (₹)	19.97	19.10	21.24	19.34	14.95	11.12	9.37	6.42	4.93	4.15

\* Sales and other income of financial year 2017-18 includes excise duty of ₹ 516.91 Lakhs.

\*\* For FY 18-19 figures of PBT, PAT & EPS are inclusive of exceptional income.

\*\*\*FY 2019-20 Dividend includes dividend distribution tax.





## NOTICE

NOTICE is hereby given that the SIXTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held on 25<sup>th</sup> day of July, 2022 at 4.00 p.m. IST through video conferencing (“VC”) / Other Audio Visual Mechanism (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors’ thereon.
2. To declare a dividend.
3. To appoint a Director in place of Ms. Tara Parthasarathy (DIN: 07121058), who retires by rotation and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

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

Ceiling limit of Commission to Ms. Tara Parthasarathy (DIN.07121058), Joint Managing Director

“**RESOLVED THAT** based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members is hereby accorded to the enhancement of ceiling limit of commission payable to Tara Parthasarathy (DIN. 07121058), Joint Managing director from existing 1% to upto 2 % of the Net profits of the company with effect from 01.04.2022.

Minimum remuneration:

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Ms. Tara Parthasarathy up to such amount as remuneration as may be permissible under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

Ceiling limit of Commission to Mr. V. Bharathram (DIN. 08444583), Whole-time Director.

“**RESOLVED THAT** based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members is hereby accorded to the enhancement of ceiling limit of commission payable to Mr. V. Bharathram (DIN. 08444583) , Whole-time Director from existing 1% to upto 2 % of the Net profits of the company with effect from 01.04.2022.



Minimum remuneration:

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. V Bharathram upto such amount as remuneration as may be permissible under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

Approval of Material Related Party Transaction for the financial year 2022-23

**“RESOLVED THAT** pursuant to Section 188 of the Companies Act , 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, as amended from time to time and the Company’s Policy on Related Party Transaction(s), the approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to be entered into material contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Ultramarine Specialty Chemicals Limited (USCL), a wholly owned subsidiary of Ultramarine & Pigments Limited and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and USCL, for an aggregate value of up to ₹ 5,560 Lakhs, to be entered during financial year 2022—23 at an arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, and confirmed in all respects.”

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

Ratification of remuneration payable to cost auditor for the financial year 2022-23

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-



enactment thereof, for the time being in force), at the meeting of Board of directors held on May 24, 2022 has appointed M/s. GSVK & Co (Firm Regn. No.002371), Practicing Cost Accountants, Chennai as the Cost Auditor of the Company, to conduct the audit of the cost records for the financial year ending March 31, 2023, be paid at a remuneration of ₹ 25,000 (excluding out of pocket expenses and applicable GST) as set out in the statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By the Order of the Board  
For **Ultramarine & Pigments Limited**,

**[Kishore Kumar Sahoo]**  
Company Secretary

*Regd. Office:*

Thirumalai House, Plot No. 101 -102,  
Road No. 29, SION – East, Mumbai – 400022  
Email: cs@ultramarinepigments.net,  
Website: www.ultramarinepigments.net

Date: 24<sup>th</sup> May, 2022

**NOTES:**

1. Ministry of Corporate Affairs (“MCA”) vide its Circular dated May 5, 2022 with reference to the General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No.19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021 (collectively referred to as “MCA Circulars”) extended / permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM for the year 2022 till 31<sup>st</sup> December 2022. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA 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 the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 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 its registered email address to rmimani@csrma.in/mmimani@csrma.in with a copy marked to evoting@cdslindia.com.
5. The Company has fixed Friday, July 15, 2022 as the Record Date for determining entitlement of members to the dividend for the financial year ended March 31, 2022, if approved at the AGM.



6. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend shall be subject to deduction of tax at source.
  - i) To all beneficial owners of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) collectively “ Depositories” as of the close of business hours on Friday, July 15, 2022.
  - ii) To all members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 15, 2022.
7. The Register of Members and Share Transfer books of the Company will remain closed from 16<sup>th</sup> July, 2022 to 25<sup>th</sup> July, 2022(both days inclusive) for the purpose of Annual General Meeting of the Company.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrar and Transfer agents, viz., Cameo Corporate Services Limited for assistance in this regard.
9. To support the ‘Green Initiative’, members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Cameo Corporate Services Limited in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held by them in physical form.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Cameo Corporate Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. Members desiring any clarification on accounts are requested to write to the Company at an early date through email on [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net) so as to enable the Company to keep the information ready.
15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report .



16. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.ultramarinepigments.net/investors-relation/investor-information](http://www.ultramarinepigments.net/investors-relation/investor-information).
17. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the integrated Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the FY 2021-22 is also available on the Company's website [www.ultramarinepigments.net](http://www.ultramarinepigments.net), websites of the Stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL : <https://www.evotingindia.com>
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. Instructions for e-voting and joining the AGM are as follows:
  - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated dated May 5, 2022 with reference to the General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No.19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  - b) The members can join the AGM in the VC/OAVM 15 minutes before the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - c) The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

**THE INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on July 21, 2022 at 9.00 am. and ends on July 24, 2022 at 5.00 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 July 15, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted through remote e-voting would not be entitled to vote during the meeting.
- (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 and e-voting 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 abovesaid 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 CDSL	1) Users who have opted for CDSL's 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 URLs 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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service providers, so that the user can visit the e-Voting service providers' site directly.
	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>
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	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 and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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's 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 CDSL	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 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 224430

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in physical form should enter Folio Number registered with the Company.



- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.





- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mmimani@csrma.in; cs@ultramarinepigments.net (designated email address of company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further the shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE**

- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- ii) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting system, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ultramarinepigments.net](http://www.ultramarinepigments.net) and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company is listed.

**I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 4**

The shareholders at the 58<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> July 2019 approved the re-appointment and remuneration of Ms. Tara Parthasarathy (DIN.07121058) as Joint Managing Director and considered the commission of upto 1% of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

The Nomination and Remuneration Committee at its meeting held on 13<sup>th</sup> May 2022, recommended enhancement in the ceiling limit of commission upto 2% of the net profits of the company (calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013) to Ms. Tara Parthasarathy considering the following developments;

- i) Successful expansion of Sulphonation division (40,000 MT capacity in a phased manner) at APIIC Industrial Park, Naidupet, Andhra Pradesh.
- ii) Successful expansion of 1<sup>st</sup> phase of Pigments division (1,500 MT per year) at APIIC Industrial Park, Naidupet, Andhra Pradesh through a wholly owned subsidiary Company.
- iii) Identifying and implementing new projects with a view to achieve sustainable growth.

The Board at its meeting held on 24<sup>th</sup> May, 2022, upon the recommendation of Nomination and Remuneration committee, has considered the same, subject to the approval of the shareholders.

The aggregate of the remuneration shall be within the maximum limits as laid down under Section 197, and all other applicable provisions, if any of the Act, read with Schedule V of the Companies Act, 2013, as amended from time to time.



Keeping in view the contribution of Ms. Tara Parthasarathy, Joint Managing Director towards growth of the Company, the Board considers it desirable, the enhancement in the ceiling limit of commission and accordingly recommends the resolution for approval by the members.

Save and except Ms. Tara Parthasarathy, Ms. Meera Parthasarathy, and her relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board of Directors recommends the said resolution at item no. 4 as an ordinary resolution for the approval of the members.

#### **Item No. 5**

The shareholders at the 58<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> July 2019 approved the appointment and remuneration of Mr. V. Bharathram (DIN.08444583) as Whole-time Director and considered the commission of upto 1% of the net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

The Nomination and Remuneration Committee at its meeting held on 13<sup>th</sup> May 2022, recommended enhancement in the ceiling limit of commission upto 2% of the net profits of the company (calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013) to Mr. V. Bharathram considering the following developments.

- i) Successful expansion of Sulphonation division (40,000 MT capacity in a phased manner) at APIIC Industrial Park, Naidupet, Andhra Pradesh.
- ii) Successful expansion of 1<sup>st</sup> phase of Pigments division (1,500 MT per year) at APIIC Industrial Park, Naidupet, Andhra Pradesh through a wholly owned subsidiary Company.
- iii) Identifying and implementing new projects with a view to achieve sustainable growth.

The Board at its meeting held on 24<sup>th</sup> May, 2022, upon the recommendation of Nomination and Remuneration Committee, has considered the same, subject to the approval of the shareholders.

The aggregate of the remuneration shall be within the maximum limits as laid down under Section 197, and all other applicable provisions, if any of the Act, read with Schedule V of the Companies Act, 2013, as amended from time to time.

Keeping in view the contribution of Mr. V. Bharathram, Whole-time Director towards growth of the Company, the Board considers it desirable, the enhancement in the ceiling limit of commission and accordingly recommends the resolution for approval by the members.

Save and except Mr. V. Bharathram, Mr. R. Sampath, and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

The Board of Directors recommends the said resolution at item no. 5 as an ordinary resolution for the approval of the members.

#### **Item No. 6**

##### **Background, details and benefits of the transaction**

Ultramarine Specialty Chemicals Ltd (USCL) is an unlisted wholly owned subsidiary of Ultramarine & Pigments Ltd (Ultramarine), listed entity. Ultramarine enters into related party transactions with USCL. USCL has set up a Project to produce 1500 MT of Pigments per annum at APIIC Industrial Park, Naidupet, Andhra Pradesh and expecting commencement of operation soon.

Ultramarine is providing financial assistance to the said project by way of equity and debt (preference shares and term loan), also enters into transaction for purchase / supply of raw materials, stores and spares, etc. to



USCL. These transactions are at an arm's length basis and in the ordinary course of business of the Company. These transactions facilitate ease of business operations, productivity and ensures consistent flow and timely delivery of desired quality and quantity of material.

The management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with USCL for an aggregate value upto ₹ 5,560 Lakhs to be entered during financial year 2022-23. The Committee has noted that the said transactions will be at an arms' length basis and in the ordinary course of business of the Company.

Accordingly, based on the review and approval of the Audit Committee, the Board of directors recommends the said resolution at item no. 6 as an ordinary resolution for the approval of members.

Details of the proposed transactions with USCL, being a related party of the Company, are as follows:

Information pursuant to SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021.

SI No.	Description	Details
1.	Details of Summary of information provided by the management to the Audit Committee	
a	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Ultramarine Specialty Chemicals Ltd (USCL) is an unlisted wholly owned subsidiary. The Company is the Promoter of USCL.
b	Name of the director or key managerial personnel who is related, if any and nature of relationship.	Ms. Tara Parthasarathy, Joint Managing Director, Mr. V. Bharathram, Whole-time Director of the listed entity are the Directors of USCL.  Mr. S. Ramanan, CFO is the Company Secretary of USCL.
c	Nature, material terms, monetary value and particulars of contracts or arrangement.	The sources of funds involves investment partly in the equity and preference shares of USCL.  The transactions between the Companies are as follows:  Purchase / Sale of raw material, stores, spares etc. and other transactions for business purpose from/to USCL during financial year 2022-23, aggregating up to ₹ 5,560 Lakhs  The above transaction is at arm's length basis and in ordinary course of business.
d	Value of transaction	Maximum vale up to ₹ 5,560 Lakhs
e	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	11%
2	Justification for the transaction	Please refer to "Background, details and benefits of the transaction" which forms part of the explanatory statement to the resolution no. 6.
3	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	



	<p>i) Details of the source of funds in connection with the proposed transaction and applicable terms:</p> <ul style="list-style-type: none"> <li>The Company shall infuse capital through equity and preference shares aggregating to ₹ 2,860 Lakhs.</li> <li>The Company shall extend term loan up to ₹ 1,000 Lakhs to USCL at the prevailing interest rate.</li> </ul> <p>ii) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.</p> <p>The funds will be utilised by USCL to expand its capacity in Naidupet, Andhra Pradesh, its working capital requirement and for other business purpose.</p>
4	<p>Any other information that may be Relevant.</p> <p>All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.</p>

The members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party (ies) is a party to the aforesaid transactions or not), shall not vote to approve resolution under Item No. 6.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the resolution mentioned at Item No. 6 of the notice

The Board of Directors recommends the said resolution at Item No.6 as ordinary resolution for the approval of the members.

#### Item No. 7

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2023 as per the following details;

Name of the Cost Auditor	Audit fees (₹)
M/s. GSVK & Co (Firm Regn. No.002371)	25,000/-

The above fees are exclusive of travel, out of pocket expenses and applicable GST.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors shall be ratified by the Shareholders of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No.7 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors and Key Managerial personnel of the Company and their relatives are, concerned or interested, in the resolution set out at Item No. 7 of the Notice.

The Board of directors recommends the said resolution at item no. 7 as ordinary resolution for the approval of members.

#### Regd. Office:

Thirumalai House, Plot No. 101 -102,  
Road No. 29, SION – East, Mumbai – 400022  
Email: cs@ultramarinepigments.net,  
Website: www.ultramarinepigments.net

Date:24<sup>th</sup> May, 2022

By the Order of the Board  
For **Ultramarine & Pigments Limited**,

**[Kishore Kumar Sahoo]**  
Company Secretary



**II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING FIXED ON 25<sup>TH</sup> JULY, 2022 AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN HEREUNDER**

Name of the Director	Ms. Tara Parthasarathy
DIN	07121058
Date of Birth	31.01.1986
Date of appointment	16.03.2015
Qualification	Bachelor of Technology (Industrial Bio Technology) from Anna University, Chennai. Master of Environmental Management (MEM) from Yale University, USA
Expertise in specific functional areas	Specialist in Environmental Management and related businesses; Her experience includes Consulting, government Policy advocacy and change, formation of industry Consortia, and project scoping, bidding and realization.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Ultramarine Specialty Chemicals Limited, (a wholly owned subsidiary of Ultramarine & Pigments Limited)
List of Companies in which the said director has resigned in the past three years	Nil
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil
No. of shares held in the Company	She holds by herself 2,04,074 equity shares in the Company as on 31.03.2022.
Relationship between Director inter-se	Nil



## DIRECTORS' REPORT, MANAGEMENT'S DISCUSSION & ANALYSIS

Dear Members,

Your Directors have the pleasure in presenting the 61<sup>st</sup> integrated Annual Report of the Company for financial year ended March 31, 2022.

### FINANCIAL RESULTS

A summary of the Company's Financial Results for the financial year 2021 -22 is as under:

₹ Lakhs

Particulars	Financial Year 2021-22	Financial Year 2020-21
Revenue from operations ( net of excise duty)	49,102	30,819
Profit before tax	7,763	7,495
Tax Expenses ( Including Deferred Tax)	1,930	1,917
Profit after Tax	5,833	5,578
Basic earnings per share (₹)	19.97	19.10

### DIVIDEND

Your Directors have recommended a dividend of ₹ 5.00 per share of the nominal value of ₹ 2.00 each for the year ended March 31, 2022 [previous year ₹ 5.00 per share of nominal value of ₹ 2.00 per share]. The payment of dividend will absorb a sum of ₹ 1,460 Lakhs. The dividend, if approved, by the members at the ensuing Annual General Meeting shall be paid to all the eligible members by 31<sup>st</sup> July, 2022.

### Transfer to Reserves:

Your directors do not propose to transfer any amount to general reserves on declaration of dividend.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OPERATIONS AND FINANCIAL PERFORMANCE

The revenue for the year from operations stood at ₹ 49,102 Lakhs in 2021-22, registering a growth of 59% as compared to the previous year. This increase is due to improved volumes in the Pigments and Sulphonation divisions. The newly commissioned Sulphonation plant at Naidupet, Andhra Pradesh was operational throughout the year as compared to less than 3 months in the previous year.

There is a 9% increase at EBIDTA and the net profit went up by 4%, despite an uncontrollable and sharp rise in the cost of raw material, fuel & freight. The Company was unable to pass on all the increases to our customers but was able to minimise the negative impact through improved operational efficiencies & yield. Total export revenue for the year was ₹ 11,671 Lakhs, as against ₹ 7,887 Lakhs in financial year 2021, registering a 48% growth across the manufacturing & ITeS divisions.

A detailed analysis of division wise performance is given below.

### PIGMENT DIVISION

Revenue from the Pigments division increased by 41% as compared to the previous year while volumes went up 25%. With increased export demand, there was an improvement in realisation. However, there was a



decline in domestic demand in some quarters, due to the prevailing economic conditions. Steep increases in input costs, i.e fuel, freight and key raw materials, caused intense margin pressure.

The Pigments division achieved a net revenue of ₹ 12,872 Lakhs in this financial year compared to ₹ 9,119 Lakhs in the previous financial year, and exports were at ₹ 8,075 Lakhs as against ₹ 4,890 Lakhs. The addition of fresh capacity at the new Plant was covered under the Subsidiary Company – Ultramarine Specialty Chemicals Limited.

### **SURFACTANTS DIVISION**

The sulphonation plant at Naidupet was operational for the full financial year and the offtake from this Plant resulted in a 23% increase in volume & 44% in revenue compared to the previous year. The Company saw unprecedented cost increases across the board in raw material and fuel, which have affected its margins. Due to interest and depreciation for the new Plant, profit was lower at the net level. This division reported a revenue of ₹ 32,241 Lakhs as against ₹ 18,416 Lakhs for the previous year.

### **WIND POWER GENERATION**

As stated in last year's report, the Company has been working actively to increase the share of green power in its overall power mix. It currently owns and operates Wind Turbine Generators with a capacity of 4.3 MW, all in the state of Tamil Nadu. Some of the older, inefficient wind turbine generators are being replaced with new and higher efficiency machines. A new WTG with a 750 KW capacity was commissioned in this financial year.

Windmills have generated 55.23 lakh units in 2021-22 as against 52.11 lakh units in the previous year. The increase was partly on account of a new machine becoming operational. Captive consumption from the windmills was 42.41 lakh units, an increase of 2.79 lakh units over the previous year.

### **ITeS DIVISION**

During the year under review, this division reported an income of ₹ 3,408 Lakhs, an increase of 13% over the previous year's ₹ 3,043 Lakhs. This is primarily due to client addition. New initiatives are being taken to increase the revenue and margin by offering value-added services to both the existing & new customers.

### **EARNINGS PER SHARE (EPS)**

Earnings Per Share (EPS) is at ₹ 19.97 as compared to ₹ 19.10 for the previous year. This improvement, in spite of the previously explained margin pressures, is due to the performance of the Pigments & ITeS divisions.

### **INTERNAL FINANCIAL CONTROL**

The Company maintains adequate controls over financial reporting. All the financial data are captured from the system with in-built security developed for both financial data accuracy and for the prevention of data leakage. The Company has an effective ERP system which is customized to suit specific requirements. The majority of approvals and workflows are routed through the system.

A periodical health audit for IT Systems is carried out by a consultant to strengthen the existing system and update data security measures.

The Company has put in place adequate systems and procedures for ensuring internal financial controls and these are being followed in the normal course of operations of the Company.

The Company has well defined updated Standard Operating Procedures (SOP) for every function. A suitable risk mitigation plan for each pre-defined SOP has also been developed, and is well documented. The Internal Auditor's reports, observations and management responses are placed before the audit committee in the presence of the internal auditor and the same are discussed in detail. Corrective actions, if any, are taken promptly. The action taken report is also placed before the Audit Committee for review at each meeting.





The Audit committee ensures that appropriate actions to correct deviations, if any, are taken up immediately by the management.

The Audit Committee of the Company briefs the Board on the effectiveness of the internal control system in the operations of the Company.

## **PERSONNEL**

### **Human Capital:**

The Company's business and strategic goals are accomplished through the alignment of the training and development plan of its employees, with a focus on upskilling, motivation and wellbeing. In order to encourage a variety of perspectives and skills, your Company continues to work on improving inclusion in the workplace. In the year under reporting, the Company focused on driving greater communication and trust, through town halls, direct access to management, and the clarification of a strategic direction.

The Company has a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace based on the applicable laws.

### **Gender ratio:**

The ratio of women to men in the manufacturing division at the end of the financial year 2021-22 was 13.6%, with 56 women and 356 men including the far more diverse ITeS division. The overall ratio was 32%, with 358 women.

### **Industrial Relations:**

Industrial relations continued to be congenial during the current year. By conducting regular and interactive town halls with employees across all levels, 228 grievances were addressed with all due gravity and timeliness in the three manufacturing locations.

### **Employee Benefits:**

In consideration of the contribution made by the employees during the pandemic and the undue economic and emotional stresses, the entirety of variable pay/incentives was awarded to all employees.

### **Health and safety:**

During the second wave of Covid-19, with the previous years' experience, systems and processes to ensure safe and healthy work environments were established. All eligible employees, family members, and contract labour were vaccinated, with the support of the local government, and some at the Company's cost.

## **RISKS AND CONCERNS**

The Company has implemented a structured approach to identify both current & emerging risks in making strategic decisions and in developing detailed mitigation plans. To monitor the risks and opportunities, it has put in place a comprehensive Enterprise Risk Management(ERM) framework.

### **Key risks identified in 2021-22:**

#### **Raw material:**

This year witnessed volatile movements in Raw Materials for both Pigments & Sulphonation. The Company was unable to truly capture these in its mitigation, as they were unforeseen by the whole industry. While some of these increases can be attributed to the war in Ukraine, most of them were on an unpredictable and increasing trend even before the war, due to the economic impact of the pandemic. The Company also saw an unprecedented increase in cost of basic raw materials like sulphur, clay and soda ash. Imported raw materials also saw a huge increase in freight costs.



The dramatic increase in the cost of Oleo chemicals and Alpha olefins and their diminished availability in the market caused reformulation and shifting of market demand – due to the product mix strategy, however the Company was able to make up for lost revenues at the cost of some erosion in the margin.

**Freight:**

Due to port congestion and logistic disruptions across the world, ocean freight went up by 400% in some cases. Erratic deliveries of raw materials throughout the year caused some lost business opportunities. While import costs could not be passed on in their entirety, due to the prevailing market conditions in India, export freight costs were fully passed through to customers. As a result, the Company was able to hedge some of the margin erosion in its domestic surfactants and pigments businesses through the pigments exports.

**Energy:**

Your Company prides itself in having switched to greener fuels for the majority of its operations. However, this year, there was a global increase in prices for all fuels. These massive increases in the cost of LNG and LPG had a major impact on operations. While the Company was able to switch to a marginally cheaper LPG when LNG went past a tenable price, it was still far more expensive than what was envisioned.

**NEW PROJECT PROSPECTS & OUTLOOK**

A new plant is being set up to manufacture certain speciality chemicals with a capital outlay of ₹ 2,100 Lakhs at the Naidupet facility. This project will be completed during FY 2022-23. These products are used as ingredients in cosmetics, personal care and health care industries.

As stated in last year's report, the project at Naidupet to manufacture fine grade Pigments is complete. This is a new manufacturing facility set up under the wholly owned subsidiary - Ultramarine Speciality Chemicals Limited. Your Company invested ₹ 6,075 Lakhs during the year by way of Capital & term loan – the remainder of the project is funded through a term loan. The Project Cost was revised midway from ₹ 6,650 Lakhs to ₹ 7,550 Lakhs, due to the increase in prices of steel and construction material, and to account for additional equipment to optimise output and yield. The Subsidiary has obtained environmental clearance for this project and expects to commission this new facility soon.

In the same subsidiary, a new project at Naidupet is being implemented, to manufacture Mixed Metal Oxides, with a capital outlay of ₹ 2,435 Lakhs. The capacity will most likely be commissioned during the current fiscal year. Further, a project to add additional capacity of Pigments will also be undertaken in the subsidiary at the same location with a capital outlay of ₹ 6,150 Lakhs.

For the next year, in Pigments, R&D focus is on improving the performance and yield of value-added pigments, and on the development of new applications for these value-added pigments. For Surfactants and other speciality chemicals, R&D focus will be on both new applications for existing technology, and on value-added ingredients adjacent to the existing basket. With regular feedback from the market and input from technologists, the goal is to develop a strong innovation funnel for growth and future profit

**CAUTIONARY STATEMENT**

The statements made in the report describe the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations. The annual results can differ materially from those expressed or implied, depending on the economic conditions, Government Policies and other incidental factors and developments.

**SHARE CAPITAL**

The paid up equity share capital as on 31<sup>st</sup> March, 2022 was ₹ 584 Lakhs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.



## **DIRECTORS**

### **Director retiring by rotation and re-appointment**

As per the provisions of Companies Act, 2013, Ms. Tara Parthasarathy (DIN.07121058), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment.

### **Declaration by Independent Directors**

All the Independent Directors had furnished to the Company a declaration under section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

## **MEETINGS**

During the year under review, eight Board meetings and four Audit Committee meetings were held. Meetings of Nomination and Remuneration Committee, Stakeholder relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee were held. The details are given in the Corporate Governance Report. The intervening gap between two Board meetings and two Audit Committee meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of Board Committees, was carried out.

The performance of the Chairman of the Board was reviewed by the Independent Directors taking into account the views of the Whole-time Directors. The parameters considered were leadership ability, adherence to corporate governance practices etc.

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated). The Parameters considered were compliance to the regulations and statutes with due emphasis on corporate governance, technical competence, contribution to the discussion on strategy / performance, motivating and reviewing key employees etc.

The Independent Directors have assessed the quality, quantity and timeliness of the flow of information between the Company management and the Board in accordance with schedule IV to the Companies Act, 2013.

The evaluation of Independent Directors was done by the entire Board of Directors (excluding the Independent Director being evaluated). They are evaluated on various parameters viz., participation in Board and Committee meetings, value addition to discussions on strategy, objectivity and independence of views, suggesting best practices and new perspectives from their experience. etc.

The lead Independent Director prepared a summary report of the discussion held at the Independent Directors meeting on February 7, 2022 and the same was circulated to the Chairman of the Board and all the Directors.

In the subsequent Board meeting, the lead Independent Director briefed the Board about the deliberations at the Independent Directors' meeting. Discussions were held on the feedback and the Board identified areas where the improvements need to be effected.

## **POLICIES**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed companies. In compliance with the same, the Company has formulated the policies. The corporate governance policies viz. Policy on Related Party Transactions, Corporate Social Responsibility Policy, Policy on Board Diversity, Policy on Disclosure of Material Event / Information, Code of Fair Disclosure under SEBI



(Prohibition of Insider Trading) Regulations, 2015, Whistle Blower Policy, Dividend Distribution Policy etc. are available on the Company's website: [www.ultramarinepigments.net](http://www.ultramarinepigments.net).

### **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The policy of the Company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub – section (3) of Section 178 of the Companies Act, 2013 was framed on the recommendation of Nomination and Remuneration Committee and approved by the Board.

The key objective of this policy is the selection, appointment and remuneration of Key Managerial Personnel, Directors and Senior Management Personnel. The said policy is given as Annexure – 1 to the Director's Report.

### **RISK MANAGEMENT POLICY**

A Risk Management Policy was framed and approved by the Board. A Risk Management Committee has been constituted to assess the risk and mitigation, and establishment of an integrated risk management framework for identifying, assessing, mitigating, monitoring, evaluating and reporting all risks, to provide a clear and strong basis for informed decision making at all levels of the organization, to continually strive towards strengthening the "Risk Management & Compliance System" through continuous learning and improvement.

### **VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

The vigil mechanism of the Company incorporates a whistle blower policy in terms of Regulation 22 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Through this policy, it aims to provide an avenue for employees to raise their concerns about any violation of legal or regulatory requirements, fraud, malfeasance, or misrepresentation of financial statements and reports. During the year, there were no complaints lodged under this mechanism.

### **DISCLOSURE 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 of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the financial year 2021-22.

No. of complaints received: Nil, No. of complaints disposed off: Nil, No. of complaints pending: Nil

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sec. 134 (5) of the Companies Act, 2013, the Directors confirm that.

- I] in preparation of the annual accounts for the year ended March 31, 2022 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II] appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended that date.



- III] proper and sufficient care has been taken 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,
- IV] the annual accounts have been prepared on a “going concern “basis.
- V] that proper internal financial controls are laid down and are adequate and operating effectively.
- VI] that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

#### **SUBSIDIARY COMPANY**

The Company has a wholly owned unlisted subsidiary namely, Ultramarine Specialty Chemicals Limited, which is implementing a greenfield project to manufacture pigments at APIIC Industrial Park, Naidupet, Nellore district in the state of Andhra Pradesh (AP). The details relating to the Project are provided in the Management Discussion Analysis Report, New Project prospects and outlook.

#### **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

Particulars of loans and investments are provided in the financial statements (Please refer Note 7, 11 &15 in the financial statement).

#### **RELATED PARTY TRANSACTIONS**

During the year, all related party transactions entered into during the financial year were on an arm’s length basis and in the ordinary course of business. There were no materially significant related party transactions entered into 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.

Prior omnibus approval of the Audit Committee was obtained for the potential transactions which are repetitive in nature. The transactions for which omnibus approval was required were placed before the Audit Committee and the Board for their review and approval.

A policy on the Related Party Transactions was framed, approved by the Board and posted on the Company’s website, [www.ultramarinepigments.net](http://www.ultramarinepigments.net).

The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC – 2 is not applicable.

#### **STATEMENT PURSUANT TO SEBI LISTING REGULATIONS**

The Company’s shares are listed with BSE Ltd. Your Company has paid the respective annual listing fees and there are no arrears.

#### **REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance is annexed herewith. As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor’s Certificate on Corporate Governance is enclosed in the Board’s Report.

#### **STATEMENT SHOWING UNCLAIMED DIVIDEND AS ON MARCH 31, 2022**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a consecutive period of seven years from the date of its transfer to the unpaid dividend/ unclaimed account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The unclaimed amounts along with their due dates for transfer to IEPF are mentioned below:



Sl. No.	Year	Nature	Dividend Amount per Share (in ₹)	Amount of unclaimed dividend as on March 31, 2022 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2014-15	Final	3.00	933,165	17/10/2022
2	2015-16	Interim	3.50	1,207,468	02/06/2023
3	2016 -17	Final	4.00	1,390,308	22/10/2024
4	2017 -18	Final	4.25	1,060,804	12/09/2025
5	2018 -19	Final	4.50	676,264	07/09/2026
6	2019 -20	Interim	5.00	873,285	05/05/2027
7	2020- 21	Final	5.00	472,769	21/08/2028

The details of unclaimed dividend are available on the Company's website: [www.ultramarinepigments.net/investors/investors information](http://www.ultramarinepigments.net/investors/investors%20information).

#### TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions under Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, shares in respect of which dividend were not claimed by the shareholders for seven consecutive years, are required to be transferred to Investor Education and Protection Fund (IEPF).

During the year shares transferred to IEPF: Nil

The details are posted on the Company's website: [www.ultramarinepigments.net / investors/ investors information](http://www.ultramarinepigments.net/investors/investors%20information).

#### DETAILS RELATING TO DEMATERIALIZED UNCLAIMED SUSPENSE ACCOUNT

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	No. of shares transferred from unclaimed suspense account	No. of shares transferred to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares at the end of the year
8	32,800	2	2	4,000	0	6	28,800

The voting rights on the abovementioned shares shall remain frozen till the rightful owner of such shares claims the shares.

#### STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Brahmaya & Co, Chartered Accountants (Firm registration no.000511S) were re-appointed as statutory auditors at the AGM held on 29<sup>th</sup> July, 2019 to hold office for a period of five years from the conclusion of that meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2024.

#### COST AUDITORS

Your Company falls under the applicability of maintenance of cost records and their audit. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records & Audit) Rules, 2014, M/s. GSVK & Co., Cost Accountants (Firm Regn. No. 002371) has been appointed as Cost auditor for the financial year 2021-22.

#### INTERNAL AUDITORS

The Internal Auditors M/s. M.S. Krishnaswamy & Co., Chartered Accountants (Firm Registration No. 1552 -S) have played an important role in strengthening the internal controls within the Company.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. R.M. Mimani & Associates LLP (Firm Registration No. L2015MH008300), a firm of Company Secretaries in practice as Secretarial Auditor to undertake the secretarial audit of the Company. The Secretarial audit report in Form MR- 3 is given in Annexure -2 to this report.

**WEB LINK OF ANNUAL RETURN**

Pursuant to the provisions of Section 92 (1) of the Companies Act, 2013 and Rule 11 (1) of the Companies (Management and Administration) Rules, 2014, Annual Return (Form MGT-7) for the year ended March 31, 2022, will be placed on the website of the Company at [www.ultramarinepigments.net](http://www.ultramarinepigments.net) / investors relation / investors information.

**SECRETARIAL STANDARDS**

The Company is in compliant of all applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

**PARTICULARS OF EMPLOYEES**

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1),(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure – 3 & 4 to this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The particulars required to be included in terms of section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure – 5 to this report.

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY**

A report on CSR initiatives of the Company and the CSR policy are given in Annexure – 6 to this report.

**BUSINESS RESPONSIBILITY REPORT**

Regulation 34(2) of SEBI Listing Regulations, 2015, as amended, inter alia provides that the Annual Report of the top 1000 listed entities based on market capitalization (calculated as on 31<sup>st</sup> March of every financial year), shall include a Business Responsibility Report.

Your Company is in top 1,000 listed entities as on 31<sup>st</sup> March, 2022. The Company has presented its Business Responsibility report for the financial year 2021-22, which is given as an Annexure – 7 to this report.

**ACKNOWLEDGEMENT**

Your Directors thank the Central and various State Government Departments, Organisations and Agencies for the co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., shareholders, customers, dealers, vendors, and Banks for their support. The Directors place on record their sincere appreciation of all employees of the Company for their commitment and continued contribution to the Company.

On Behalf of the Board  
For **Ultramarine & Pigments Limited**,

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Tara Parthasarathy**  
Joint Managing Director  
[DIN: 07121058]

**R. Senthil Kumar**  
Whole-time Director  
[DIN: 07506927]



## ANNEXURE - DIRECTOR'S REPORT

### Annexure - 1

#### **Nomination and Remuneration Policy**

##### **Objectives**

The Key objectives of the Committee and the Policy:

- i) to guide the Board in relation to appointment and performance evaluation of Directors, Key Managerial Personnel and Senior Management.
- ii) to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

##### **Remuneration Policy**

##### **Managing Director, Whole time Director, Non - Executive and Independent Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non – Executive Directors. This will then be approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director, and Whole – time Director. Remuneration is paid within the ceiling approved by the Shareholders.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees, and commission if any, payable on the net profit of the Company as per the ceiling prescribed under Companies Act, 2013.

##### **CFO, CS and Senior Management Personnel**

The remuneration of CFO, CS and senior management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company, while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry as a whole.



**R M MIMANI & ASSOCIATES LLP**

Company Secretaries

A-101, Excellency, Old Raviraj Complex, Jessal Park, Bhayander (East),  
Thane - 401105**Form No. MR.3****Secretarial Audit Report for the financial year ended on March 31, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]*

To,

The Members

Ultramarine &amp; Pigments Limited,

[CIN: L24224MH1960PLC011856]

Thirumalai House, Road No. 29, Near Sion Hill Fort,

Sion (East), Mumbai -400022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ultramarine & Pigments Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - (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;
- VI. The Management has Identified and confirmed the following laws as specifically applicable to the Company;
  - (a) Explosive Act, 1974
  - (b) Hazardous Wastes (Management and Handling) Rules 2016
  - (c) The Chemical Weapons Convention Act, 2000
  - (d) Information Technology Act, 2000 and the rules made there under
  - (e) Copyrights Act, 1957
  - (f) The Trade Marks Act, 1999
  - (g) Factories Act, 1948 and the rules made there-under
  - (h) Legal Metrology Act, 2009
  - (i) Legal Metrology (Packaged Commodities) Rules, 2011

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;
- (b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.



We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

During the audit period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

During the audit period under review, provisions of the following regulations were not applicable to the Company:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008 (till August 15, 2021)
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (till August 15, 2021)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (till August 12, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (h) 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.

**We 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. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all the 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 for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

**We further report that** based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **R M MIMANI & ASSOCIATES LLP**  
[COMPANY SECRETARIES]  
[Firm Registration No. L2015MH008300]

**RANJANA MIMANI**  
(PARTNER)

Place : Mumbai  
Dated : May 24, 2022

FCS No: 6271  
CP No : 4234  
PR No.1065/2021  
UDIN : F006271D000369031

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



**Annexure A**

To,  
The Members  
Ultramarine & Pigments Limited,  
[CIN: L24224MH1960PLC011856]  
Thirumalai House, Road No. 29,  
Near Sion Hill Fort,  
Sion (East), Mumbai -400022

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
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 **R M MIMANI & ASSOCIATES LLP**  
[COMPANY SECRETARIES]  
[Firm Registration No. L2015MH008300]

**RANJANA MIMANI**  
(PARTNER)

Place : Mumbai  
Dated : May 24, 2022

FCS No: 6271  
CP No : 4234  
PR No.1065/2021  
UDIN : F006271D000369031



## Annexure – 3

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2021- 22

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Tara Parthasarathy	Joint Managing Director	56.90
2	V. Bharathram	Whole-time Director	74.55
3	R. Senthil Kumar	Whole-time Director	27.52

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2021-22

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Tara Parthasarathy	Joint Managing Director	44.34
2.	V. Bharathram	Whole-time Director	32.99
3.	R. Senthil Kumar	Whole-time Director	15.10
4.	S. Ramanan	Chief Financial Officer	35.47
5.	Kishore Kumar Sahoo	Company Secretary	13.58

- iii) The percentage increase/decrease in the median remuneration of employees in the financial year is (8.69)
- iv) The Company has 814 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022.
- v) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.
- vi) The Company has not made any public issue of shares.
- vii) The key parameter for any variable component of remuneration availed by Managing Directors:  
Only Commission is payable in addition to monthly remuneration. The Commission is based on the performance of the Company and is paid upon recommendation of Nomination and Remuneration Committee. Variable compensation is payable to a Whole-time director of the Company.
- viii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



## Annexure – 4

**Details of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.**

**Top Ten employees**

Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Nature of employment whether contractual or otherwise	Nature of duties of the employee	Remuneration drawn as on 31.03.2022 (₹ Lakhs)	Percentage of equity shares held in the Company	Date of commencement of the current employment	Last Employment held
1.	Ms. Tara Parthasarathy	36	B. Tech, Master of Environmental Management (MEM) Over 9 years of experience	Joint Managing Director	Contractual	Managing Company Affairs	145.41	0.70	16.03.2015	World Resources Institute, Bangalore
2.	Mr. V. Bharatham	55	Graduate Degree in Computer Science and Masters in Business Administration Over 25 years of experience	Whole-time Director	Contractual	Managing Company Affairs	197.33	0.14	01.07.2005	Bajaj Auto Finance Limited
3.	Mr. R. Senthil Kumar	56	Science Graduate, Masters in Business Administration Over 28 years of experience	Whole-time Director	Contractual	Managing Company Affairs	64.83	--	28.07.1988	NA
4.	₹ Ms. Meera Parthasarathy	39	Bachelors' in Engineering, Post graduate diploma in Business management Over 14 years of experience	Vice President	Contractual	General Management- New product Development	85.55	0.82	24.03.2008	Infosys Limited
5.	Ms. Vidya Sampath	46	Masters Degree in Graphic design Over 12 years experience	Vice President - CSR	Contractual	Corporate Social responsibility activity	55.57	0.36	01-08-2019	India Infotainment Ltd
6.	Mr. S. Ramanan	68	FCA, ACS Over 35 years of experience	Chief Financial Officer	Contractual	General Management (Finance)	50.77	-	01-11-2008	Saksoft Ltd / SAK Abrasives Ltd
7.	Mr. Pavan Kumar Aduri	45	M.Sc (Tech), Ph.D Over 15 years of experience	Head- Innovation and Development	Contractual	General Management (Research & development)	34.19	-	30-01-2019	Reliance Industries Ltd



Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Nature of employment whether contractual or otherwise	Nature of duties of the employee	Remuneration drawn as on 31.03.2022 (₹ Lakhs)	Percentage of equity shares held in the Company	Date of commencement of the current employment	Last Employment held
8.	Mr. S Rajasekaran	53	M.Sc, MBA Over 25 years of experience	Head – Business Unit	Contractual	General Management	27.90	-	18-05-1998	J K Pharma chem Ltd
9.	Mr. N Karthikumar	46	B.Tech Over 15 years of experience	Manager – Business development	Contractual	General Management (Business development)	26.22	-	29-05-2019	Atul Ltd
10.	Ms. S. Rajalakshmi	51	ACA Over 20 years of experience	AVP – Finance	Contractual	General Management (Finance)	20.27	-	06-08-2021	Rane brake Linings Ltd

§ denotes Meera Parthasarathy and Ms. Tara Parthasarathy are related to each other.

On Behalf of the Board  
For **Ultramarine & Pigments Limited**,

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Tara Parthasarathy**  
Joint Managing Director  
[DIN: 07121058]

**R. Senthil Kumar**  
Whole-time Director  
[DIN: 07506927]



## Annexure - 5

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

**I. CONSERVATION OF ENERGY**

- a) Energy saving systems are incorporated wherever necessary and energy savings are attempted continuously.  
b) Existing energy saving systems are properly utilised and further devices are added whenever necessary.

**FUEL CONSUMPTION (POWER & FUEL)**

	PARTICULARS	UNITS	YEAR ENDING 31.03.2022	YEAR ENDING 31.03.2021
<b>1</b>	<b>ELECTRICITY</b>			
(a)	Purchased Units	KWH	99,77,687	74,16,072
	Total amount paid	₹	7,84,30,809	5,46,32,587
	Rate/ Unit		7.86	7.37
(b)	<b>Own Generation</b>			
	Through Windmill	KWH	42,41,021	52,11,526
	Through Solar	KWH	1,33,161	3,44,160
	Electricity units generated	KWH	1,27,820	1,53,592
	Diesel consumption	in Litres	38,619	46,378
	Diesel cost	₹	34,75,649	35,01,011
	Unit / Litre of Diesel Oil	₹	3.31	3.31
	Fuel Cost per Kwh	₹	27.19	22.79
<b>2</b>	<b>COAL &amp; COKE</b>			
	Coal & Coke & Pet Coke	₹	10,03,742	79,14,251
	Coal & Coke & Pet Coke	Tons	45	359
	Average rate / Ton	₹/Ton.	22,256	22,029
<b>3</b>	<b>FURNACE OIL/DIESEL/SKO ETC</b>			
	Furnace Oil / Diesel / SKO Etc.	₹	55,89,625	2,97,97,163
	Total amount	KL	62,325	8,78,990
	Rate / KL	₹/KL	90	34
<b>4</b>	<b>LPG</b>			
	Liquefied Petroleum Gas – Value	₹	10,86,16,924	4,06,96,042
	Liquefied Petroleum Gas - KGS	KGS	12,83,761	6,99,690
	Average rate per KGS	₹/KGS	85	58
<b>5</b>	<b>LNG</b>			
	Liquefied Natural Gas -value (₹)	₹	7,08,70,379	1,33,52,741
	Liquefied Natural Gas- KG	KG	954	290
	Average rate per MT	₹/KG	74,252	46062
<b>6.</b>	<b>RESEARCH &amp; DEVELOPMENT EXPENDITURE ON R&amp;D</b>			
	i) Capital	₹	57,59,310	7,99,074
	ii) Recurring	₹	1,41,01,701	1,54,54,340
	iii) Total	₹	1,98,61,011	1,62,53,414
	iv) Total R&D Expenditure as a percentage of total turnover		0.40%	0.51%

**II. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION**

Your Company is taking initiatives for improving the quality of all products and services by absorbing new technologies in product / process developments through modernization and also by cost-effective methods / processes.

**III. FOREIGN EXCHANGE EARNINGS & OUTGO**

Your Company is constantly exploring new markets to enhance the exports of its products. In spite of stiff competition faced in the international market, vigorous efforts are being made to enhance our revenue from IT-Enabled Services Division. Earnings in Foreign Exchange from Exports and Services are given in Notes forming part of Accounts.

Particulars	FY 2021-22	FY 2020-21
Foreign exchange earnings (₹)	1,16,70,75,078	78,86,82,983
Foreign exchange outgo (₹)	1,51,95,41,515	47,51,53,214

On Behalf of the Board

For Ultramarine & Pigments Limited,

Tara Parthasarathy  
Joint Managing Director  
[DIN: 07121058]

R. Senthil Kumar  
Whole-time Director  
[DIN: 07506927]

Place: Chennai

Date : 24<sup>th</sup> May, 2022



## Annexure - 6

**Annual Report on Corporate Social Responsibility (CSR) Activities, 2021 -2022**

1. Corporate Social responsibility (CSR) Policy: Adopted and implemented in the year 2014.

**Corporate Social Responsibility (CSR) Philosophy:**

*In UPL, giving back to the community is considered as a necessity and not a choice. Since inception, it has been inculcated in our employees and our management that the Company's well-being hinges not only upon the financial health, efficiency of production and general health and wealth of our employees but also upon the health, wealth and opportunities available to the weaker section of the society with special focus on rural people.*

2. Composition of CSR Committee:

Sl No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. C.R. Chandra Bob	Chairperson Non –Executive Independent	1	1
2.	Mrs. Indira Sundararajan	Member Non –Executive Non Independent	1	1
3.	Mr. Navin M. Ram	Member Non –Executive Independent	1	1

3. Web-link : Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

[www.ultramarinepigments.net/investors/policies](http://www.ultramarinepigments.net/investors/policies)

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Not Applicable

5. Details of the amount available for set off in pursuance of sub –rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

₹ 6.68 Lakhs

6. Average net profit of the Company as per Section 135(5): ₹ 7,252 Lakhs

7.	a.	Two percent of average net profit of the Company as per Section 135(5)	₹ 145.04 Lakhs
	b.	Surplus arising out of the CSR Projects or programs or activities of the previous financial years	---
	c.	Amount required to be set off for the financial year	₹ 6.68 Lakhs
	d.	Total CSR obligation for the financial year ( 7a+7b-7c)	₹ 138.36 Lakhs





## 8. (a) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,23,54,500	Nil	Nil	Nil	Nil	Nil

## (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

1	2	3	4	5	6	7	8	9	10	11		
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area Yes/ No	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency	
				State	District						Name	CSR Regn. No.
Not Applicable												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area Yes/ No	Location of the project		Amount spent in the current financial year (in ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency
				State	District			
1	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Ranipet	150,00,000	No	Implementing agency – "Thirumalai Charity Trust", Ranipet, Tamil Nadu CSR00000287
2	Health care: Covid -19 Pandemic	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	25,00,000	No	Contribution to Tamil Nadu Chief Ministers Public Relief Fund
3	Health care: [Covid -19 Pandemic] Oxygen Plant for covid treatment	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Vellore	10,00,000	No	Christian Medical College(CMC), Vellore
4	Health care: [Covid -19 Pandemic] Procurement and donation of Oxygen Plant to Rajiv Gandhi Govt. Hospital, Chennai	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	10,00,000	No	Implementing agency – "Thirumalai Charity Trust", Ranipet, Tamil Nadu
5	Health care: Construction of Oxygen Plant at Rajiv Gandhi General Hospital, Chennai	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	10,29,000	Yes	-
6	Health care: [Covid -19 Pandemic] Oxygen concentrator supplied for for primary health care Centers and Govt. Hospitals at Ranipet	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Ranipet	5,00,000	No	District Collector, Ranipet
7	Health Care: [ Supportive care for the Child's Cancer treatment ]	Clause (i) promoting health care including preventive health care	No	Maharashtra	Mumbai	3,00,000	No	Access Life Assistance Foundation
8	School renovation: Vidya Vanam, Anaikaty, Coimbatore The School for Tribal Children	Clause (ii) Promotion of Education	No	Tamil Nadu	Coimbatore	4,00,000	No	Bhuvana Foundation, Chennai
9	Health and sanitation development in rural India	Clause (i) promoting health care including preventive health care	No	Tamil Nadu	Tirupattur	2,00,000	No	South Central India Network for Development Alternatives, Chennai .



1	2	3	4	5		6	7	8
SI No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area Yes/ No	Location of the project		Amount spent in the current financial year (In ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency
				State	District			Name & CSR Regn. No.
10	Promotion of Education, Ecology and livelihood	Clause (ii) Promotion of Education	No	Karnataka	Bangalore	2,00,000	No	Foundation for Education, Ecology and Livelihood (FEEL), Bangalore
11	Health Care: [Ailing poor cancer victims]	Clause (i) promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	1,00,000	No	Sri. Matha Trust, Chennai
12	Education: School accessories contributed to Jayam Special School for Children with Autism and Intellectual Disability	Clause (ii) Promotion of Education	Yes	Tamil Nadu	Chennai	85,500	Yes	-
13	Education: School renovation. Govt. School, Ambattur, Chennai	Clause (ii) Promotion of Education	Yes	Tamil Nadu	Chennai	40,000	Yes	-
	<b>Total</b>					<b>2,23,54,500</b>		

(d) Amount spent in Administrative Overheads: ₹ 2,42,978

(e) Amount spent on Impact Assessment: Not Applicable

(f) Total amount spent for financial year: ₹ 223.55Lakhs

(g) Excess amount for set off, if any

SI No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,45,04,000
(ii)	Total amount spent for the financial year	2,23,54,500
(iii)	Excess amount spent for the financial year [(ii - i)]	78,50,500
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	-
(v)	Amount available for set off in succeeding financial years [(iii - iv)]	78,50,500

9. (a) Details of unspent CSR amount for the preceding three financial years: Nil

SI No	Preceding Financial Year	Amount transferred to unspent CSR account under Section 135 (6) (In ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any Fund specified under Schedule VII as per Section 135 (6) if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

SI No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the Project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the Project Completed / Ongoing
Nil								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent for the financial year:

Sl No.	Date of creation or acquisition of capital asset	Name of trust/organization for which capital asset has been acquired	Description of capital asset	Amount (₹)
1.	08/11/2021	Thirumalai Charity Trust	Desktop for Radiology Department	67,350
2.	10/03/2022	Thirumalai Charity Trust	Resmed Bipap Lumis 150 with Humidifier – ER Department	1,00,000
3.	10/03/2022	Thirumalai Charity Trust	5 Function cots for 2 ICU beds	86,187
4.	25/03/2022	Thirumalai Charity Trust	LED Surgical light – Main Operation Theatre	61,600
5.	17/03/2022	Thirumalai Charity Trust	Furniture and Fittings	4,65,000
6.	25/03/2022	Thirumalai Charity Trust	Locker Storage facility for employees	1,43,700
7.	25/03/2022	Thirumalai Charity Trust	C T Scan Accessories	14,00,000
			<b>Total</b>	<b>23,23,837</b>

On Behalf of the Board  
For **Ultramarine & Pigments Limited**,

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Tara Parthasarathy**  
Joint Managing Director  
[DIN: 07121058]

**C.R. Chandra Bob**  
Chairman, CSR Committee  
[DIN: 07384175]



## Annexure -7

**BUSINESS RESPONSIBILITY REPORT**

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	L24224MH1960PLC011856
2	Name of the Company	Ultramarine & Pigments Limited
3	Registered Address	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
4	Website	www.ultramarinepigments.net
5	E-mail id	pigments@ultramarinepigments.net syndet@ultramarinepigments.net
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	202, 201, 620
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Pigments Surfactants ITeS (Please refer to Company's website for complete list of its products)
9	Total number of locations where business activity is undertaken by the Company: a. Number of International Locations – b. Number of National Locations	5 Nil i. Registered office at Mumbai ii. Factory at Ambattur, Chennai, Tamil Nadu iii. Factory at SIPCOT, Ranipet, Tamil Nadu iv. Factory at APIIC Industrial Park, Naidupet, Andhra Pradesh v. ITeS division at Chennai, Tamil Nadu
10	Markets served by the Company – Local/ State/National/International:	Over the past Six decades, the Company has expanded to 75 products. Export its products to 35 countries.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

(₹ in Lakhs)

1.	Paid up Capital	584
2.	Total Turnover	49,102
3.	Total profit after taxes	5,833
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	224 3.83%
5.	List of activities in which expenditure in 4 above has been incurred:-	a. Healthcare b. Education c. Rural development projects

**SECTION C: OTHER DETAILS**

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has one wholly owned subsidiary as on 31.03.2022.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. 1.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers and vendors are provided awareness on environmental and social issues. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

**SECTION D: BR INFORMATION**

## 1. Details of Director/Directors responsible for BR

## a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	Ms. Tara Parthasarathy, Joint Managing Director DIN. 07121058 Mr. V. Bharathram, Whole-time Director DIN. 08444583 Mr. R. Senthil Kumar, Whole –time Director DIN.07506927
e-mail id	tara@ultramarinepigments.net bharath@ultramarinepigments.net

## b. Details of the BR head

Name	Mr. R. Senthil Kumar
DIN No.	07506927
Designation	Whole-time Director
Telephone	4172- 278500 -504
e-mail id	grsenthil@ultramarinepigments.net

## c. Principle-wise (as per NVGs) BR Policy/policies

## i. Details of compliance (Reply in Y/N)



No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	CSR	Customer relations
		P1	P2	3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company are in compliance with national /international standards wherever applicable. Company is a Halal & Kosher Certified, ISO 9001, ISO 14001 & OHSAS 18001 compliant, and a Responsible Care Company.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Mandatory policies viz., The Code of Conduct and Ethics, Policy on Vigil Mechanism, CSR Policy, Code of Conduct for Prevention of Insider Trading etc. have been adopted by the board and other operational internal policies are approved by the management.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation and adherence to the code of conduct for employees is administered by the HR/ Personal Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The Joint Managing Director and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.								
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the Company's website at the following link <a href="http://www.ultramarinepigments.net/investors/Policies">http://www.ultramarinepigments.net/investors/Policies</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal policies have been communicated to all stakeholders and the same are available on the Company's intranet.								
8	Does the company have in-house structure to implement the policy/ policies?	The Company has established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The whistle blower mechanism provides employees to report any concern or grievances pertaining to any potential or actual violation of the Company's Code of Conduct, which covers all aspects of BRR. Stakeholder's can report any grievance against the company at the companies email ID and the same will be addressed by the Management of the Company.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments								

ii. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – N.A



## d. Governance related to BR

- i. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year** .

The Joint Managing Director, Whole-time Directors and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.

- ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BR report is available as part of the Annual Report.

Link to View the report: [www.ultramarinepigments.net](http://www.ultramarinepigments.net)

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Ethics, Transparency and Accountability**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes.

The Company acts with integrity in accordance with its core principles of Trust, Value and Service. The Company has adopted a separate Code of Conduct and Ethics which specifically pertains to the Company's Directors and senior management personnel one level below the Board, including all the functional heads. The Code of Conduct and Ethics is devised to enable the Directors and senior management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. A declaration of the Directors and senior management personnel towards annual affirmation to the Code of Conduct and Ethics is communicated to all stakeholders by the Joint Managing Director, through the Annual Report.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year under review, the Company has not received any complaints with regard to violation of the Code of Conduct.

**Principle 2: Product Life Cycle Sustainability**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- a. Pigments
- b. Surfactants
- c. ITES

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The company has taken various initiatives to reduce & recycle the inputs throughout the value chain.

**Pigments:** The water consumption reduced to 5.5 KL from 6.6 KL per MT of pigment production in Ranipet. Fossil fuels were replaced with Liquid Natural Gas (LNG) in Ranipet and conversion is underway in Ambattur.

**Surfactant:** The plant is operated with ZLD, the entire water used for cleaning is treated and recycled back to the process for dilution. We are working to reduce energy by initiating various improvements in the plant.



**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company has a dedicated Research & Development Team that is focused on creating innovative products for its customers that meet global standards and are environmentally sustainable, reflecting its commitment to environmental sustainability.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product life-cycle, including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. Responsible Care Guidelines and Best Practice Guidance have been adopted by the company to ensure for sustainable sourcing.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, local sourcing is an important facet of sustainable procurement and we take efforts to encourage and enable our suppliers to meet quality norms and standards.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes. We remain a Zero Liquid Discharge (ZLD) company, in spite of operating a large complex with many plants and products. Water consumption is constantly reduced, and all waste waters are recycled after recovering valuable chemicals which are then converted to fine-chemical products. It is further being modernized to handle with contemporary Technology to provide better efficiencies in recycling of waste streams.

**Principle 3: Employee Wellbeing**

1.	Total number of employees.	1,120			
2.	Total number of employees hired on temporary/contractual/casual basis.	250			
3.	Number of permanent women employees.	358			
4.	Number of permanent employees with disabilities	Nil			
5.	Employee association that is recognised by management?	Nil			
6.	Percentage of permanent employees who are members of this recognised employee association?	Nil			
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<b>No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>	<b>No of complaints pending as on end of the financial year</b>
		1	Child labour/forced labour/involuntary labour	NIL	NIL
		2	Sexual harassment	NIL	NIL
		3	Discriminatory employment	NIL	NIL
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?				
	a. Permanent Employees	96%			
	b. Permanent Women Employees	88%			
	c. Casual/Temporary/Contractual Employees	40%			
	d. Employees with Disabilities	Nil			





#### Principle 4: Stakeholder Engagement

##### 1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, Government, regulatory authorities, trade union and local community. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

##### 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company works alongside with Thirumalai Charity Trust (since 1973), Akshaya Vidhya Trust (Since 1994) and Thirumalai Mission Hospital (Since 2010) in their health, education, and community development programs. This programs help in identifying marginalized and disadvantaged groups through need assessment in all the villages where they operate by engaging with the local communities. Such marginalized and disadvantaged communities includes villagers and economically deprived children and women who are in great need of care and protection.

##### 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

As mentioned above the Company continues to work alongside with various charitable organizations to fulfill its corporate social responsibility. These Organizations provide affordable and quality healthcare and education in the communities we operate in. The Corporate Social Report describes these initiatives in further detail.

Apart from the above, the training and development programmes of the Company for young persons from rural communities and towns, started 30 years ago, have been well recognized. A majority of the employees of the company at all levels, including in R&D and Management, joined the Company as young trainees. This programme is now being further extended to training local youth to become good cragsmen and technicians in an effort to generate more employment in these communities. We plan to extend these to our new site in Naidupet, Andhra Pradesh.

#### Principle 5: Human rights

##### 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company policies support, respect and protect the human rights of its direct as well as indirect Stakeholders. Human rights cover a host of aspects including non-discrimination, gender equality, freedom of association, collective bargaining, avoidance of child and forced labour among others. The Company is compliant with national regulations pertaining to human rights.

The Company has put in place a Code of Conduct which is applicable to all the employees to adhere and uphold the standards contained therein.

##### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company has not received any complaint from any stakeholders.

#### Principle 6: Environmental

##### 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The company is certified towards Halal, FSSAI, ISO 9001, ISO 14001 & ISO 45001 and also a responsible care company. The Company is promoting the certification of all its key stakeholders- suppliers, dealers and contractors.

##### 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As per our EQHS Policy, we commit ourselves to operate our Plants and facilities with the utmost care to minimize our impact on the Environment and on the Health and Safety of our employees, the community and our customers.



We have commitment to combat climate change by improving energy efficiency and use of renewable energy. The strategies, the activities carried out and the results achieved are explained on the company's website at <http://www.ultramarinepigments.net>

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. The Company is identified all environmental risks and appropriate controls/actions taken. Also certified towards ISO 14001:2015.

The Company has an excellent safety culture and a robust reporting system built on involvement at all levels. We encourage self-audits and ask employees to report failures immediately. A safety Committee has been constituted, and safety workshops are conducted in regular intervals.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

All our emissions are treated and complied fully to State/ central board regulations. They are continuously monitored and reported to the state regulator and the public in real time. Our dramatic reductions in energy and input-use have resulted in exceptional air emission performance.

We have reduced our carbon dioxide emissions by reducing our need for energy in our production process and transportation. For example by using steam to raise the temperatures in the production process, we have reduced the need for furnace oil, a petroleum product.

We are one of the earliest RCC signatories in India, and one of the few to be audited and certified.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. <http://www.ultramarinepigments.net>

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions are within the permissible limits given by the relevant SPCB.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NIL

**Principle 7: Policy Advocacy**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- Indian Chemical Council (ICC).
- Confederation of Indian Industry (CII)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

NA

**Principle 8: Inclusive Growth**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

The Company works alongside with Thirumalai Charity Trust (since 1973), the Akshaya Vidhya Trust (since 1994), and the Thirumalai Mission Hospital (since 2010), Charitable organizations which provide affordable and quality healthcare and education in the communities we operate in. The CSR Committee recommended continuing support for Thirumalai Charity Trust's Health, Rural development projects and for Akshaya Vidya Trust's Educational programmes in line with the CSR policy of the company.



The areas of principal support of the CSR Policy are towards Education, Health, Women Empowerment and Community development services. The full policy is available in the Company's website <http://www.ultramarinepigments.net>.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The Founders of the Company actively supported Health and Educational Institutions in Bombay and Madras from the early Sixties; they were active in building, managing and growing the SIWS (South India Welfare Society) schools and Colleges, which in its early days focused mainly on weaker sections of the community. They set up the Thirumalai Charity Trust (TCT) in 1970, to channel and manage these philanthropic activities in an organised and professional manner. The Company has been supporting these activities and ensuring effective delivery through the professional social service organisation of the TCT, with a special emphasis on activities in North Arcot District, now called the Ranipet District.

By 1994 when the need for good schools became critical to serve the professional and the rural communities here, including our employees, the TCT with our assistance, set up the Akshaya Vidya Trust (AVT) as a daughter trust to focus on education: the AVT now has 3 excellent schools serving over 2500 children, and over 65% of the children are from rural communities.

**3. Have you done any impact assessment of your initiative?**

Yes. We believe that every activity should result in some impact. We have measurable parameters for all our activities in all the focus areas viz., Education, Health, Women Empowerment, Community development services. The CSR committee of the Company recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Corporate Social Responsibility Report describes these initiatives supported by the company in detail.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so..**

Yes. The Company enables communities to take ownership of the development effort, for this their participation is essential. They participate both physically and financially. The Company involves the community in all its efforts and make people reaching the desirable levels of economic development, health, education and environment. By making them reach the desirable development status, the community is confident and is ready to take the responsibility of continuing with their effort.

**Principle 9: Customer value**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Yes

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes

Chennai  
24<sup>th</sup> May, 2022

For and on behalf of the Board of Directors

**Tara Parthasarathy**  
Joint Managing Director  
DIN. 07121058



**PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL,  
SOCIAL AND GOVERNANCE NORMS**

*[See Regulation 34(2)(f)]*

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
2. Businesses should not engage in practices that are abusive, corrupt, or anti- competition.
3. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
4. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
5. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
2. Businesses should raise the consumer’s awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Businesses should recognize that over-consumption results in unsustainable exploitation of our planet’s resources, and should therefore promote sustainable consumption, including recycling of resources.

**Principle 3: Businesses should promote the well-being of all employees**

1. Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
2. Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
3. Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. Businesses should take cognizance of the work-life balance of its employees, especially that of women.
5. Businesses should provide facilities for the wellbeing of its employees including those with special needs. They



- should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
6. Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
  7. Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
  8. Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.
2. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
3. Businesses should give special attention to stakeholders in areas that are underdeveloped.
4. Businesses should resolve differences with stakeholders in a just, fair and equitable manner.

**Principle 5: Businesses should respect and promote human rights**

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.



5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. Businesses should proactively persuade and support its value chain to adopt this principle.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.
2. To the extent possible, businesses should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
2. Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.
3. Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
4. Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.
2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
3. Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.
4. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
5. Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
6. Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.



## CORPORATE GOVERNANCE REPORT

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulations”]

### Company’s philosophy on Corporate Governance

The Company believes that the pursuit for good Corporate Governance is an ongoing process, which facilitates the Company to achieve its avowed objectives of transparency, accountability and responsibility in all our dealings with our shareholders, customers, employees and the community at large. This objective extends not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with the best practices for corporate governance.

The Company recognizes that strong Corporate Governance is a key driver of sustainable corporate growth and long-term value creation.

In this report, the Company confirms its compliance with the corporate governance conditions as required by SEBI Listing Regulations.

### Board of Directors

#### (a) Composition of Board as on 31.03.2022 and the relevant details

Category	No. of Directors
Whole Time Directors	3
Non – Executive and Non Independent Directors including Chairman	2
Independent Directors	6
<b>Total</b>	<b>11</b>

The Company has an optimum combination of Whole-time Directors, Non-Executive Directors and 6 Independent Directors on the Board. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding Directorship and membership in the respective Committees occupied by them across Companies.

#### Relevant details of Directors

SI No.	Name of Directors	Category
1	Mr. R. Sampath	Chairman, Non-Executive
2	Mrs. Indira Sundararajan	Vice Chairperson, Non-Executive
3	Ms. Tara Parthasarathy	Joint Managing Director
4	Mr. R. Senthil Kumar	Whole –time Director
5	Mr. V. Bharathram	Whole-time Director
6	Mr. Nimish U. Patel	Non-Executive Independent
7	Mr. Navin M. Ram	Non-Executive Independent
8	Mr. Rajeev M. Pandia	Non-Executive Independent
9	Mr. C.R. Chandra Bob	Non-Executive Independent
10	Mrs . P. Arunasree	Non-Executive Independent
11	Mr. Harsh R. Gandhi	Non-Executive Independent

Mr. R. Sampath, Mrs. Indira Sundararajan, and Mr. V. Bharathram are related.



## b) Directorship held in other Companies, Committee membership and Chairmanship

Name of the Director	No. of Directorship in other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub – Committees (Audit Committee and Stakeholders Relationship Committee)	
				Membership	Chairmanship
R. Sampath	2	Listed 1. Thirumalai Chemicals Limited	Non – Executive	2	–
		Others 1. Ultramarine Specialty Chemicals Limited	Non – Executive	–	–
Indira Sundararajan	–	–	–	–	–
Tara Parthasarathy	2	Listed –	–	–	–
		Others 1. Ultramarine Specialty Chemicals Limited 2. N. R. Swamy Investments Private Ltd	Executive Non – Executive	–	–
R. Senthil Kumar	–	–	–	–	–
V. Bharathram	1	Listed –	–	–	–
		Others 1. Ultramarine Specialty Chemicals Limited	Executive	–	–
Nimish U Patel	8	Listed 1. Shri Dinesh Mills Limited	Executive	–	–
		2. Transpek Industry Limited	Independent	1	1
		Others 1. Dinesh Remedies Limited	Executive	–	–
		2. Parosha Chemicals Private Limited	Executive	–	–
		3. Fernway Technologies Limited	Executive	–	–
		4. Stellent Chemicals Private Limited	Executive	–	–
		5. Chem – Verse Consultants (India) Pvt. Ltd	Executive	–	–
		6. Mc Gean Rohco Chemicals India Pvt Ltd	Executive	–	–
Navin M Ram	4	Listed –	–	–	–
		Others 1. Pipe Hangers & Supports Private Limited	Executive	–	–
		2. Originwave Techsoft Private Limited	Executive	–	–
		3. Blue Bay Personal Care Private Limited	Executive	–	–
		4. Cauvery Smart Foods & Agrotech Private Ltd	Executive	–	–





Name of the Director	No. of Directorship in other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub – Committees (Audit Committee and Stakeholders Relationship Committee)	
				Membership	Chairmanship
Rajeev M Pandia	6	Listed 1. GRP Limited	Independent	–	2
		2. The Supreme Industries Limited	Independent	–	2
		3. Excel Industries Limited	Independent	1	–
		4. Thirumalai Chemicals Limited	Independent	–	–
		5. Supreme Petrochem Limited	Independent	1	–
		Others 1. Deepak Phenolics Limited	Independent	–	–
C. R. Chandra Bob	1	Listed –	–	–	–
		Others 1. Jasmine Limited	Non-Executive	–	–
P. Arunasree	1	Listed –	–	–	–
		Others 1. Gnanlex Hermeneutics Private Limited	Executive	–	–
Harsh R Gandhi	4	Listed 1. GRP Limited	Executive	1	–
		Others 1. Grip Polymers Limited	Executive	–	–
		2. Alphanso Net secure Private Limited	Executive	–	–
		3. Marangoni GRP Private Limited	Executive	–	–

### c) Skills / Expertise/ Competencies of Board of Directors

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business and sector for it to function effectively and those actually available with the Board are summarized below:

<b>Business operations and Management</b>	Finance, Operations, Mergers & Acquisitions, Taxations, Banking, Legal and Human resources related, quality and performance Management, project management, Technical and Commercial, risk management, Government and Govt. relations.
<b>Global Business</b>	Knowledge of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
<b>Strategy and Planning</b>	Guiding and leading management team to make strategic decisions and planning.
<b>Governance</b>	Experience in developing governance practices, maintaining Board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.



Name of Directors	Years of experience >	Business operations and Management	Global Business	Strategy and Planning	Governance
Mr. R. Sampath	50	✓	✓	✓	✓
Mrs. Indira Sundararajan	40	✓	✓	✓	✓
Ms. Tara Parthasarathy	11	✓	✓	✓	✓
Mr. V. Bharathram	28	✓	✓	✓	✓
Mr. R. Senthil Kumar	30	✓	✓	✓	✓
Mr. Nimish U Patel	30	✓	✓	✓	✓
Mr. Navin M Ram	19	✓	✓	✓	✓
Mr. Rajeev M. Pandia	46	✓	✓	✓	✓
Mr. C.R. Chandra Bob	30	✓	--	--	✓
Mrs. P. Arunasree	18	--	--	--	✓
Mr. Harsh Gandhi	19	✓	✓	✓	✓

The mark indicates a specific area of focus or expertise. The lack of a mark does not mean the Director does not possess that qualification or skill.

**d) Confirmation from Board of Directors as per Schedule V, Part C 2 (i):**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, Part C 2 (i), the Board of Directors of the Company hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**e) Certificate from Practicing Company Secretary as per Schedule V Part C (10) (i):**

A certificate from a Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority has been obtained by the Company.

**f) Board Meetings**

**Number of Board Meetings held during the year 2021 - 2022**

Eight meetings of the Board of Directors were held on the following dates:

20/05/2021	03/08/2021	11/08/2021	11/11/2021	23/12/2021	12/02/2022	04/03/2022	24/03/2022
------------	------------	------------	------------	------------	------------	------------	------------

The Board meetings are held in compliance with the provisions under Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS -1). The time gap between two meetings are not more than 120 days as prescribed under the Act.



**(g) Attendance of Directors at Board meetings and Annual General Meeting through Video Conferencing / Other Audio Visual Means**

Name of the Directors	Attendance at Board meeting held on								Attendance at the AGM held on July 12, 2021 through Video Conferencing / Other Audio Visual Means
	May 20, 2021	August 3, 2021	August 11, 2021	November 11, 2021	December 23, 2021	February 12, 2022	March 04, 2022	March 24, 2022	
Mr. R. Sampath	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	✓	✓	✓	Leave of absence	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. R. Senthil Kumar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. V. Bharathram	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nimish U. Patel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Navin M Ram	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rajeev M. Pandia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. C.R. Chandra Bob	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. P. Arunasree	✓	✓	✓	✓	✓	Leave of absence	✓	✓	✓
Mr. Harsh Gandhi	✓	✓	✓	✓	✓	✓	Leave of absence	Leave of absence	✓

**Note:**

The attendance of the directors include participation through Video-Conferencing.

**h) Remuneration of Directors**

**Managing Director, Whole-time Directors**

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31-03-2022.

(Amount in Rupees)

Name	Salary	Perquisites	Contribution to PF and other Funds	Commission/variable pay (Payable)	Total	No. of shares held
1. Ms. Tara Parthasarathy Joint MD	38,59,200	33,83,206	14,27,904	80,00,000	1,66,70,310	2,04,074
2. Mr. V. Bharathram, WTD	54,40,000	65,48,066	18,52,800	80,00,000	2,18,40,866	41,050
3. Mr. R. Senthil Kumar, WTD	25,60,000	25,55,952	9,47,200	20,00,000	80,63,152	472

Notes: Managerial remuneration is within the ceiling as per the resolution approved by the shareholders.

**Non – Executive Directors and Independent Directors**

- Sitting fee is payable to the Non-Executive and Independent Directors for attending the Board / Committee meetings. The sitting fee paid for the financial year 2021 -2022 is as under:

Name	Category of directors	Amount (₹)
Mr. R. Sampath	Non-Executive Chairman	4,40,000
Mrs. Indira Sundararajan	Non-Executive Vice-Chairperson	4,80,000
Mr. Nimish Patel	Independent Director	4,80,000
Mr. Navin M Ram	Independent Director	6,00,000
Mr. Rajeev M. Pandia	Independent Director	4,40,000
Mr. C.R. Chandra Bob	Independent Director	6,40,000
Mrs. P. Arunasree	Independent Director	3,60,000
Mr. Harsh R. Gandhi	Independent Director	3,20,000
<b>Total</b>		<b>37,60,000</b>

- Sitting fees paid to the Non-Executive Directors and Independent directors depends upon no. of meetings attended by them.
- Payment of Commission to Non – Executive Directors (within the ceiling 1% of net profit of the Company computed under section 198 of the Companies Act, 2013). The manner of payment of Commission was recommended by Nomination and Remuneration Committee and approved by the Board of Directors. The details of Commission paid to Non – Executive and / or Independent Directors for the financial year 2020-21 is as follows:

Name	Commission (in ₹)
Mr. R. Sampath	19,68,000
Mrs. Indira Sundararajan	19,68,000
Mr. Nimish Patel	8,20,000
Mr. Navin M Ram	8,20,000
Mr. Rajeev M. Pandia	4,92,000
Mr. C.R. Chandra Bob	8,20,000
Mrs. P. Arunasree	4,92,000
Mr. Harsh R. Gandhi	4,92,000
<b>Total</b>	<b>78,72,000</b>

**Shareholdings of Directors**

Details of shares held by Non-Executive Directors as on 31/03/2022

Name	No. of Shares held
Mr. R. Sampath as a Trustee of Sujata Sampath Family Trust*	12,75,294
Mrs. Indira Sundararajan	10,71,855
Mr. Nimish Patel	76,384
Mr. Navin M Ram	1,050
Mr. Rajeev M. Pandia	500
Mr. C.R. Chandra Bob	1000
Mrs. P. Arunasree	650
Mr. Harsh R. Gandhi on behalf of Aarav Trust	400

\* Vide SEBI exemption Order WTM/GM/CFD/53/2020-21 dated December 11, 2020 under Regulation 11 of SEBI (Substantial acquisition of Shares and Takeovers ) Regulation, 2011



## Board Committees

### Audit Committee

In accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sec 177 of Companies Act, 2013, the composition of Audit Committee is as below

SI No.	Name	Category	Chairman / Member
1	Mr. C.R. Chandra Bob	Non-Executive Independent	Chairman
2	Mr. Nimish U. Patel	Non-Executive Independent	Member
3	Mrs. Indira Sundararajan	Non-Executive Non-Independent	Member
4	Mr. Navin M Ram	Non-Executive Independent	Member

During the year, four meetings of the Audit Committee were held on the following dates.

20/05/2021	11/08/2021	11/11/2021	12/02/2022.
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Members of the Committee, Chief Financial Officer as well as the Statutory Auditors, and internal auditors were present at all the meetings.

The Company Secretary acts as Secretary to the Audit Committee.

### Attendance record of Audit Committee

SI No.	Name of Members	20.05.2021	11.08.2021	11.11.2021	12.02.2022
1.	C. R. Chandra Bob	✓	✓	✓	✓
2.	Nimish U. Patel	✓	✓	✓	✓
3.	Indira Sundararajan	✓	✓	✓	✓
4.	Navin M Ram	✓	✓	✓	✓

The Audit Committee review the financial statements and the auditors' report thereon before being placed before the Board; review and monitor the auditors independence and performance, and effectiveness of audit process; recommend for appointment, remuneration and terms of appointment of auditors of the Company; review the statutory and regulatory compliances, compliance with Indian Accounting Standard, internal financial controls and risk management systems, credit policy and other policies of the Company, approve the related party transactions etc.

Besides its regular responsibilities, your Company's Audit Committee also carried out the following specific tasks; reviewing and guiding:

- Audit plans of the Company
- Bank Charges / Commitment charges
- Recovery of Debtors
- Improvement of ERP system.
- Compliance with IND AS.
- Implementation of Policies in the Company.
- Income tax refunds, claims
- GST Compliances

**Nomination and Remuneration Committee**

In accordance with Regulation 19 of SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 178 of Companies Act, 2013, the composition of the Committee is as follows:

SI No.	Name	Category	Chairman / Member
1.	Mr. Rajeev M. Pandia	Non-Executive Independent	Chairman
2.	Mr. R.Sampath	Non-Executive Non Independent	Member
3.	Mr. Navin M. Ram	Non-Executive Independent	Member

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

During the year, one meeting of the Committee was held on 05/11/2021:

**Attendance record of Nomination and Remuneration Committee**

SI No.	Name of Members	05/11/2021
1.	Rajeev M Pandia	✓
2.	R. Sampath	✓
3.	Navin M. Ram	✓

The Nomination and Remuneration Committee review the Key Result Area (KRA) of whole time directors. Appointment and payment of remuneration to the Directors , key management personnel and employees under one level below the Board are recommended by the Committee. The Committee recommends the manner of payment of Commission to Non Executive Directors.

Performance evaluation criteria for Independent Directors:

- participation in Board and Committee meetings;
- value addition to discussions on strategy;
- objectivity and independence of views;
- suggesting best practices and new perspectives from their experience;

**Stakeholders Relationship Committee**

In accordance with Regulation 20 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(5) of Companies Act, 2013 the composition of the Committee:

SI No.	Name	Category	Chairman / Member
1.	Mr. Navin M. Ram	Non –Executive Independent	Chairman
2.	Mrs. Indira Sundararajan	Non –Executive Non Independent	Member
3.	Mr. C.R Chandra Bob	Non –Executive Independent	Member

The Stakeholder Relationship Committee deals with the following matter:

- Monitoring redressal of investor grievance received from Stock Exchange, SEBI, ROC etc.
- Monitoring redressal of shareholders queries/complaints relating to share transfers, transmission, transposition, dematerialization, rematerialisation, loss of share certificates, issue of duplicate share certificates, non receipt of annual report, dividend etc..



Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer. All requests whenever received from any investor were timely attended for redressal.

During the year, 3 complaints were received from Shareholders relating to Status of Shares. The same were redressed.

SI No.	Nature of Complaint	Complaint received on	Complaint resolved on
1.	Status of Share Certificate	05.08.2021	06.09.2021
2.	Status of Share Certificate	15.10.2021	15.10.2021
3.	Status of Share Certificate	06.12.2021	24.12.2021

There was also no complaint at the SEBI SCORES platform at the end of the year.

The investor services are delegated to a Registrar and Share Transfer Agent and is done (depending on transfers received) in compliance with SEBI Listing Regulations and is confirmed and ratified by the Board at each subsequent meeting.

During the year, one meeting of the Committee was held on 19/05/2021.

#### Attendance record of Stakeholders Relationship Committee

SI No.	Name of Members	19.05.2021
1.	Mr. Navin M. Ram	✓
2.	Mrs. Indira Sundararajan	✓
3.	Mr. C.R. Chandra Bob	✓

#### Corporate Social Responsibility (CSR) Committee

In accordance with Section 135 of Companies Act, 2013, the composition of the Committee is as follows:

SI No.	Name	Category	Chairman / Member
1.	Mr. C.R. Chandra Bob	Non –Executive Independent	Chairman
2.	Mrs. Indira Sundararajan	Non –Executive Non Independent	Member
3.	Mr. Navin M. Ram	Non –Executive Independent	Member

The CSR Committee monitors the CSR activities, which are permitted under Schedule VII of the Act and recommends the amount to be contributed towards CSR. The CSR activity report and statement of accounts have been placed before the Committee for its review.

During the year, one meeting of the Committee was held on 19/05/2021.

The Company Secretary acts as the secretary to the Committee.

#### Attendance record of Corporate Social Responsibility Committee

SI No.	Name of Members	19.05.2021
1.	Mr. C. R. Chandra Bob	✓
2.	Mrs. Indira Sundararajan	✓
3.	Mr. Navin M. Ram	✓

**Risk Management Committee**

In compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a risk management committee to assess various risk identified by the Company viz. Strategic risk, operational risk, financial risk, market risk, credit risk, cyber security risks, sectoral, sustainability (particularly ESG related risks), information, compliance risk etc. and the mitigation plan relating thereto.

Cyber security: The Committee ensures assessing and managing cyber related risks and in the process of implementing cyber security policies, procedures and strategies.

Composition of the Committee:

SI No.	Name	Category	Chairman / Member
1.	Mr. R. Sampath	Non –Executive Non Independent	Chairman
2.	Ms. Tara Parthasarathy	Joint Managing Director	Member
3.	Mr. R.Senthil Kumar	Whole Time Director	Member
4.	Mr. V. Bharathram	Whole Time Director	Member
5.	Mr. C.R. Chandra Bob	Non –Executive Independent	Member
6.	Mr. S. Ramanan	Chief Financial Officer	Member

During the year, two meetings of the Committee were held on the following dates.

09/11/2021	28/03/2022
------------	------------

**Attendance record of Risk Management Committee**

SI No.	Name of Members	09.11.2021	28.03.2022
1.	Mr. R. Sampath	✓	Leave of absence
2.	Ms. Tara Parthasarathy	Leave of absence	✓
3.	Mr. R.Senthil Kumar	✓	✓
4.	Mr. V. Bharathram	✓	Leave of absence
5.	Mr. C.R. Chandra Bob	✓	✓
6.	Mr. S. Ramanan	✓	✓

The Company Secretary acts as the secretary to the Committee

**Business Review Committee**

SI No.	Name	Category	Chairman / Member
1.	Mr. Rajeev M. Pandia	Non –Executive Independent	Chairman
2.	Mr. R. Sampath	Non –Executive Non Independent	Member
3.	Mr. Navin M. Ram	Non –Executive Independent	Member
4.	Mr. Harsh R. Gandhi	Non –Executive Independent	Member

The role of business review Committee:

- Reviewing performance goals and important details for each business units, and overall for the Company.
- Reviewing performance with respect to the Budgets and Plans.
- Discussing and reviewing market demand and product development; working capital management; business risk and mitigation; growth strategy and implementation.
- Guiding the management team on specific issues.
- Long range Plans.

During the year, one meeting of the Committee was held on 20/08/2021.





### Attendance record of Business Review Committee

Sl No.	Name of Members	20/08/2021
1.	Mr. Rajeev M. Pandia	✓
2.	Mr. R. Sampath	✓
3.	Mr. Navin M. Ram	✓
4.	Mr. Harsh R. Gandhi	✓

### Independent Directors meeting

During the year, the Independent Directors met on 7<sup>th</sup> February, 2022, inter alia to discuss and review:

- i) Performance of non – independent directors;
- ii) Performance of the Chairman of the Company;
- iii) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

All the Independent directors were present at the meeting.

### Performance evaluation of Independent Director

A detailed note is provided in the Directors' report.

### Familiarisation program for Independent Directors

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programs about the Company. During the financial year, Senior Officials of the Company has made presentations, provided information relating to Company's operations, function, and strategy plan of the Company to the independent directors.

The details of familiarization program are available at the website of the Company: [www.ultramarinepigments.net / investors /](http://www.ultramarinepigments.net/investors/).

### Brief details of General Body Meetings

The Sixty first Annual General Meeting of the Company for the financial year 2021- 2022 is scheduled to be held on Monday, the 25<sup>th</sup> Day of July, 2022 at 4.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2020-2021	12/07/2021	4.00 PM IST	Through Video Conferencing ("VC")
2019-2020	22/07/2020	3.00 PM IST	Through Video Conferencing ("VC")
2018-2019	29/07/2019	3.00 PM IST	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.

- Special resolutions passed in the previous three annual general meetings :

Year	No. of Special resolutions passed
2020 - 2021	Nil
2019 -2020	Nil
2018 - 2019	4



Details of Special resolutions passed in the Annual General Meeting held on 29<sup>th</sup> July, 2019

Sl no.	Special Resolutions passed on July 29, 2019
1	Alteration of Articles of Association of the Company
2	Re-appointment of Mr. Nimish U. Patel (DIN. 00039549) as an Independent Director for the 2 <sup>nd</sup> term of 5 consecutive years.
3.	Re-appointment of Mr. Navin M. Ram (02410242) as an Independent Director for the 2 <sup>nd</sup> term of 5 consecutive years .
4	Continuation of Mr. R. Sampath (DIN.00092144) as a Non – Executive Director.

- Special resolution passed last year through postal ballot: Nil
- Special resolution is proposed to be conducted through postal ballot: Nil
- No Extra-ordinary General Meeting was convened during the financial year.

#### Remote e-voting and e-voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e – voting facility. The Company has engaged Central Depository Services(India) Ltd to provide remote e-voting and e-voting facility during the meeting to all the members. The members who have already cast their vote through remote e-voting are not entitled to again cast their vote during the meeting.

#### Code of Conduct

In compliance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company. The Code is also posted on the Company's website.

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2022. The Joint Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

#### Prohibition of Insider trading

The Company has adopted a code of conduct on insider trading to regulate, monitor and report the trading by insiders under the SEBI (Prohibition of insider trading) Regulations, 2015. This code of conduct also includes practices and procedures for fair disclosure of unpublished price sensitive information, initial and continual disclosure. The code of fair disclosure is available on Company's website: [www.ultramarinepigments.net / investors/](http://www.ultramarinepigments.net/investors/) Company policies. The Company has implemented a software application namely, Vigilant containing structured digital database of Promoters, designated and connected persons to regulate, monitor and report the trading by insiders under the SEBI (Prohibition of insider trading) Regulations, 2015.

#### Other Disclosures

##### (i) Internal Audit Functions and Statutory Compliance

Internal Audit functions of the Company have been carried out by a firm of Chartered Accountants. The Reports of the Internal Auditors on the operations and financial transactions and the action taken thereon by the management in the form of a report are duly submitted to the Audit Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the internal auditors including the action taken report made by the Company.

The Internal auditor also makes presentation to the Audit Committee regularly.

For every quarter, the Company Secretary / Department Head make report of Statutory compliances. These are placed before the Audit Committee and the Board Meeting.

**(ii) Details of total fees paid to Statutory Auditors on a consolidated basis**

₹ Lakhs

Type of Service	FY 2022	FY 2021
Audit Fees	12.50	12.50
Tax Audit Fees	3.00	2.00
GST Audit Fee	1.45	1.45
Other Service		
Limited review Fee	5.25	5.25
Certification	4.65	2.75
<b>Total</b>	<b>26.85</b>	<b>23.95</b>
<b>Subsidiary Company</b>		
Audit Fees	1.25	0.50
Certification	0.60	-
<b>Total</b>	<b>1.85</b>	<b>0.50</b>
<b>Grand Total</b>	<b>28.70</b>	<b>24.45</b>

**(iii) Directors with materially significant related party transactions, pecuniary or business relationship with the Company**

There were no material significant transactions with the Directors or the management or their relatives that have any potential conflict with the interest of the Company.

**(iv) Details of Non-compliance**

There were no cases of non-compliance by the Company nor any cases of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**(v) Establishment of vigil mechanism and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has implemented a vigil mechanism policy (Whistle blower policy), whereby the employees can raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The policy safeguards the whistle blower and also provides a direct access to the Chairman of Audit Committee. During the year, no complaints were received under this mechanism nor has any personnel been denied access to the Audit Committee.

**(vi) Complaints pertaining to Sexual Harassment**

No. of complaints filed during the financial year : Nil  
 No. of complaints disposed off during the financial year : Nil  
 No. of complaints pending at the end of financial year : Nil

**(vii) Policy on dealing with related party transactions is available at Company's website: [www.ultramarinepigments.net](http://www.ultramarinepigments.net) / investors / Company policies.****(viii) Risk Management**

The Company has well laid down procedures and adopted a risk management policy to inform Board members about the risk assessment and minimization procedures.

**(ix) Disclosure of Commodity Price risks:** Company's business activities inter-alia include import of materials like Alpha Olefin(AO), Lauryl Ethoxylated Oxide (LEO)etc., Capital Equipment like Machineries for drying purposes, & Export of Pigments / Sulphonated products which are linked to international prices and major international currencies. As a result, the Company is exposed to exchange rate fluctuations on its imports and exports. The Company has formulated a policy to minimize the impact of Forex rate variations on INR value of the committed receipts and payments in foreign currencies while minimizing the cost of such protection.**(x) Policy on Dividend Distribution:**

The Company has been distributing dividend(interim and final) from the year of operation. The Company has adopted the said policy to determine the distribution of dividends in accordance with the applicable statutes.

**Affirmation:**

The provisions of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, wherever applicable to the Company are fully complied with. All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, are disclosed in this report.

**(xi) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted**

The Company fulfills the following discretionary requirement pursuant to Regulation 27(1) of the Listing regulations read with Part E of Schedule II.

- The Non- Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and allowed reimbursement of expenses incurred in performance of his duties. He is also entitled to Commission on the net profits of the Company.
- The Company is in the regime of financial statements with un-qualified opinion.
- Reporting of internal auditors: The internal auditors directly reports to the Audit Committee.

**(xii) CEO / CFO Certification**

Appropriate certification as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

**(xiii) Means of communication**

The Company has promptly reported all material information including quarterly results to the Stock Exchange where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a National Daily and in a vernacular language newspaper.

All material Information for investors, Financial results, Annual Report, report on corporate governance, Shareholding pattern, Company's policies are posted in the Company's website at [www.ultramarinepigments.net](http://www.ultramarinepigments.net).

**(xiv) Disclosures by Management to the Board**

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

**(xv) Subsidiary Company**

The Company has a wholly owned unlisted subsidiary company namely, Ultramarine Specialty Chemicals Limited (not a material subsidiary). A note relating to subsidiary company is provided in the Directors' report.

**(xvi) Management Discussion and Analysis**

This annual report has a detailed chapter on Management Discussion and Analysis.

**(xvii) General Shareholders Information**

1	Date, time and venue of 61 <sup>st</sup> AGM	Monday, the 25 <sup>th</sup> July, 2022 at 4.00 pm. through video conferencing (“VC”) / other Audio Visual Means (“OAVM”)
2	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
3	Date of Book Closure	16 <sup>th</sup> July 2022 to 25 <sup>th</sup> July, 2022 ( both the days inclusive)
4	Listing on Stock Exchanges	BSE Ltd
5	Listing Fees	Paid as per the listing agreement
6	ISIN	INE405A01021
7	BSE Stock Code	506685
8	Registered Office	Thirumalai House, Road No.29, Sion-East, Mumbai- 400 022 Phone: +91-22-24017834/41/61/69 Fax : +91-22-24011699 e-mail : cs@ultramarinepigments.net
9	Registrar and Share Transfer Agent	Cameo Corporate Services Ltd Subramanian Building, No.1, Club House Road, Anna Salai, Chennai - 600002 Ph: 044 – 28460390, Fax : 044 - 28460129 e-mail : investor@cameoindia.com
10	Compliance Officer	Mr. Kishore Kumar Sahoo, Company Secretary Ultramarine & Pigments Ltd., Thirumalai House, Road No.29, Sion (East), Mumbai – 400 022. Phone:+91-22-24017841/ 2401 7853 Fax : +91-22-2401 1699 e-mail : cs@ultramarinepigments.net
11	Share Transfer System	The Company’s securities are traded on the Stock Exchange compulsorily in de-materialized mode. Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of Completed and validly executed documents.
12	Financial Calendar	Results for the Quarter ending June 30, 2022 : By 14 <sup>th</sup> August, 2022 September 30, 2022 : By 14 <sup>th</sup> November, 2022 December 31, 2022 : By 14 <sup>th</sup> February, 2023 March 31, 2023 : By 30 <sup>th</sup> May, 2023
13	Mailing of Annual Reports	4 <sup>th</sup> week of June, 2022
14	Credit rating obtained along with revisions thereto for the FY 2021-22	Long term Rating reaffirmed- [ICRA] A+ Short term Rating reaffirmed- [ICRA] A1+ Outlook on Long term Rating is Stable
15	Dividend Payment dates	On or before 31 <sup>st</sup> July, 2022
16	Dematerialisation of Shares	As on 31/03/2022, 98.66% of the Company’s shares representing 2,88,08,444 shares were held in the de-materialized form. Shares with NSDL – 2,44,62,308 Shares with CDSL – 43,46,136



17.	Plant locations	<b>Ambattur</b> No.556, Vanagaram Road, Ambattur, Chennai – 600 053, Tamilnadu. Tel: +91-44 – 26136700 - 26136704 Fax: +91- 44- 26821201
		<b>Ranipet</b> SIPCOT Industrial Complex, Ranipet – 632 403, Tamil Nadu. Tel: +91- 4172- 664401 / 402 / 403 / 404 / 405 Fax: +91- 4172- 664400 E.mail:syndet@ultramarinepigments.net
		<b>Naidupet</b> 59A, 60 & 61, APIIC Industrial Park Block C, Road No.13, Naidupet SPSR Nellore, Andhra Pradesh
		<b>Lapiz Digital Services</b> RR Tower – IV , Super A - 16 &17 T V K Industrial Estate, Guindy, Chennai – 600032 Tel: +91-44- 42901300 Fax:+91-44- 42901310 E-mail : info@lapizdigital.com
18.	Foreign exchange/commodity risks	Foreign exchange and commodity risks depends upon the prevailing market condition.
	Hedge risks	Nil

**19. Categories of Shareholders as on 31.03.2022**

Categories	No. of Shares	% to the total paid up capital
Promoters / Promoter group	12,867,961	44.07
General Public/HUF	1,42,57,561	48.83
Companies / Body Corporate	908,187	3.11
Non-Resident Indian	736,242	2.52
Foreign Portfolio Investors	158,293	0.54
IEPF	1,78,808	0.61
Clearing member	53,780	0.18
Financial Institutions /Banks	39,168	0.13
<b>Total</b>	<b>2,92,00,000</b>	<b>100.00</b>

**Top 10 Shareholders: (excluding promoter shareholding)**

SI No.	Name of the shareholder	No of shares	% of total shares of the company
1	R Sundar Rajan jointly with S Bhooma	6,44,617	2.20
2	R Ramachandran jointly with R Suchitra	3,12,000	1.06
3	Gymkhana Partners L.P	1,56,500	0.53
4	Ashwin S Sudarshan jointly with Sujata Sridhar	2,00,000	0.68
5	Sujata Sridhar	2,00,000	0.68
6	Vinod Gnanakan Nehemiah	1,93,160	0.66
7	Investor education and protection fund authority, Ministry of corporate affairs	1,78,808	0.61
8	S Bhooma jointly with S Sriram	1,75,474	0.60
9	Saroja Srinivasan	1,27,150	0.43
10	Tejeshwari Barma	1,15,200	0.39



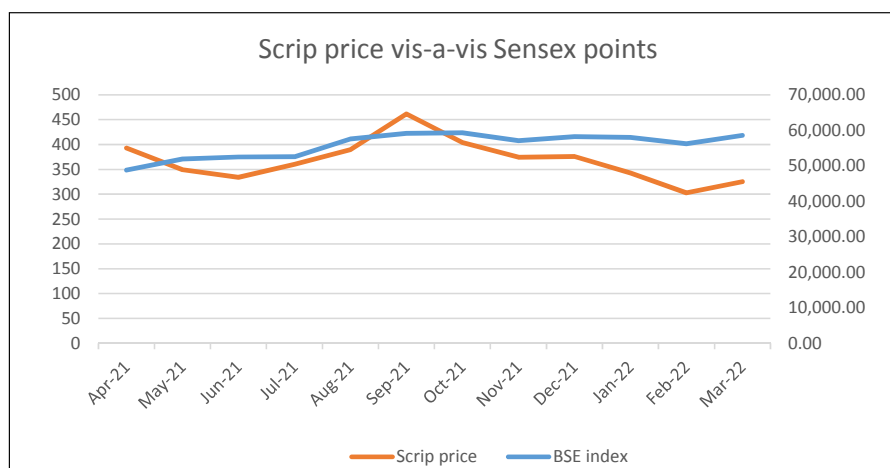
## 20. Distribution of Shareholding as on 31.03.2022

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	20,973	97.80	7,028,838	24.07
5001- 10000	260	1.21	1,985,048	6.80
10001-20000	101	0.47	1,432,711	4.91
20001-30000	33	0.15	825,972	2.83
30001-40000	17	0.08	583,764	2.00
40001-50000	12	0.06	546,689	1.87
50001-100000	23	0.11	1,580,549	5.41
Over 100000	25	0.12	15,216,429	52.11
<b>TOTAL</b>	<b>21,444</b>	<b>100.00</b>	<b>29,200,000</b>	<b>100.00</b>

## 21. Stock Market price data vs S&amp;P BSE Sensex for the financial year 2021 – 2022

Month	Scrip Price at BSE			BSE Sensex	
	High	Low	No. of Shares traded	High	Low
April -2021	410.00	295.00	940,178	50375.77	47204.50
May-2021	448.00	324.45	2,105,063	52013.22	48028.07
June-2021	365.00	325.00	1,077,503	53126.73	51450.58
July-2021	400.00	333.10	1,138,678	53290.81	51802.73
August-2021	434.90	344.00	1,413,792	57625.26	52804.08
September-2021	487.00	384.00	2,919,363	60412.32	57263.90
October-2021	517.70	402.00	888,626	62245.43	58551.14
November-2021	425.00	366.30	457,105	61036.56	56382.93
December-2021	400.05	285.00	658,174	59203.37	55132.68
January-2022	383.70	325.00	618,974	61475.15	56409.63
February-2022	355.95	288.50	818,638	59618.51	54383.20
March-2022	340.00	289.05	1,272,580	58890.92	52260.82

Month	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Sensex Points	48,782.36	51,937.44	52,482.71	52,586.84	57,552.39	59,126.36	59,306.93	57,064.87	58,253.82	58,014.17	56,247.28	58,568.51
Scrip price	392.75	349.25	333.9	360.25	389.95	461.6	404.2	374.4	376.15	342.6	302.75	325.15





## 22. Corporate Ethics

The consistent endeavor of Ultramarine & Pigments Ltd. is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted “The Code of Conduct for prohibition of of Insider Trading”, which contains policies prohibiting insider trading. The Company has also promulgated Code of Conduct to be followed by Directors and Management which is also available on the Company’s website viz., [www.ultramarinepigments.net](http://www.ultramarinepigments.net)

For **Ultramarine & Pigments Limited,**

**Tara Parthasarathy**  
Joint Managing Director  
DIN: 07121058

Place : Chennai  
Date : 24<sup>th</sup> May, 2022

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### **Declaration by the CEO under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.**

In accordance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company for the financial year ended March 31, 2022.

For **Ultramarine & Pigments Limited,**

**Tara Parthasarathy**  
Joint Managing Director  
DIN: 07121058

Place : Chennai  
Date : 24<sup>th</sup> May, 2022



**CEO / CFO Certification**

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
Ultramarine & Pigments Limited

We, Tara Parthasarathy, Joint Managing Director, and S. Ramanan, Chief Financial Officer of Ultramarine & Pigments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement of Ultramarine & Pigments Limited for the financial year ended 31<sup>st</sup> March, 2022 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that there are no:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year; and
  - (iii) instances of significant fraud of which we have become aware.

For **Ultramarine & Pigments Limited**,

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Tara Parthasarathy**  
Joint Managing Director  
[DIN: 07121058]

**S. Ramanan**  
Chief Financial Officer



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of Ultramarine & Pigments Limited.**

1. We, Brahmayya & Co, Chartered Accountants, the Statutory Auditors of Ultramarine and Pigments Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations

### AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of

**Brahmayya & Co.,**  
Chartered Accountants  
Firm Registration No.: 000511S

**R Nagendra Prasad**  
Partner

Place: Chennai  
Date: 24<sup>th</sup> May, 2022

Membership No.: 203377  
UDIN : 22203377AKEGUI5326



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Ultramarine & Pigments Limited

[CIN: L24224MH1960PLC011856]

Thirumalai House, Road No. 29,

Near Sion Hill Fort,

Sion (East), Mumbai - 400022

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ultramarine & Pigments Limited (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

DIN	Name of the Board Member	Designation	Date of Appointment
00021730	Mr. Rajeev Mahendra Pandia	Director	12/11/2018
00092144	Mr. Rangaswamy Sampath	Director	01/08/2007
00039549	Mr. Nimish Patel	Director	28/10/2003
00092203	Mrs. Indira Sundararajan	Director	01/08/2004
00133091	Mr. Harsh Rajendra Gandhi	Director	01/08/2019
01351504	Mr. Arunasree Piduri	Director	01/04/2019
02410242	Mr. Navin Muthu Ram	Director	10/11/2014
07121058	Ms. Tara Parthasarathy	Managing Director	16/03/2015
07384175	Mr. Calidas Ramchandrar Chandra Bob	Director	12/11/2018
07506927	Mr. Ramachandra Senthil Kumar	Whole- time Director	08/08/2016
08444583	Mr. Bharathram Vijayaraghavan	Whole- time Director	01/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For **R M MIMANI & ASSOCIATES LLP**

[COMPANY SECRETARIES]

[Firm Registration No. L2015MH008300]

**RANJANA MIMANI**

(PARTNER)

FCS No: 6271

CP No : 4234

PR No.: 1065/2021

UDIN: F006271D000369150

Place : Mumbai

Dated : 24<sup>th</sup> May, 2022



## INDEPENDENT AUDITOR'S REPORT

To

**The Members of Ultramarine & Pigments Limited**

**Report on the Standalone Financial Statements**

### 1. Opinion

- 1.1 We have audited the standalone financial statements of **Ultramarine & Pigments Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone financial statements, including a Summary of Significant Accounting Policies and other explanatory information ("the standalone financial statements")
- 1.2 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, 2022, and Profit, changes in equity and its cash flows for the year ended on that date.

### 2 Basis for Opinion

- 2.1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Standalone financial statements** section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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

### 3 Key Audit Matters

- 3.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report

### 4 Information Other than the Standalone financial statements and Auditor's Report Thereon

- 4.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- 4.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 4.3 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 4.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **5 Responsibilities of Management and Those Charged with Governance for the Standalone financial statements**

- 5.1 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 5.2 In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **6 Auditor's Responsibilities for the Audit of the Standalone financial statements**

- 6.1 Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
- 6.2 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 standalone 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 standalone 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.

- e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6.3 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.
- 6.4 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.
- 6.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

## 7 Report on Other Legal and Regulatory Requirements

- 7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- 7.2 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, Statement of Changes in Equity 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 Indian Accounting Standards prescribed 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:



In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2022 on its financial position in Note 39 to the standalone financial statements
  - 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) As stated in Note No.60(iii), the Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested 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) As stated in Note No.60(iv), the Management has represented, that, to the best of its knowledge and belief, no funds 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.
  - v. As stated in Note no. 20.2 (b) to the standalone financial statements  
The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **Brahmayya & Co.**  
Chartered Accountants  
Firm's registration No.: 000511S

Place: Chennai  
Date: 24<sup>th</sup> May, 2022

**R. Nagendra Prasad**  
Partner  
Membership No.: 203377  
UDIN : 22203377AKEGNH7145

**Annexure – ‘A’ to Independent Auditors’ Report**

[Referred to in paragraph 7.1 under ‘Report on Other Legal and Regulatory requirements of our Report of even date]

On the basis of such checks as considered appropriate and in terms of the information and explanation furnished to us, we state as under:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-to-use assets;  
(B) The company has maintained proper records showing full particulars of Intangible Assets.
- (b) As explained to us, the company has a program of verification to cover all items of Property, Plant and Equipment and right – of – use assets in a phased manner to cover all assets once in every three years which, in our opinion, is reasonable. Pursuant to the program, the management carried out the physical verification of the Property, Plant and Equipment and right – of – use assets during the year. The discrepancies noticed on such verification were not material;
- (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 are held in the name of the Company except the following.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	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
PPE	14.20 Acres of Land in Industrial Estate	897.90	Andra Pradesh Industrial Investment Corporation (APIIC)	Not Applicable	Mar-2018	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to other terms and conditions. (Refer Note No.4(ii))
PPE	0.25 acres of Land	0.29	Ultramarine and Pigments Limited	Not Applicable	1983	The title of property in the name of the company as per revenue records and in occupation of a third party claiming the title based on sale agreement and the company has taken legal action to protect the title.

- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As explained to us, the management has conducted physical verification of inventories (except goods in transit which have been confirmed by subsequent receipts) at reasonable intervals which in our opinion the coverage and procedure of such verification by the management is appropriate having regard to the size and nature of business. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification of inventories.





- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year from banks on the basis of security of current assets. In our opinion and according to the explanations given to us, the company is regular in submission of quarterly returns with the banks and there are no material discrepancies noticed between the returns filed with the banks and the books of account for the year under review.
- (iii) (a) The Company has not made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms, to limited liability partnership or any other parties during the year. The Company has not provided any security or any guarantee to any of the companies during the year. The Company has made investments and granted an unsecured term loan to its wholly owned subsidiary company and loans in the nature of inter-corporate deposits to other companies and the details are as given below :

₹ in Lakhs

Particulars	Investments	Loans
A. Aggregate amount of Investments in Equity and Preference Shares / Loan provided during the year:		
- Wholly Owned Subsidiary	4,400	
- Wholly Owned Subsidiary		550
- Deposits to other companies (ICD's)		4642
B. Balance outstanding as at balance sheet date in respect of above:		
- Wholly Owned Subsidiary		
- Equity Share capital	2,200	
- Preference Share Capital	2,200	
- Term Loan		550
- Deposits to other companies (ICD's)		4492

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given, investments made 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 amounts and receipts of interest are not due.
- (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 overdues 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made and loan provided to wholly owned subsidiary company. The Company has not provided any security or guarantees to the parties covered under Section 186 of the Act;



- (v) The Company has not accepted any deposit to which the provisions of Sections 73 to 76 of the Act and The Companies (Acceptance of Deposits) Rules, 2014 would apply. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal related to compliance with above provisions;
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2022, for a period of more than six months from the date they became payable.
- (b) According to the records of the company and information and explanations given to us, there are no outstanding amounts in respect of sales tax, service tax, duty of customs, goods and services tax and other statutory dues that have not been deposited with the appropriate authorities on account of any dispute. Disputed income tax, value added tax that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount in ₹ Lakhs	Year to which it relates	Forum where dispute is pending
Income tax Act, 1961	Income-tax	0.51	Financial Year 2005-06	Commissioner of Income tax (Appeal), Mumbai
Income tax Act, 1961	Income-tax	62.82	Financial Year 2009-10, 2010-11 and 2011-12	Commissioner of Income tax (Appeal), Mumbai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	12.60	Financial Year 2012-13, 2013-14 and 2015-16	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	8.41	Financial Year 2013-14 & 2014-15	Joint Commissioner of Commercial Taxes, Chennai

Disputed taxes paid under protest – Income Tax ₹ 723.88 Lakhs and Sales Tax - ₹ 36.17 Lakhs has not been included above and not charged to Statement of Profit and Loss.

- (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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company has not been declared wilful defaulter by the bank or financial institution or government or any government authority.
- (c) The company has availed term loan during the year from bank and the term loan have been applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, no funds raised on short term basis have been utilised for long term purposes during the year.
- (e) The company has not taken any funds from any entity or any other person on account of or to meet the obligations of its subsidiary company and the company does not have any joint ventures or associate companies.
- (f) The company has not raised any loan during the year on pledge of securities held in its subsidiary and the company does not have any joint ventures or associate companies.



- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or any fraud on the company has been noticed or reported during the year under report.
- (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 upto the date of this report.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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) and 3(xvi)(b) of the Order is not applicable.
- (b) In our opinion, the company is not a core investment company and 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)(c) and 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) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation 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) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There were no amounts earmarked for spending on ongoing projects as part of Corporate Social Responsibility (CSR) amount and there were no amounts outstanding as at the end of the previous financial year and current financial year, the provisions of Section 135(6) of the Act is not applicable to the company. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

Place: Chennai  
Date: 24<sup>th</sup> May,2022

For **Brahmayya & Co.**  
Chartered Accountants  
Firm's registration No.: 000511S  
**R. Nagendra Prasad**  
Partner  
Membership No.: 203377  
UDIN : 22203377AKEGNH7145



## **ANNEXURE - "B" TO AUDITORS' REPORT**

Referred to in paragraph 7.2(f) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited ("the Company") as of 31 March 2022 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**

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

#### **Auditors' Responsibility**

3. 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.
4. 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.
5. 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**

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

7. 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Brahmayya & Co.**  
Chartered Accountants  
Firm's registration No.: 000511S

**R. Nagendra Prasad**  
Partner  
Membership No.: 203377  
UDIN : 22203377AKEGNH7145

Place: Chennai  
Date: 24<sup>th</sup> May,2022

Standalone Balance Sheet as at 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		4	13,588.77	11,618.04
(b) Right of use asset		5	579.46	253.79
(c) Capital work in progress		4	1,488.04	2,269.33
(d) Intangible assets		6	63.73	12.80
(e) Financial Assets				
(i) Investments		7	59,099.95	17,885.30
(ii) Loans		8	1,250.00	-
(iii) Other financial assets		9	336.85	1,404.35
(f) Other non-current assets		10	918.92	867.92
			<u>77,325.72</u>	<u>34,311.53</u>
<b>(2) Current assets</b>				
(a) Inventories		11	7,113.06	3,694.05
(b) Financial Assets				
(i) Investments		12	431.80	1,513.72
(ii) Trade receivables		13	3,948.10	4,383.87
(iii) Cash and cash equivalents		14	2,795.01	6,939.35
(iv) Bank balances other than cash and cash equivalents		15	66.90	69.64
(v) Loans		16	3,837.37	3,069.41
(vi) Other financial assets		17	1,113.81	243.69
(c) Current Tax Assets ( Net)			-	-
(d) Other current assets		18	1,394.81	860.03
(e) Asset held for sale		19	-	922.40
			<u>20,700.86</u>	<u>21,696.16</u>
			<u>98,026.58</u>	<u>56,007.69</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		20	584.00	584.00
(b) Other Equity		21	85,371.86	45,523.75
			<u>85,955.86</u>	<u>46,107.75</u>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		22	3,029.81	3,475.55
(ii) Lease liabilities		23	463.91	107.79
(b) Provisions		24	160.41	120.29
(c) Deferred tax liabilities (net)		25	2,339.50	822.69
(e) Deferred Income		26	28.33	31.75
			<u>6,021.96</u>	<u>4,558.07</u>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		27	600.29	95.00
(ii) Lease liabilities		28	120.01	151.74
(iii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises		29	190.96	163.16
Total outstanding dues of creditors other than micro enterprises and small enterprises			3,681.76	3,449.00
(iv) Other financial liabilities		30	797.67	1,135.83
(b) Other current liabilities		31	542.02	286.81
(c) Provisions		32	112.63	56.91
(d) Deferred Income		33	3.42	3.42
			<u>6,048.76</u>	<u>5,341.87</u>
			<u>98,026.58</u>	<u>56,007.69</u>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN :07121058

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**V. BHARATHRAM**  
Whole-time Director  
DIN : 08444583

**R.NAGENDRA PRASAD**  
Partner  
Membership No.203377

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

Standalone Statement of profit and loss for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
I	Revenue From Operations	34	49,101.57	30,819.47
II	Other Income	35	903.60	959.99
III	<b>Total Income (I+II)</b>		<b>50,005.17</b>	<b>31,779.46</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	36	29,042.47	14,715.41
	Changes in Inventories of Finished goods and work-in-progress	37	(892.32)	(248.79)
	Employee benefits expense	38	5,122.93	4,209.37
	Finance costs	39	295.68	107.69
	Depreciation and amortisation expense	4-6	1,189.95	878.26
	Other expenses	40	7,483.52	4,622.22
	<b>Total expenses (IV)</b>		<b>42,242.23</b>	<b>24,284.16</b>
V	<b>Profit before exceptional items (III-IV)</b>		<b>7,762.94</b>	<b>7,495.30</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax (V+VI)</b>		<b>7,762.94</b>	<b>7,495.30</b>
VIII	<b>Tax expense :</b>			
	(1) Current tax		(1,796.26)	(1,817.68)
	(2) Deferred tax		(124.47)	(98.96)
	(3) Excess/(Short) provision of earlier year		(9.62)	-
IX	<b>Profit for the period (VII-VIII)</b>		<b>5,832.59</b>	<b>5,578.66</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(49.91)	32.81
	- Equity instruments through other comprehensive income		36,905.21	10,256.56
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		12.56	(8.25)
	- Equity instruments through other comprehensive income		(1,392.34)	-
	B (i) Items that will be reclassified to profit or loss		-	-
	B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total other comprehensive income (A (i - ii) + B(i - ii))</b>		<b>35,475.52</b>	<b>10,281.12</b>
XII	<b>Total comprehensive income for the period (IX + XI)</b>		<b>41,308.11</b>	<b>15,859.78</b>
XIII	<b>Earnings per equity share of face value of ₹ 2 each</b>			
	(1) Basic		19.97	19.10
	(2) Diluted		19.97	19.10

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN : 07121058

**C.R. CHANDRA BOB**  
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Partner  
Membership No.203377

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022



Standalone Statement of cash flows for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	7,762.94	7,495.30
	<b>Adjustments for:</b>		
	Finance Cost	295.68	107.49
	Depreciation and amortisation expenses	1,189.95	878.26
	Interest Income	(356.19)	(462.42)
	Dividend Income	(449.94)	-
	Gain on Reassessment / Termination of Lease	(1.67)	(227.10)
	Provision for Leave Encashment	38.41	27.80
	Bad Debts and Provision for expected credit loss	3.64	(0.20)
	Net Loss/(gains) on disposal of property, plant and equipment	19.94	32.34
	Remeasurement of defined benefit liabilities	(49.91)	32.81
	Receipt of government grant	(3.42)	(3.42)
	Net gains on sale of Investments	(29.70)	(98.01)
	Net gains arising on financial assets designated at FVTPL	(4.25)	(19.00)
	Net gains on foreign currency transactions and translation	11.69	(5.33)
	<b>Operating profit before working capital changes</b>	<b>8,427.17</b>	<b>7,758.52</b>
	<b>Movements in working capital :</b>		
	<b>Adjustments for (increase)/decrease in operating assets:</b>		
	Inventories	(3,419.02)	(310.70)
	Trade receivables	432.62	(420.48)
	Current financial loans and advances	3.35	98.81
	Other current assets	(534.78)	(418.57)
	Non-current financial loans and advances	1.50	(5.86)
	Other Non-current assets	(36.94)	110.36
	<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
	Trade payables	251.13	651.63
	Other current financial liabilities	22.11	114.34
	Other current liabilities	317.99	(71.92)
	<b>Cash generated from operations</b>	<b>5,465.13</b>	<b>7,506.13</b>
	<b>Direct taxes paid (net)</b>	<b>(1,795.32)</b>	<b>(1,797.51)</b>
	<b>Net cash generated from operating activities (A)</b>	<b>3,669.81</b>	<b>5,708.62</b>

Standalone Statement of cash flows for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>B</b>	<b>Cash flows from investing activities</b>		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(2,665.00)	(3,150.94)
	Payment for intangible assets (including Intangible assets under development)	(80.24)	(7.48)
	Proceeds from disposals of PPE	29.89	5.25
	Purchase of non current investments	(59.03)	(83.00)
	Investments in Wholly Owned Subsidiary	(3,334.00)	(1,200.00)
	Term Loan to a Wholly Owned Subsidiary	(550.00)	-
	Redemption of non current investments	156.05	101.76
	Purchase of current investments	(12,329.00)	(4,399.82)
	Redemption of current investments	13,439.02	5,881.96
	(Increase)/ decrease in deposit with companies	(1,467.03)	356.96
	Interest received	398.95	455.49
	Dividend received	449.94	-
	<b>Net cash (used in) investing activities (B)</b>	<b>(6,010.45)</b>	<b>(2,039.82)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Borrowings	156.08	1,545.55
	Repayment of Borrowings	(96.53)	-
	Payment of Lease Liabilities	(124.71)	(190.61)
	Interest paid ( net of Interest Capitalised ₹ 4.08 Lakhs( ₹ 181.99 Lakhs))	(275.50)	(54.29)
	Dividend paid	(1,460.00)	-
	<b>Net cash from/ (used in) financing activities (C)</b>	<b>(1,800.66)</b>	<b>1,300.65</b>
<b>D</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(4,141.30)</b>	<b>4,969.45</b>
<b>E</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	Balances with banks in current accounts and deposit accounts	1,484.49	1,331.72
	Cash on hand	1.10	1.80
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
	<b>CASH AND CASH EQUIVALENTS (AS PER NOTE. 14)</b>	<b>6,939.35</b>	<b>1,968.52</b>
<b>F</b>	<b>Effect of exchange differences on translation of foreign currency cash &amp; cash equivalents</b>	<b>(3.04)</b>	<b>1.38</b>
<b>G</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	Balances with banks in current accounts and deposit accounts	1,568.96	1,484.49
	Cash on hand	0.56	1.10
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,225.49	5,453.76
	<b>CASH AND CASH EQUIVALENTS (AS PER NOTE. 14) [ (D)+( E) + (F) ]</b>	<b>2,795.01</b>	<b>6,939.35</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN :07121058

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**V. BHARATHRAM**  
Whole-time Director  
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**R.NAGENDRA PRASAD**  
Partner  
Membership No.203377

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

Standalone Statement of changes in equity for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs					
<b>I Equity Share Capital</b>					
Particulars	Amount				
Balance as at 1st April, 2020	584.00				
Changes in Equity Share Capital due to prior period errors	-				
Restated balance as at 1st April, 2020	584.00				
Changes in equity share capital during the year	-				
<b>Balance as at 31st March, 2021</b>	<b>584.00</b>				
Changes in Equity Share Capital due to prior period errors	-				
Restated balance as at 1st April 2021	584.00				
Changes in equity share capital during the year	-				
<b>Balance as at 31st March, 2022</b>	<b>584.00</b>				
<b>II Other Equity</b>					
₹ in Lakhs					
Particulars	Surplus		Items of Other comprehensive income (OCI)		Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	Remeasurement of defined benefit plans	
<b>Restated Balance as at 1st April, 2020</b>	<b>4,105.00</b>	<b>19,674.01</b>	<b>5,918.39</b>	<b>(33.43)</b>	<b>29,663.97</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year ending 31st March, 2021	-	5,578.66	-	-	5,578.66
<b>Other Comprehensive Income</b>					
- Recognition of Investments at fair value			10,256.56		10,256.56
- Remeasurement of Defined benefit plans (Net of Taxes)				24.56	24.56
Other comprehensive income for the Period (Net of Taxes)	-	-	10,256.56	24.56	10,281.12
Total comprehensive income for the Period		5,578.66	10,256.56	24.56	15,859.78
<b>As at 31<sup>st</sup> March 2021</b>	<b>4,105.00</b>	<b>25,252.67</b>	<b>16,174.95</b>	<b>(8.87)</b>	<b>45,523.75</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year ending 31st March, 2022	-	5,832.59	-	-	5,832.59
<b>Other Comprehensive Income</b>					
- Recognition of Investments at fair value (Net of Taxes)			35,512.87		35,512.87
- Remeasurement of Defined benefit plans (Net of Taxes)				(37.35)	(37.35)
Other comprehensive income for the Period (Net of Taxes)	-	-	35,512.87	(37.35)	35,475.52
Total comprehensive income for the Period		5,832.59	35,512.87	(37.35)	41,308.11
<b>Appropriation</b>					
Final dividend - 2020-21	-	(1,460.00)	-	-	(1,460.00)
<b>As at 31<sup>st</sup> March 2022</b>	<b>4,105.00</b>	<b>29,625.26</b>	<b>51,687.82</b>	<b>(46.22)</b>	<b>85,371.86</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN :07121058

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**V. BHARATHRAM**  
Whole-time Director  
DIN : 08444583

**R.NAGENDRA PRASAD**  
Partner  
Membership No.203377

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

All amounts are in ₹ Lakhs (INR) unless otherwise stated

**1. General Information**

Ultramarine & Pigments Limited (the 'Company') is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited in India. The Company is engaged in manufacturing and selling of Pigments, Surfactants, IT-Enabled Services, and Business Process Outsourcing (BPO) activities. The Company caters to both domestic and international markets.

The registered office of the Company is located at Thirumalai House, Road No.29, Near Sion Hill Fort, Sion (E), Mumbai - 400022. Its manufacturing units are located at Ranipet (Vellore District), Ambattur (Chennai District) in the state of Tamilnadu and Naidupet (SPSR District) in the State of Andhra Pradesh. Power generation through Wind Power Generators installed in the state of Tamilnadu which is predominantly used for self consumption. IT enabled services and BPO activities are carried out from offices situated in Chennai and Ranipet.

The standalone financial statements were authorized for issue by the Company's Board of Directors on 24<sup>th</sup> May, 2022.

**2. Basis of preparation****A. Statement of compliance**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Effective from 1st April, 2017, the Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101 – "First time adoption of Indian Accounting Standards" with 1st April, 2016 as the transition date. The transition was carried out from Indian Accounting Principles Generally accepted in India (Indian GAAP) and accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) which was the previous GAAP.

Accounting policy has been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

Details of the Company's accounting policies are included in Note 3.

**B. Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, except per share data.

**C. Current and non-current classification:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**D. Basis of measurement**

The standalone financial statements have been prepared on a historical cost basis except for the following :

1. Certain financial assets and liabilities that are measured at the fair value.
2. Assets held for sale are measured at lower of carrying amount or fair value.
3. Defined benefit plans – Plan assets measured at fair value.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****E. Use of estimates and judgements**

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the standalone financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions and judgements are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the standalone financial statements:

**Property, plant and equipment and Intangible assets**

The Company has estimated the useful lives of each class of assets based on the nature of assets, the estimated usage of the assets, past history of replacement, anticipated technological changes, etc. Management believes that assigned useful lives are reasonable. The Company reviews the carrying amount of property, plant and equipment at the end of each balance sheet date. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. This re-assessment may result in change of depreciation expense in future periods.

**Income taxes**

Management estimates the provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the standalone financial statements.

**Contingencies**

Management assesses and estimates the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**Allowance for uncollected accounts receivable and advances**

Irrecoverable trade receivables are written off when management judges them as not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31<sup>st</sup> March 2022 is included in the following notes:

- Note 41 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 43 – measurement of defined benefit obligations: key actuarial assumptions;

**F. Estimation of Impact of COVID-19 Pandemic**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial results including on the recoverability of carrying amounts of assets. The Company has considered both internal and external information while finalizing various estimates in relation to its financial results upto the date of approval of the financial results by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****3. Significant Accounting Policies****3.1. Property, Plant, and Equipment: (PPE)**

Property, Plant and Equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition, installation and bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of Property, Plant and Equipment.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised in the Statement of Profit or Loss.

**Subsequent expenditure:**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment/evaluation :

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Equipment	12 – 40	5 – 40
Computer Equipment	3 – 6	3 – 4
R&D Lab Equipment	10	2 – 10

In the case of improvements on Leasehold premises, amortisation is provided over lease period or useful life of the asset whichever is less. Leasehold rights for land are amortised on a straight line method over its lease period. Individual assets costing less than ₹ 10,000/- are fully depreciated in the year of purchase.

Depreciation method, useful lives and residual values are reviewed at each Balance Sheet date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. .

**3.2. Intangible Assets:**

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Intangible assets are amortised on a straight-line basis as under:
  - a) Software costing up to ₹ 25,000/- is amortised out in the year of acquisition. Other Software acquired is amortised over its estimated useful life of 3 years;
  - b) Intellectual Property is amortised over its estimated useful life of 2 years.

The estimated useful life of the intangible assets and the amortization period are reviewed at each Balance Sheet date, with the effect of any changes in estimate being accounted for on a prospective basis.



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### Research and Development expenses:

Expenditure on research activities other than expenditure incurred on acquisition of capital assets is charged to Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if it meets the recognition criteria.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is charged to Statement of Profit and Loss in the period in which the same are incurred.

Subsequent to its initial recognition, the development expenditure recognised as an asset is reported at cost less accumulated amortization and impairment loss, on the same basis as acquired intangible assets.

### De-recognition of intangible assets

An Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

The company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

### 3.3. Impairment of Tangible and Intangible assets:

The Company assesses whether there is any indication that an asset may be impaired at each balance sheet date. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost impaired earlier.

### 3.4. Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible asset, property, plant and equipment and investment properties are no longer amortized or depreciated.

### 3.5. Foreign currency transactions and balances:

#### Initial recognition:

Foreign currency transactions (other than advance receipt or payment of foreign currency) are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss. The

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

**Conversion:**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss

Non-monetary assets and liabilities which are carried at historical cost are not translated.

Forward exchange contracts entered into to hedge and manage foreign currency exposures relating to highly probable transactions or firm commitments are marked mark to market and resulting gains or losses are recorded in the statement of profit and loss.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

**3.6. Financial Instruments:****Recognition and initial measurement:**

A financial asset or financial liability other than those items that are not at fair value through profit and loss (FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

The trade receivables are recognized when right to consideration is established on transfer of control of goods and services and on fulfillment of performance obligation related to goods and services.

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

**Classification and subsequent measurement:****Financial assets:**

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through other comprehensive income (OCI) (FVOCI – debt investment);
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except in the period, the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and



**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets that do not meet the criteria for measurement at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI are measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Subsequent measurement and gains and losses:**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.  The Company transfers amounts from OCI to retained earnings when the relevant equity securities are derecognized.
Equity Investments at Cost	Investment in wholly owned subsidiary is carried at Cost
Preference Shares at Cost	Investment in wholly owned subsidiary is carried at Cost

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****Impairment**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses:**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Derecognition:****Financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Derivative financial instruments and hedge accounting:**

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### 3.7. Inventories:

Inventories are valued on the principle laid down by Ind AS 2 “Inventories” on the basis given below:

(a)	Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on weighted average basis) and net realizable value.
(b)	Packing Material	Lower of cost (determined on weighted average basis) and net realizable value.*
(c)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(d)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity

\* During the previous year, Packing material is valued at lower of cost and net realizable value determined on FIFO basis. On implementation of new ERP system during the year and to be in line with valuation method adopted for raw materials, stores and spares, the method of valuation of packing materials have been changed to weighted average basis during the year. Due to change in valuation, there is an increase in value of stocks by ₹ 0.22 Lakhs and has no material impact on the carrying value of packing materials or the carrying value of inventories for the year ended 31<sup>st</sup> March, 2022.

### 3.8. Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into and cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term bank deposits with original maturity of three months or less.

### 3.9. Taxation:

Tax expense comprises of current and deferred tax charge or credit.

#### Current Tax:

Current Tax is determined as the amount of income tax payable to the taxation authorities in respect of taxable income for the period.

The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred Tax :

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised on assessment of reasonable certainty about realisation of such assets.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

In terms of Taxation Law (Amendment) Act, 2019, the Company has availed an irreversible option to pay tax at lower rates subject to non-availment of certain exemptions and deductions, consequent to which Minimum Altranative Tax (MAT) credit is not recognised.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**3.10. Revenue from Contract with Customers:**

The Company's revenue was primarily comprised of sale of pigments, detergents and sulphonation products, Services income from ITES and BPO operations and sale of power from wind turbine generators.

Revenue is measured based on the transaction price, which is the fair value of the consideration received or receivable after netting trade discounts, volume discounts, sales returns and Goods and Services Tax. Revenue from sale of goods is recognized upon transfer of control of promised goods or services to customers.

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the goods / services rendered.

**Income from services**

- i. In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of time as per terms of contract and are net of service tax/Goods and Services Tax.
- ii. Income from BPO activities is recognized on satisfaction of performance obligations at a point of time based on the terms of the contract with customers.

**Income from wind turbine generators**

Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

**Export benefits:**

The benefit accrued under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, the Merchandise Exports from India Scheme (MEIS), Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

Export benefits available under prevalent schemes are recognised in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

**Dividend and Interest income:**

Dividend income is recognized when the unconditional right to receive the income is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Sale of Scrap**

Revenue from sale of scrap is recognized on sale.

**3.11. Employee Benefits:****Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense and charged to the statement of profit and loss as and when the services are received from the employees.

**Defined benefit plans:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

**Retirement and other employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions and the resultant actuarial gains/(losses) are recognized immediately in the statement of other comprehensive income.

**3.12. Accounting for Provisions, Contingent Liabilities and Contingent Assets:****Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

**Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent liabilities are disclosed for:-

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

**Contingent assets:**

Contingent assets are not recognized in the standalone financial statements.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****3.13. Borrowing costs:**

Borrowing costs worked out are determined on effective interest rate, directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**3.14. Leases:**

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard all lease contracts existing or entered into on or after 1st April, 2019.

The Company’s lease asset primarily consist of lease for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****3.15 Earnings per share:**

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

**3.16 Cash Flow Statement**

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the Company.

**3.17 Segment Reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented in the segment reporting. The accounting principles used in the preparation of the standalone financial statements are consistently applied to record revenue and expenditure in individual segments.

Based on the above, Business segments of the Company are primarily Laundry and allied products; IT enabled services & BPO services and Wind Turbine Generator. The analysis of Geographic segments is based on the areas in which major operating divisions of the Company Operate.

The Company accounts for inter segment revenues at current market prices.

Unallocated income and expenses includes general corporate income and expense items which are not allocated to any segment.

**3.18. Government Grants and Subsidies:**

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.



**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****3.19. Dividend:**

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**3.20. Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**(i) Ind AS 16 - Property Plant and equipment**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

**(ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.



Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2022  
4. Property Plant and Equipment

Particulars	Freehold Land	Buildings (Note i)	Plant & Machinery	Computer Equipment	Furniture & Fixtures	Leasehold Improvements	Office Equipment	Vehicles	Lab Equipment and Other Assets (Used for R&D)	Total	Capital Work-in progress
<b>Deemed cost:</b>											
Balance as at 31-03-2020	1,959.83	1,044.23	6,340.21	354.38	232.48	44.68	172.11	126.44	174.58	10,448.94	3,538.52
Additions	-	1,526.72	3,164.09	20.01	69.17	-	26.81	8.47	7.99	4,823.26	
Disposals / Adjustments	922.40	-	28.19	15.39	12.15	43.43	3.11	6.36	-	1,031.03	
<b>Balance as at 31-03-2021</b>	<b>1,037.43</b>	<b>2,570.95</b>	<b>9,476.11</b>	<b>359.00</b>	<b>289.50</b>	<b>1.25</b>	<b>195.81</b>	<b>128.55</b>	<b>182.57</b>	<b>14,241.17</b>	<b>2,269.33</b>
Additions	-	279.99	2,539.00	67.71	32.63	-	12.15	78.56	57.59	3,067.63	
Disposals / Adjustments	-	23.05	26.86	-	3.39	1.25	-	7.53	-	62.08	
<b>Balance as at 31-03-2022</b>	<b>1,037.43</b>	<b>2,827.89</b>	<b>11,988.25</b>	<b>426.71</b>	<b>318.74</b>	<b>-</b>	<b>207.96</b>	<b>199.58</b>	<b>240.16</b>	<b>17,246.72</b>	<b>1,488.04</b>
<b>Accumulated depreciation:</b>											
Balance as at 31-03-2020	-	148.13	1,352.36	224.01	80.67	26.76	78.31	41.53	42.79	1,994.56	
Charge for the year	-	63.53	479.73	58.95	31.81	3.36	32.25	14.71	15.48	699.82	
Other Adjustments	-	-	14.84	12.34	7.02	30.12	2.89	4.04	-	71.25	
<b>Balance as at 31-03-2021</b>	<b>-</b>	<b>211.66</b>	<b>1,817.25</b>	<b>270.62</b>	<b>105.46</b>	<b>-</b>	<b>107.67</b>	<b>52.20</b>	<b>58.27</b>	<b>2,623.13</b>	
Charge for the year	-	121.97	781.74	49.20	28.60	-	27.80	20.13	17.85	1,047.29	
Other Adjustments	-	0.67	2.92	-	3.39	-	-	5.49	-	12.47	
<b>Balance as at 31-03-2022</b>	<b>-</b>	<b>332.96</b>	<b>2,596.07</b>	<b>319.82</b>	<b>130.67</b>	<b>-</b>	<b>135.47</b>	<b>66.84</b>	<b>76.12</b>	<b>3,657.95</b>	
<b>Net carrying amount:</b>											
As at 31-03-2021	1,037.43	2,359.29	7,658.86	88.38	184.04	1.25	88.14	76.35	124.30	11,618.04	
<b>As at 31-03-2022</b>	<b>1,037.43</b>	<b>2,494.93</b>	<b>9,392.18</b>	<b>106.89</b>	<b>188.07</b>	<b>-</b>	<b>72.49</b>	<b>132.74</b>	<b>164.04</b>	<b>13,588.77</b>	

(i) Cost of Building includes ₹ 500/- paid for 5 Shares of ₹ 100/- each in Thirumalai House Office Unit Owners Condominium.

(ii) The company has paid full consideration for the land acquired in the Industrial Park, Naidupet, Andhra Pradesh and is in possession of land and registered the sale agreement for the said land. In terms of policy, the company is entitled to use the land and right to offer the land as security. The company has already commenced commercial production during January, 2021. The title to the said land shall be registered in the name of the company subject to fulfilment of other terms and conditions.

(iii) Cost of the Land has been transferred to Wholly Owned Subsidiary Company, Ultramarine Speciality Chemicals Limited, on getting necessary approval for re-allotment of land from Andrapradesh Industrial Investment Corporation (APIIC) and registration of sale agreement in the name of the subsidiary company completed during the year.

(iv) Land and Buildings situated at Industrial Property, Plot No.60&61, Menakur Village, Naidupet Town are subject to exclusive charge for the loans availed from HSBC Bank.

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## (v) Break-up of Capital Work-in-Progress

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Buildings	62.88	232.74
Plant & Machinery	1,418.49	1,893.72
Electrical Installation	-	6.33
<b>Intangible Assets acquired</b>	-	71.84
<b>Project Expenditure - Direct</b>		
Statutory Fee	6.67	9.96
Salaries and Wages	-	18.09
Professional & Consultancy Charges	-	2.06
Other Direct Expenses	-	25.18
Finance Costs	-	9.41
	<b>1,488.04</b>	<b>2,269.33</b>

(vi) Depreciation capitalised during the year - ₹ NIL (previous year ₹11.89 Lakhs)

## 4.1 CWIP ageing schedule as at 31.03.2022

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,163.68	299.00	25.36	-	1,488.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,163.68</b>	<b>299.00</b>	<b>25.36</b>	<b>-</b>	<b>1,488.04</b>

## 4.2 CWIP ageing schedule as at 31.03.2021

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,731.77	537.56	-	-	2,269.33
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,731.77</b>	<b>537.56</b>	<b>-</b>	<b>-</b>	<b>2,269.33</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## 5. Right of use asset - Building

₹ in Lakhs

Particulars	Leased Premises
<b>Deemed cost:</b>	
Balance as at 31-03-2020	877.42
Additions	447.38
Disposals / Adjustments*	978.24
<b>Balance as at 31-03-2021</b>	<b>346.56</b>
Additions	445.31
Disposals / Adjustments*	29.42
<b>Balance as at 31-03-2022</b>	<b>762.45</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2020	211.70
Charge for the year	181.00
Other Adjustments	299.93
<b>Balance as at 31-03-2021</b>	<b>92.77</b>
Charge for the year	113.35
Other Adjustments	23.13
<b>Balance as at 31-03-2022</b>	<b>182.99</b>
<b>Net carrying amount:</b>	
<b>As at 31-03-2021</b>	<b>253.79</b>
<b>As at 31-03-2022</b>	<b>579.46</b>

\* adjustment is on account of pre-closure of certain lease agreements during the year ended 31<sup>st</sup> March, 2022 & 2021

## 6. Other Intangible assets

₹ in Lakhs

Particulars	Licensed Computer Software
<b>Deemed cost:</b>	
Balance as at 31-03-2020	93.29
Additions	7.48
Disposals / Adjustments	0.21
<b>Balance as at 31-03-2021</b>	<b>100.56</b>
Additions	80.24
Disposals / Adjustments	-
<b>Balance as at 31-03-2022</b>	<b>180.80</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2020	78.44
Charge for the year	9.32
Other Adjustments	-
<b>Balance as at 31-03-2021</b>	<b>87.76</b>
Charge for the year	29.31
Other Adjustments	-
<b>Balance as at 31-03-2022</b>	<b>117.07</b>
<b>Net carrying amount:</b>	
<b>As at 31-03-2021</b>	<b>12.80</b>
<b>As at 31-03-2022</b>	<b>63.73</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>7. Non-current Investment</b>		
<b>Investment carried at cost (Unquoted)</b>		
<b>Investment in 100% Subsidiary</b>		
2,20,10,000 equity shares of ₹ 10/- each (March 31, 2021 : 10,000 equity shares of ₹ 10/- each) fully paid up in Ultramarine Speciality Chemicals Limited.	2,201.00	1.00
2,20,000 Non Cumulative Redeemable Preference shares of ₹ 1,000/- each (31 <sup>st</sup> March 2021- Nil) carrying coupon rate of 7.5%	2,200.00	-
<b>Investment at fair value through Other comprehensive income (FVTOCI)</b>		
<b>Quoted Equity Shares</b>		
2,04,51,770 equity shares of ₹ 1/- each (March 31, 2021 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	54,401.71	17,496.49
<b>Investments at fair value through Other Profit or Loss (FVTPL)</b>		
<b>Quoted Bonds</b>		
5 (31 <sup>st</sup> March 2021: 5) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000/- each	52.65	52.10
<b>Unquoted</b>		
<b>Investment in Alternative Investment Fund</b>		
(i) 1,76,168 (31 <sup>st</sup> March 2021: 2,80,084) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	177.59	276.37
(ii) Nil (31 <sup>st</sup> March 2021: 24,38,473) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	-	26.34
(iii) 33 (31 <sup>st</sup> March 2021: 33) Kae Capital Fund III Units of ₹ 1,00,000 /- each	33.00	33.00
(iv) 34 (31 <sup>st</sup> March 2021: Nil) Kae Capital Opportunity Fund Units of ₹ 1,00,000 /- each	34.00	-
<b>Total</b>	<b>59,099.95</b>	<b>17,885.30</b>
<b>Notes:</b>		
(a) Aggregate amount of Quoted Investments and market value thereof:	54,454.36	17,548.59
(b) Aggregate amount of unquoted investments-Mutual funds & Bonds	244.59	335.71
(c) Aggregate amount of unquoted investments-Equity shares	2,201.00	1.00
(d) Aggregate amount of unquoted investments-Preference shares	2,200.00	-
<b>8. Non-current Loans</b>		
<b>Loans to related Parties</b>		
Term Loan to a subsidiary company - Unsecured	550.00	-
<b>Deposits with Corporates</b>		
- Considered good - Unsecured	700.00	-
<b>Total</b>	<b>1,250.00</b>	<b>-</b>

**8.1 Note:**

Term loan to a wholly owned subsidiary carrying interest rate of 6.75%(repo rate plus 2.75%) repayable in 16 quarterly instalments with a moratorium of 2 years and repayment to commence from the month of March 2024. Loan committed for ₹.900 Lakhs, and an amount of ₹.550 Lakhs disbursed during the year.

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>9. Non-current Other Financial Assets</b>		
Unsecured, Considered Good		
Advance towards share application money to a subsidiary company	134.00	1,200.00
Security Deposits	101.80	102.63
Deposits with a Bank		
- Term Deposit *	100.00	100.00
Employees advances	1.05	1.72
<b>Total</b>	<b>336.85</b>	<b>1,404.35</b>
* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings.		
<b>10. Other Non-Current Assets</b>		
Unsecured, Considered Good		
Capital Advances	59.97	38.76
Income taxes (Net)*	720.49	724.03
Deposits for the leased premises	77.42	80.04
Prepaid expenses	61.04	25.09
<b>Total</b>	<b>918.92</b>	<b>867.92</b>
*Net of Provision for tax ₹ 5973.15 Lakhs (March 31, 2021 : ₹ 8,014. 88 Lakhs)		
<b>11. Inventories</b>		
Raw materials and components	2,049.87	1,160.13
Raw materials in Transit	2,005.30	460.93
Work in progress	1,526.32	1,088.31
Finished goods	922.59	579.74
Finished goods in Transit	284.97	173.51
Packing materials	146.94	91.18
Fuel	43.55	33.79
Stores and spares	133.52	106.46
<b>Total</b>	<b>7,113.06</b>	<b>3,694.05</b>
<b>12. Investments</b>		
<b>Investment at fair value through Profit and Loss (FVTPL)</b>		
<b>Unquoted units of Mutual Funds</b>		
Nil (31 <sup>st</sup> March 2021: 5,017) units of Kotak Liquid Fund	-	208.66
Nil (31 <sup>st</sup> March 2021: 12,664) units of L&T Liquid Fund	-	356.99
Nil (31 <sup>st</sup> March 2021: 4,582) units of Axis Liquid Fund	-	104.68
Nil (31 <sup>st</sup> March 2021: 9,598) units of SBI Liquid Fund	-	309.22
1,05,827 (31 <sup>st</sup> March 2021: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	31.45	30.11
Nil (31 <sup>st</sup> March 2021: 37,849) units of Aditya Birla Sun Life Floating Rate Fund	-	100.61
Nil (31 <sup>st</sup> March 2021: 3,53,231) units of Kotak Equity Arbitrage Fund	-	102.63
Nil (31 <sup>st</sup> March 2021: 90,570) units of Nippon India Overnight Fund	-	100.06
Nil (31 <sup>st</sup> March 2021: 2,62,637) units of HDFC Floating Rate Debt Fund-Direct	-	100.57
Nil (31 <sup>st</sup> March 2021: 8,659) units of Kotak Floating Rate Fund-Direct	-	100.19
35,624 (31 <sup>st</sup> March 2021: Nil) units of Axis Overnight Fund Direct Plan	400.35	-
<b>Total</b>	<b>431.80</b>	<b>1,513.72</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
13. Trade Receivables		
- Considered good - secured	-	-
- Considered good - Unsecured	3,950.27	4,386.80
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
	<b>3,950.27</b>	<b>4,386.80</b>
Less: Provision for Expected Credit Loss	<b>(2.17)</b>	<b>(2.93)</b>
<b>Total</b>	<b>3,948.10</b>	<b>4,383.87</b>

## Notes :

- Trade Receivable includes receivables from Related party - ₹ 7.22 Lakhs ( 31<sup>st</sup> March 2021 - ₹ 0.06 Lakhs)
- In determining the allowances for doubtful trade receivables the Company has used practical expedience by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

## 13.1 Trade Receivables ageing schedule as at 31.03.2022

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,965.73	926.99	26.23	25.96	0.94	3.24	3,949.09
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	1.18	-	1.18
<b>Total</b>	<b>2,965.73</b>	<b>926.99</b>	<b>26.23</b>	<b>25.96</b>	<b>2.12</b>	<b>3.24</b>	<b>3,950.27</b>

## 13.2 Trade Receivables ageing schedule as at 31.03.2021

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	4,048.17	322.51	11.68	0.02	3.24	-	4,385.62
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	1.18	-	-	1.18
<b>Total</b>	<b>4,048.17</b>	<b>322.51</b>	<b>11.68</b>	<b>1.20</b>	<b>3.24</b>	<b>-</b>	<b>4,386.80</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>14. Cash &amp; cash equivalents</b>		
(i) Cash on hand	0.51	0.88
(ii) Balances with banks		
In current account	1,368.96	1,058.96
In Deposit Accounts with original maturity of less than 3 months	200.00	425.75
In Deposit Accounts with original maturity of more than 3 months and less than 12 months	1,225.54	5,453.76
<b>Total</b>	<b>2,795.01</b>	<b>6,939.35</b>
<b>15. Bank balances other than cash and cash equivalents</b>		
Margin money with banks	0.76	0.72
Un-claimed dividend accounts*	66.14	68.92
<b>Total</b>	<b>66.90</b>	<b>69.64</b>
*These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities		
<b>16. Loans (Unsecured, considered good, unless stated otherwise)</b>		
<b>Deposits with Corporates</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	3,792.00	3,025.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Loans &amp; Advances to Employees</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	8.44	7.48
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Other Deposits</b>		
- Considered good - unsecured	36.93	36.93
<b>Total</b>	<b>3,837.37</b>	<b>3,069.41</b>
<b>17. Other Financial Assets - Current</b>		
Advances recoverable in cash	14.64	16.67
Advances and Amounts receivable from Subsidiary *	981.18	48.41
Unbilled revenue	4.10	6.95
Other deposits receivable	25.29	35.10
Interest accrued on Deposits	86.26	136.56
Interest on Term Loan Receivable from Subsidiary *	2.34	-
<b>Total</b>	<b>1,113.81</b>	<b>243.69</b>

\* Includes amounts receivable from a subsidiary ₹ 983.52 Lakhs( ₹ 48.41 Lakhs). Includes cost of land and other related costs amounting to ₹.979 Lakhs transferred during March 2022 on getting approval from Andrapradesh Industrial Investment Corporation (APIIC) for re-allotment of land in favour of subsidiary .



Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>18. Other Current Assets</b>		
Advances other than capital advances:		
Advance to suppliers	98.27	79.36
Balance with GST, customs, central excise & sales tax	1,055.97	585.30
Prepaid Expenses	173.32	112.92
Export incentives receivable - duty free scrips	67.25	82.45
<b>Total</b>	<b>1,394.81</b>	<b>860.03</b>
<b>19. Asset held for Sale</b>		
Asset held for Sale*	-	922.40
<b>Total</b>	<b>-</b>	<b>922.40</b>

\* On getting Approval from Andra Pradesh Industrial Investment Corporation for re-allotment and transfer of land and registration of sale agreement in the name of wholly owned subsidiary company, Ultramarine Specialty Chemicals Limited, the company has transferred cost of land ₹ 922 Lakhs incurred by the company. These amounts are considered as receivable as on 31<sup>st</sup> March, 2022 and included under Note No.17 'other financial assets'.

**20. Share capital****Authorised Shares**

5,00,00,000 (March 31, 2021: 5,00,00,000) equity shares of ₹ 2/- each 1,000.00 1,000.00

**Issued, subscribed and fully paid-up shares**

2,92,00,000 (March 31, 2021: 2,92,00,000) Equity Shares of ₹ 2/- each fully paid up 584.00 584.00

**Total** **584.00** **584.00**

**20.1 Reconciliation of number of shares outstanding at the beginning and end of the year:**

Particulars	No. of shares
<b>Authorised share capital:</b>	
<b>Balance as at 1st April, 2020</b>	<b>5,00,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 1st April, 2021</b>	<b>5,00,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid-up share capital:</b>	
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>2,92,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>2,92,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2,92,00,000</b>

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****20.2 Terms/rights attached to equity shares**

- (a) The Company has only one class of share referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.
- (b) The Company declares and pays dividends in Indian Rupees based on the profits available for distribution. The Board of Directors in their meeting held on 24<sup>th</sup> May, 2022 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2022 and the proposal is subject to approval of shareholders at their meeting to be held on 25<sup>th</sup> July, 2022, if approved, would result in cash outflow of approximately ₹ 1460 Lakhs.
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- (d) There is no change in issued and paid up share capital during the year.

**20.3 Details of shareholders holding more than 5% shares**

Equity shares	Number of fully paid equity shares
<b>Thirumalai Chemicals Limited</b>	
As at 31 <sup>st</sup> March, 2022	<b>39,56,730</b>
As at 31 <sup>st</sup> March, 2021	39,56,730

**20.4 Details of shareholding of promoters**

S.No.	Equity shares held by Promoters at the end of the year Promoters Name	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Thirumalai Chemicals Limited	<b>39,56,730</b>	<b>13.55</b>	39,56,730	13.55	-
2	Sridhar Sundararajan	-	-	2,34,700	0.80	<b>(0.80)</b>
3	Indira Sundararajan	<b>10,71,855</b>	<b>3.67</b>	10,71,855	3.67	-
4	Bhooma Parthasarathy	<b>9,85,052</b>	<b>3.37</b>	9,77,747	3.35	<b>0.02</b>
5	Jayalakshmi Venkataraman	-	-	2,34,936	0.80	<b>(0.80)</b>
6	Sujata Sampth Family Trust *	<b>12,75,294</b>	<b>4.37</b>	12,75,294	4.37	-
7	Parthasarathy Rangaswamy	<b>9,77,747</b>	<b>3.35</b>	9,77,747	3.35	-
8	Sampth Family Trust *	<b>12,75,293</b>	<b>4.37</b>	12,75,293	4.37	-
9	Daya Sridhar	<b>3,72,974</b>	<b>1.28</b>	4,71,928	1.62	<b>(0.34)</b>
10	Kala Sundaravedha	-	-	2,24,000	0.77	<b>(0.77)</b>
11	Sridhar Sundararajan - Huf	-	-	2,23,000	0.76	<b>(0.76)</b>
12	Deepa Ajay	<b>6,37,044</b>	<b>2.18</b>	6,69,455	2.29	<b>(0.11)</b>
13	Geetha.S	-	-	4,98,621	1.71	<b>(1.71)</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

Equity shares held by Promoters at the end of the year		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		% Change during the year
S.No.	Promoters Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
14	Pravin Rangachari	1,80,030	0.62	1,80,030	0.62	-
15	S. Varadarajan	7,86,685	2.69	6,42,141	2.20	0.49
16	Srinath Sridhar	-	-	42,492	0.15	(0.15)
17	S. Vidhya	1,07,515	0.37	1,07,515	0.37	-
18	S. Narayan	5,83,894	2.00	4,82,400	1.65	0.35
19	Ramya Bharathram	63,460	0.22	63,460	0.22	-
20	V Bharath Ram	41,050	0.14	41,050	0.14	-
21	Meera Parthasarathy	2,38,222	0.82	2,36,080	0.81	0.01
22	Tara Parthasarathy	2,04,074	0.70	2,02,760	0.69	0.01
23	Aditya Rajan	17,200	0.06	17,200	0.06	-
24	Kavya Narayan	16,000	0.05	16,000	0.05	-
25	Uttara. B	16,000	0.05	16,000	0.05	-
26	V. S. Sundararajan	4,108	0.01	4,108	0.01	-
27	Bina Rajan	4,000	0.01	4,000	0.01	-
28	Varadarajan Santhanam	114	-	114	0.00	-
29	Jasmine Limited	53,620	0.18	53,620	0.18	-
<b>Total</b>		<b>1,28,67,961</b>	<b>44.06</b>	<b>1,42,00,276</b>	<b>48.62</b>	<b>(4.56)</b>

\* Denotes shares held by the Trust(s) vide SEBI Exemption order WTM/GM/CFD/53/2020-21 dated December 11, 2020.

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>21. Other Equity</b>		
General Reserve	4,105.00	4,105.00
Retained Earnings	29,625.26	25,252.67
Other Comprehensive Income - Fair value of investment	51,687.82	16,174.95
Other Comprehensive Income - Remeasurements of defined benefit plans	(46.22)	(8.87)
<b>Total</b>	<b>85,371.86</b>	<b>45,523.75</b>
<b>22. Borrowings - Non-current</b>		
<b>Secured</b>		
Term Loan from a Bank (refer note below)	3,630.10	3,570.55
Less : Current maturity of long term loan (refer Note 27)	(600.29)	(95.00)
<b>Unsecured</b>		
Term Loan from Others	-	-
<b>Total</b>	<b>3,029.81</b>	<b>3,475.55</b>

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022**

₹ in Lakhs

Note: Loan is secured by an exclusive charge on the Industrial Plot, charge on movable fixed assets of the company at the plant located at Menakur Village, Naidupet Town. The term loan is repayable in 60 monthly instalments from the date of disbursement with an initial moratorium period of 2 years and the first instalment of repayment commenced in the month of December, 2021.

Particulars	As at 31st March 2022	As at 31st March 2021
<b>23. Lease liabilities - Non-current</b>		
Lease Liabilities (refer note 48)	463.91	107.79
<b>Total</b>	<b>463.91</b>	<b>107.79</b>
<b>24. Provisions - Non-current</b>		
<b>Provision for employee benefits :</b>		
Provision for compensated absences	160.41	120.29
<b>Total</b>	<b>160.41</b>	<b>120.29</b>
<b>25. Deferred tax liabilities (net)</b>		
<b>Deferred tax liability:</b>		
On account of timing difference in Depreciation and amortisation	1,022.21	877.20
Fair value adjustments of Investments	1,395.18	4.18
	<b>2,417.39</b>	<b>881.38</b>
<b>Deferred tax assets:</b>		
Liabilities allowable on payment basis	73.65	53.43
Lease Liabilities - Leased premises	3.69	4.52
Expected credit loss	0.55	0.74
	<b>77.89</b>	<b>58.69</b>
<b>Total</b>	<b>2,339.50</b>	<b>822.69</b>
<b>26. Deferred Income</b>		
Government Grant ( Refer Note below)	28.33	31.75
<b>Total</b>	<b>28.33</b>	<b>31.75</b>
Note:- The Company has been granted a conditional government grant for ₹ 51.30 Lakhs towards installation of Solar Thermal heating system, which has been installed and is in operation since July 2016. The grant was received in 2016-17 and is recognised as deferred income. It is being amortised over the useful life of the Solar Thermal heating system in proportion in which the related depreciation expense is recognised.		
<b>27. Borrowings - Current</b>		
Current maturity of long term borrowing (refer Note 22)	600.29	95.00
<b>Total</b>	<b>600.29</b>	<b>95.00</b>
<b>28. Financial Liabilities - Lease - Current</b>		
Lease Liabilities (refer Note 48)	120.01	151.74
<b>Total</b>	<b>120.01</b>	<b>151.74</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>29. Trade Payables</b>		
Trade payables :		
Total outstanding dues of micro enterprises and small enterprises	190.96	163.16
- Total outstanding dues of creditors other than micro enterprise and small enterprises (refer note below and Note 52)	3,681.76	3,449.00
<b>Total</b>	<b>3,872.72</b>	<b>3,612.16</b>

Note:- \* Includes Trade payables to related parties ₹ 4.31 Lakhs (March 31, 2021: ₹ 0.25 Lakhs)

## 29.1 Trade payables ageing schedule as at 31.03.2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	137.49	48.31	4.14	1.02	-	190.96
(ii) Others	1,967.23	1,701.04	13.43	0.06	-	3,681.76
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,104.72</b>	<b>1,749.35</b>	<b>17.57</b>	<b>1.08</b>	<b>-</b>	<b>3,872.72</b>

## 29.2 Trade payables ageing schedule as at 31.03.2021

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	123.60	38.54	1.02	-	-	163.16
(ii) Others	2,790.25	658.42	0.33	-	-	3,449.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,913.85</b>	<b>696.96</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>3,612.16</b>

## 30. Other financial liabilities - Current

Interest payable on Term Loan	0.65	0.74
Unpaid dividends (Refer note below(i))	66.14	68.91
Employee dues	276.43	294.50
Dues to Directors - Commission payable	263.21	218.71
Creditors for capital goods	183.36	541.06
Deposit from Dealers	7.88	11.91
<b>Total</b>	<b>797.67</b>	<b>1,135.83</b>

Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>31. Other current liabilities</b>		
Statutory Dues	121.29	169.09
Revenue received in advance	267.27	58.83
Other Liabilities	153.46	58.89
<b>Total</b>	<b>542.02</b>	<b>286.81</b>
<b>32. Provisions - Current</b>		
<b>For Employee benefits</b>		
Provision for gratuity	69.96	6.99
Provision for compensated absences	20.06	21.76
<b>For Others</b>		
Provision for tax *	22.61	28.16
<b>Total</b>	<b>112.63</b>	<b>56.91</b>
* Net of advance tax and tax deducted at source of ₹ 1761.08 Lakhs (March 31, 2021: ₹ 1797.79 Lakhs)		
<b>33. Deferred Income</b>		
Government Grant	3.42	3.42
<b>Total</b>	<b>3.42</b>	<b>3.42</b>
Particulars	Year ended 31 <sup>st</sup> March 2022	Year Ended 31 <sup>st</sup> March 2021
<b>34. Revenue From Operations</b>		
<b>a) Sale of Products</b>		
Manufactured Goods	45,112.37	27,535.00
Sale of Materials	359.81	48.77
Sale of Power from Wind turbine generators	41.30	40.33
<b>Total Sale of Products</b>	<b>45,513.48</b>	<b>27,624.10</b>
<b>b) Sale of Services</b>		
Income from IT enabled Services	3,407.76	2,737.46
Income from BPO activities	-	305.47
<b>Total Sale of Services</b>	<b>3,407.76</b>	<b>3,042.93</b>
<b>c) Other Operating Revenues</b>		
Export Incentives	180.33	152.44
<b>Revenue from Operations</b>	<b>49,101.57</b>	<b>30,819.47</b>
<b>Disaggregate Revenue Information:</b>		
<b>(i) Manufactured goods</b>		
Pigments	12,871.72	9,119.40
Detergents	674.98	579.72
Sulphonation	31,565.67	17,835.88
	<b>45,112.37</b>	<b>27,535.00</b>
<b>(ii) Revenue from IT Enabled Service</b>		
Revenue by contract type		
Fixed price	3,260.40	2,395.81
Other contract	147.36	341.65
	<b>3,407.76</b>	<b>2,737.46</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31st March 2022	Year Ended 31st March 2021
<b>35. Other Income</b>		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	130.80	197.84
Deposits with Companies	188.12	223.22
Bonds	25.47	27.98
Interest on Financial Assets carried at amortized cost	5.41	9.75
Others	6.40	3.62
b) Dividend Income on Equity securities designated at FVOCI	449.94	-
c) Other non-operating Income (Net of expenses directly attributable to such income)		
Rental income	3.56	2.49
Credit balances and excess provision written back	-	89.20
Sundry receipts	22.54	57.63
Bad debts recovered	5.33	-
Gain in Reassessment of lease	-	27.74
Gain on Termination of lease	1.67	199.64
d) Other gains and losses		
Net gains arising on financial assets measured at FVTPL	4.25	19.10
Net gains on sale of Investments	29.70	98.36
Net gains on foreign currency transactions and translation	26.99	-
e) Government grant	3.42	3.42
<b>Total</b>	<b>903.60</b>	<b>959.99</b>

Note: Government grants are related to investments of the Company in Property, Plant and Equipment of Manufacturing Plant setup in Ranipet, Tamil Nadu, India. There are no unfulfilled conditions or other contingencies attaching to these grants. The company did not benefit directly from any other forms of Government assistance.

**36. Cost of material consumed**

Opening Stock of Raw Materials	1,160.13	1,156.93
Add : Purchase of Materials (including cost of Materials Sold ₹ 355.25 Lakhs) (previous year ₹41.96 Lakhs)	29,932.21	14,718.61
	<b>31,092.34</b>	15,875.54
Less : Closing Stock of Raw Materials	2,049.87	1,160.13
<b>Total</b>	<b>29,042.47</b>	14,715.41

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31st March 2022	Year Ended 31st March 2021
<b>37. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	1,526.32	1,088.31
Finished goods	1,207.56	753.25
<b>Total</b>	<b>2,733.88</b>	<b>1,841.56</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	1,088.31	717.25
Finished goods	753.25	875.52
	<b>1,841.56</b>	<b>1,592.77</b>
Net (Increase)/ Decrease in Stocks	<b>(892.32)</b>	<b>(248.79)</b>
<b>(Increase)/ Decrease in work in progress</b>		
Pigments	<b>(330.78)</b>	(181.62)
Detergents	<b>(1.23)</b>	2.16
Sulphonation	<b>(106.00)</b>	(191.60)
<b>Total</b>	<b>(438.01)</b>	<b>(371.06)</b>
<b>(Increase)/decrease in finished goods (Inclusive of finished goods in transit)</b>		
Pigments	<b>(328.02)</b>	42.94
Detergents	<b>(7.88)</b>	(0.85)
Sulphonation	<b>(118.41)</b>	80.18
<b>Total</b>	<b>(454.31)</b>	<b>122.27</b>
<b>38. Employee Benefit Expense</b>		
Salaries, Wages, Bonus and other benefits	4,113.27	3,399.39
Directors' Remuneration	465.74	349.76
Contribution to Provident Fund and other funds	252.44	210.77
Gratuity	66.91	67.21
Staff Welfare and amenities	224.57	182.24
<b>Total</b>	<b>5,122.93</b>	<b>4,209.37</b>
<b>39. Finance Cost</b>		
Interest on income tax payments	0.10	0.19
Interest on Term Loan	266.03	232.40
Interest on lease liabilities	20.27	53.40
Interest Others	13.36	3.69
	<b>299.76</b>	<b>289.68</b>
Less: Interest on term loan transferred to Capital Work-in-Progress	<b>(4.08)</b>	<b>(181.99)</b>
<b>Total</b>	<b>295.68</b>	<b>107.69</b>



Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31st March 2022	Year Ended 31st March 2021
<b>40. Other Expenses</b>		
Consumption of Stores and Spares	219.11	278.02
Power and Fuel ( Note (i) below )	2,462.15	1,273.37
Repairs and Maintenance:		
Machinery	328.23	242.36
Buildings	120.43	48.14
Others	69.23	46.33
Packing Expenses and materials consumed	561.40	431.72
Data Processing Charges	297.98	273.74
Laboratory Expenses	72.80	22.78
Freight and Forwarding expenses	1,697.79	726.23
Insurance	103.27	75.90
Commission on sales	13.47	7.99
Advertisement and Sales Promotion expenses	159.39	167.70
Security Expenses	104.98	87.18
Software License Expenses	32.33	52.96
Water Charges	9.16	9.40
Rent	1.86	24.67
Rates & Taxes	117.45	50.60
Travelling & Conveyance expenses	124.37	56.57
Communication expenses	84.80	78.78
Legal and Professional Fees	152.80	82.95
Sitting fees to Directors	37.60	32.80
Commission to Non Executive Directors	83.21	78.72
Donation	2.25	5.38
Corporate Social Responsibility Expenditure ( Refer Note No. 51)	223.55	142.06
Assets Scrapped / Loss on Sale of Assets ( net )	19.93	32.34
Bad Debts written off	4.40	3.16
Provision for expected credit Loss (Refer Note No. 45.1.A)	(0.76)	(3.36)
Loss on foreign currency transactions / translations (net)	-	19.50
Bank Charges	68.19	58.85
Sundry balances written off	4.71	-
Diminution in value of Investements	-	-
Miscellaneous expenses ( Note (ii) below )	307.44	215.38
<b>Total</b>	<b>7,483.52</b>	<b>4,622.22</b>

Note:-

1. Power and Fuel is net of wind power generated and utilised	279.26	260.66
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Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
2. Payment to Auditors (included in miscellaneous expenses)		
<b>As Auditors:</b>		
Audit Fees	12.50	12.50
Tax Audit Fees	3.00	2.00
GST Audit Fees	1.45	1.45
Other Services		
- Limited Review Fee	5.25	5.25
- Certification Fee	4.65	2.75
Reimbursement of Expenses	-	-
<b>Total</b>	<b>26.85</b>	<b>23.95</b>
<b>41. Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>[A] Contingent Liabilities</b>		
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of :		
Labour disputes	1.50	1.50
Disputed Vendor Claims*	558.49	558.49
Disputed Industrial Development Charges claimed by SIPCOT	11.35	11.35
(ii) Bank Guarantees issued and outstanding	14.00	30.72
(iii) Letter of Credit issued and outstanding	607.89	595.43
*Note : The amount claimed by one of the contractors disputed by the company as the claims by the vendor is not tenable due to non adherence to the contractual terms of contract and the matter was referred to arbitration. The contractor has also filed an application before National Company Law Tribunal, Mumbai Bench under section 9 of IBC for initiating corporate insolvency resolution process which is pending for listing. Also, the company have counter claims of ₹ 80.88 Lakhs for the deficiency in service and non-adherence to terms of the contract.		
<b>[B] No provision has been made in respect of the following demands raised by the authorities since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous.</b>		
(i) By the Income tax authorities [ ₹ 723.88 Lakhs (31st March, 2021 ₹ 723.88 Lakhs) deposited with tax authorities]	787.21	787.21
(ii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iii) (a) Excise duty matters	-	27.62
(b) Against which advances paid	-	-
<b>[C] Commitments</b>		
<b>Commitments towards</b>		
(i) Property, Plant & Equipment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	400.95	653.59
Against which advance paid	59.97	38.76
(ii) Financial Commitment to Investment in a Subsidiary Company	7,260.00	4,400.00
Amount contributed so far	4,534.00	1,248.41
(iii) Commitment towards investment in Alternate Investment Funds	200.00	100.00
Amount invested so far	67.00	33.00
(iv) Commitments under non-cancellable period of lease agreements	141.53	364.20
(v) Other Commitment		



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

The Company availed concessional rate of customs duty under Export Promotion Capital Goods (EPCG) license scheme on import of capital goods and spares for which the company is obligated to fulfil export obligation / commitment as on 31.03.2022 amounting to ₹ 1476.80 lakh (Previous Year ₹ 1476.80 lakh).

In this regard, export obligations/ commitments amounting to ₹ 53.95 lakh have already been completed and the company is in the process of filing with concerned authorities for getting discharge certificates for its fulfilled export obligations.

The Company is yet to fulfil the balance export obligations/commitments as on 31.03.2022 amounting to ₹ 1422.86 lakh and the same is expected to be fulfilled by exports within the permitted time. The company also executed bonds to customs authorities for the customs duty concession availed as per the scheme on import of capital goods and spares amounting to ₹ 1476.80 Lakh (Previous year ₹ 1476.80 lakh).

### [D] Pending Proceedings

The Company's pending litigation comprise of claims against the Company by the parties and proceedings pending with Revenue authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

42. The Company has availed credit facilities (both fund based and non-fund based) from two banks (Bank of India-₹ 13.50 Crores & Axis Bank-₹ 50.50 Crores) are secured by hypothecation of stocks (raw materials and finished goods) and book debts of the company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31st March, 2022.

### 43. Employee benefits

#### [A] Defined contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the rules of the schemes.

The Company has recognised the following amounts in the Statement of Profit and Loss:

₹ in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
a. Contribution to Employees Provident Fund*	197.21	168.58
b. Superannuation Fund*	45.08	38.14
	<b>242.29</b>	<b>206.72</b>

\*Includes contribution of ₹ 32.02 Lakhs (31st March, 2021 ₹ 24.07 Lakhs) included in Director's Remuneration.

#### [B] Defined benefit plan:

Gratuity is payable to all the members at the rate of 15 days salary for each completed year of service.

#### 1. Reconciliation of opening and closing balances of Gratuity obligation

a. Defined benefit obligation at the beginning of the year	652.65	620.54
b. Interest Cost	40.80	40.65
c. Current Service Cost	69.64	63.35
d. Benefits payments Due but unpaid	-	5.79
e. Past services cost	-	-
f. Benefits Paid from fund	(50.00)	(45.38)
g. Remeasurements - Financial assumptions and Experience adjustments	49.75	(32.30)
h. Defined benefit obligation at the end of the year	<b>762.84</b>	<b>652.65</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>2. Reconciliation of opening and closing balances of fair value of plan assets</b>		
a. Fair Value of Plan Assets at the Beginning of the year	645.65	648.87
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	43.53	42.58
d. Contribution by the Employer	53.84	(0.92)
e. Benefits Paid from the funds	(50.00)	(45.38)
f. Remeasurements - Return on Assets	(0.15)	0.50
g. Fair Value of Plan Assets at the End of the year	692.87	645.65
<b>3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits</b>		
a. Current Service Cost	69.64	63.35
b. Benefit Payments due but unpaid	-	5.79
c. Past service cost	-	-
d. Interest Cost	40.80	40.65
e. Expected return on plan assets	(43.53)	(42.58)
f. Net Actuarial (Gain)/Loss	49.91	(32.81)
g. Total Expenses recognised in Statement of Profit and Loss	116.82	34.40
<b>4. Amount recognised in the Balance Sheet</b>		
a. Present value of Benefit Obligation at the end of the year	(762.84)	(652.65)
b. Fair Value of Plan Assets at the End of the year	692.87	645.65
c. Funded Status Surplus / (Deficit)	(69.97)	(6.99)
d. Net (Liability) / Asset Recognised in the Balance sheet	(69.97)	(6.99)
<b>5. Other Comprehensive Income (OCI)</b>		
Remeasurements - Financial assumptions and Experience adjustments	49.75	(32.30)
Remeasurements - Return on Assets	0.15	(0.51)
Total actuarial (Gain)/Loss recognised in OCI	49.90	(32.81)
<b>6. Description of plan assets</b>		
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	692.87	645.65
Total	692.87	645.65

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
<b>7. Actuarial assumptions</b>		
a. Discount Rate	<b>6.81%</b>	6.50%
b. Salary Escalation Rate	<b>8.50%</b>	8.00%
c. Turnover Rate	<b>10.00%</b>	10.00%
d. Mortality Table	<b>Indian Assured Lives Mortality (2012-14)</b>	Indian Assured Lives Mortality (2012-14)

**8. Expected future cash flows:**

## Maturity Profile of Defined Benefit Obligations

Projected benefits payable in future years from the date of reporting

1 <sup>st</sup> following year	<b>123.19</b>	5.79
2 <sup>nd</sup> following year	<b>76.42</b>	29.15
3 <sup>rd</sup> following year	<b>80.43</b>	14.58
4 <sup>th</sup> following year	<b>109.03</b>	24.29
5 <sup>th</sup> following year	<b>78.78</b>	49.44
Years 6 to 10	<b>313.23</b>	529.40

**9. Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

₹ in Lakhs

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(42.38)	47.87	44.03	(39.98)
Variation in %	-5.60%	6.30%	5.80%	-5.20%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

These plans typically expose the Company to actuarial risks such as : investment risk , interest risk , longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	₹ in Lakhs	
	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>44. Tax Expense</b>		
<b>(a) Amounts recognised in statement of profit and loss</b>		
Current year	(1,796.26)	(1,817.68)
Short/Excess provision for earlier years	(9.62)	-
<b>Current tax expense (A)</b>	<b>(1,805.88)</b>	<b>(1,817.68)</b>
Origination and reversal of temporary differences	(124.47)	(98.96)
<b>Deferred tax expense (B)</b>	<b>(124.47)</b>	<b>(98.96)</b>
<b>Tax expense recognised in the current statement (A) + (B)</b>	<b>(1,930.35)</b>	<b>(1,916.64)</b>

Note: In terms of the Taxation Laws (amendment) Act, 2019, the company can avail of an irreversible option to pay tax at lower rates subject to non-availment of certain exemptions and deductions and the company has availed of the option beginning from the financial year ended 31st March, 2020.

**(b) Amounts recognised in other comprehensive income**

Particulars	Year ended 31st March 2022			Year ended 31st March 2021		
	Before tax	Tax(expense) benefit	Net of tax	Before tax	Tax(expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(49.91)	12.56	(37.35)	32.81	(8.25)	24.56
Equity Instruments through Other Comprehensive Income	36,905.21	(1,392.34)	35,512.87	10,256.56	-	10,256.56
	<b>36,855.30</b>	<b>(1,379.78)</b>	<b>35,475.52</b>	10,289.37	(8.25)	10,281.12

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## (c) Reconciliation of effective tax rate

₹ in Lakhs

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>7,762.94</b>		7,495.30
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	<b>25.17%</b>	<b>1,953.78</b>	25.17%	1,886.42
Increase in tax rate				
<b>Tax effect of:</b>				
Non-deductible tax expenses				
Deductions u/s 80M	<b>-1.46%</b>	<b>(113.24)</b>	0.00%	-
Permanent Differences - Corporate Social Responsibility Expenditure	<b>0.72%</b>	<b>56.26</b>	0.48%	35.75
Permanent Differences - Others	<b>0.01%</b>	<b>0.57</b>	0.02%	1.35
Other adjustments	<b>0.29%</b>	<b>22.82</b>	-0.09%	(6.88)
Tax relating to earlier years	<b>0.12%</b>	<b>9.62</b>	0.00%	-
Rate difference	<b>0.01%</b>	<b>0.54</b>	0.00%	-
	<b>24.86%</b>	<b>1,930.35</b>	25.57%	1,916.64

## (d) Movement in deferred tax balances

₹ in Lakhs

Particulars	Year ended 31st March 2022					
	Net balance 1 <sup>st</sup> April 2021	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
<b>Deferred tax Asset/(Liabilities)</b>						
Property, plant and equipment (includes intangible assets)	(877.20)	(145.01)		(1,022.21)	(1,022.21)	
Employee benefits	-	-		-		-
Liabilities allowable on payment basis	53.43	20.21	12.56	73.65		73.65
Fair value of investments	(4.18)	1.34	(1,392.34)	(1,395.18)	(1,395.18)	
Expected credit loss	0.74	(0.19)		0.55		0.55
Leased Liabilities	4.52	(0.83)		3.69		3.69
<b>Tax assets (Liabilities) (Net)</b>	<b>(822.69)</b>	<b>(124.48)</b>	<b>(1,379.78)</b>	<b>(2,339.50)</b>	<b>(2,417.39)</b>	<b>77.89</b>

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## (e) Movement in deferred tax balances

₹ in Lakhs

Particulars	Year ended 31st March 2021					
	Net balance 1 <sup>st</sup> April 2020	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
<b>Deferred tax Asset/(Liabilities)</b>						
Property, plant and equipment (includes intangible assets)	(840.55)	(36.65)		(877.20)	(877.20)	
Liabilities allowable on payment basis	74.61	(21.18)	(8.25)	53.43		53.43
Fair value of investments	(12.56)	8.38		(4.18)	(4.18)	-
Expected credit loss	1.59	(0.85)		0.74	-	0.74
Tax assets (Liabilities)	(776.91)	(50.30)	(8.25)	(827.21)	(881.38)	54.17
Leased Liabilities *	53.18	(48.66)		4.52		4.52
<b>Tax assets (Liabilities) (Net)</b>	<b>(723.73)</b>	<b>(98.96)</b>	<b>(8.25)</b>	<b>(822.69)</b>	<b>(881.38)</b>	<b>58.69</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

## 45. Financial instruments

## A Valuation:

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Equity shares is measured at quoted price or NAV
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date except advance received or paid.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

## B Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in Lakhs

PARTICULARS	AS AT 31 <sup>ST</sup> MARCH, 2022		AS AT 31 <sup>ST</sup> MARCH, 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Financial assets at cost:</b>				
Investment in Subsidiary				
Equity	2,201.00	2,201.00	1.00	1.00
Preference	2,200.00	2,200.00	-	-
<b>Total Financial Assets at Cost (A)</b>	<b>4,401.00</b>	<b>4,401.00</b>	<b>1.00</b>	<b>1.00</b>



Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

PARTICULARS	AS AT 31 <sup>ST</sup> MARCH, 2022		AS AT 31 <sup>ST</sup> MARCH, 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Financial assets at amortised cost:</b>				
<b>Non-current financial assets</b>				
Loans	1,250.00	1,250.00	-	-
Other Financial Assets	336.85	336.85	1,404.35	1,404.35
<b>Current financial assets</b>				
Trade receivables	3,948.10	3,948.10	4,383.87	4,383.87
Cash and cash equivalents	2,795.01	2,795.01	6,939.35	6,939.35
Other bank balances	66.90	66.90	69.64	69.64
Loans	3,837.37	3,837.37	3,069.41	3,069.41
Other Financial Assets	1,113.81	1,113.81	243.69	243.69
<b>Total Financial Assets at Amortized Cost (B)</b>	<b>13,348.04</b>	<b>13,348.04</b>	<b>16,110.31</b>	<b>16,110.31</b>
<b>Financial assets Measured at fair value through other comprehensive income</b>				
<b>Non - current Investments</b>				
Investments in quoted equity instruments at FVTOCI	54,401.71	54,401.71	17,496.49	17,496.49
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>54,401.71</b>	<b>54,401.71</b>	<b>17,496.49</b>	<b>17,496.49</b>
<b>Financial assets measured at fair value through profit and loss</b>				
<b>Non Current Investments</b>				
Investments in unquoted instruments at FVTPL	244.59	244.59	335.71	335.71
Investment in Bonds - quoted	52.65	52.65	52.10	52.10
<b>Current Investments</b>				
Investments in quoted instruments (Mutual Funds) at FVTPL	431.80	431.80	1,513.72	1,513.72
<b>Total financial assets at fair value through profit and loss (D)</b>	<b>729.04</b>	<b>729.04</b>	<b>1,901.53</b>	<b>1,901.53</b>
<b>Total financial assets (A+B+C+D)</b>	<b>72,879.79</b>	<b>72,879.79</b>	<b>35,509.33</b>	<b>35,509.33</b>
<b>Financial liabilities held at amortised cost:</b>				
<b>Non - Current financial liabilities</b>				
Borrowings	3,029.81	3,029.81	3,475.55	3,475.55
Lease liabilities	463.91	463.91	107.79	107.79
<b>Current financial liabilities</b>				
Borrowings	600.29	600.29	95.00	95.00
Lease Liabilities	120.01	120.01	151.74	151.74
Trade payables	3,872.72	3,872.72	3,612.16	3,612.16
Other financial liabilities	797.67	797.67	1,135.83	1,135.83
<b>Total financial liabilities carried at amortised cost</b>	<b>8,884.41</b>	<b>8,884.41</b>	<b>8,578.07</b>	<b>8,578.07</b>

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****C Fair Value Hierarchy****Level wise disclosure of Financial Instruments**

The financial instruments are categorised into Three levels based on the inputs used to arrive at fair value measurements as described below:

- i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- ii) **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using the valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

₹ in Lakhs

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2022	31.03.2021		
Investments in quoted equity instruments at FVTOCI	54,401.71	17,496.49	Level 1	Quoted bid price in an active market (*)
Investment in Bonds	52.65	52.10	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	244.59	335.71	Level 2	Fair valuation based on Market Observable inputs
Investments in unquoted instruments (Mutual Funds) at FVTPL	431.80	1,513.72	Level 1	Measured at Quoted price or NAV.
- Equity Instruments at COST	2,201.00	1.00	Level 3	Valued at Cost
- Preference Shares at Cost	2,200.00	-	Level 3	Valued at Cost
Borrowings at Amortized Cost	3,630.10	3,570.55	Level 2	Amortized Cost

There were no changes in the fair value hierarchy Levels in the above periods.

- (\*) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

**45.1 Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

**Risk management framework**

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investment in debt securities. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

### Ageing of Trade receivables

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Not due	2,965.73	4,048.17
0-3 months	903.01	297.63
3-6 months	23.98	24.88
6 months to 12 months	26.23	11.68
beyond 12 months	31.32	4.44
Allowance for doubtful trade receivables (Expected credit loss allowance)	(2.17)	(2.93)
<b>Total</b>	<b>3,948.10</b>	<b>4,383.87</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

### Movement in provisions of doubtful debts (Expected credit loss allowance)

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening provision	2.93	6.29
Add: Additional provision made	(0.76)	(3.36)
<b>Closing provision</b>	<b>2.17</b>	<b>2.93</b>

### Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee).

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****Investment in debt securities**

The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	As at 31st March 2022	As at 31st March 2021
No of Customers who owed more than 10% of the Total receivables	-	2
Contribution of Customers in owing more than 10% of Total receivables	-	53.00%

**Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 2795.01 Lakhs as at 31st March, 2022 (31st March, 2021: ₹ 6939.35 Lakhs). The cash and cash equivalents are held with banks.

**Derivatives**

The derivative contracts are entered into with scheduled banks and financial institutions which have good credit ratings.

**B. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows, maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

**Exposure to liquidity risk**

Particulars	₹ in Lakhs			
	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	600.29	3,029.81	95.00	3,475.55
Lease Liabilities	120.01	463.91	151.74	107.79
Trade and other payables	3,872.72	-	3,612.16	-
Other financial liabilities	797.67	-	1,135.83	-
<b>Total non-derivative financial liabilities</b>	<b>5,390.69</b>	<b>3,493.72</b>	4,994.73	3,583.34



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### C. Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Such changes in values of financial instruments may result from changes in foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### (a) Foreign Currency Exchange Rate Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The following table analyses foreign currency risk from financial instruments as of 31st March 2022 and 31st March 2021:

Particulars	in Lakhs			
	USD	EURO	GBP	SGD
<b>Accounts Receivable</b>				
As at :				
<b>31st March 2022</b>	<b>10.88</b>	<b>0.01</b>	<b>0.03</b>	<b>0.20</b>
31st March 2021	8.04	0.12	0.02	0.05
<b>Accounts Payable</b>				
As at :				
<b>31st March 2022</b>	<b>11.49</b>	-	-	-
31st March 2021	8.75	-	-	-
<b>Cash and Cash Equivalents</b>				
As at :				
<b>31st March 2022</b>	<b>6.76</b>	-	-	-
31st March 2021	6.16	-	-	-

#### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD and GBP.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	In Lakhs			Average Exchange rate		
	USD	EURO	GBP	INR/USD	INR/EURO	INR/GBP
<b>Export Transactions</b>						
As at :						
<b>31st March 2022</b>	<b>161.57</b>	<b>1.26</b>	<b>0.46</b>	<b>73.70</b>	<b>86.31</b>	<b>100.90</b>
31st March 2021	106.88	0.68	0.38	73.76	85.58	97.50
<b>Import Transactions</b>						
As at :						
<b>31st March 2022</b>	<b>200.53</b>	<b>2.78</b>	-	<b>74.08</b>	<b>89.06</b>	-
31st March 2021	61.20	0.77	-	74.33	87.45	-

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Impact on profit or loss and total equity

In Lakhs

Particulars	USD impact		EURO impact		GBP impact	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Increase in exchange rate by 5%	<b>(147.34)</b>	166.72	<b>(6.93)</b>	(0.49)	<b>2.31</b>	1.82
Decrease in exchange rate by 5%	<b>147.34</b>	(166.72)	<b>6.93</b>	0.49	<b>(2.31)</b>	(1.82)

## Forward foreign exchange contracts

The Company has entered into Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Company.

In Lakhs

Outstanding contracts	As at	Foreign currency	Carrying amount
<b>Derivative instruments</b>			
Accounts Receivables (USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-
Other Receivables (USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-
Accounts Payables(USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-

## D. Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk. The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

## Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
<b>Fixed-rate instruments</b>		
Financial Assets/Liabilities - measured at amortised cost		
a) Investment in Bonds	<b>52.65</b>	52.10
b) Borrowings	<b>3,630.10</b>	3,570.55

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## 46. Segment wise Revenue, Results and Capital Employed for the year ended 31st March 2022

₹ in Lakhs

Sl. No.	Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>1</b>	<b>SEGMENT REVENUE</b>		
a	Laundry & Allied Products	45,652.49	27,736.22
b	IT-Enabled Services	3,407.76	3,042.93
c	Windmill	320.56	300.99
	<b>TOTAL</b>	<b>49,380.81</b>	<b>31,080.14</b>
	Less : Inter-Segment Revenue	279.26	260.67
	<b>SALES/INCOME FROM OPERATIONS</b>	<b>49,101.55</b>	<b>30,819.47</b>
<b>2</b>	<b>SEGMENT RESULTS</b>		
a	Laundry & Allied Products	6,548.51	6,357.79
b	IT-Enabled Services	1,057.00	927.98
c	Windmill	160.41	192.96
	<b>TOTAL</b>	<b>7,765.92</b>	<b>7,478.73</b>
	Add/(Less): Interest and Finance Charges	(295.68)	(107.69)
	Add/(Less): Unallocated Expenditure (Net-off)	292.70	124.26
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>7,762.94</b>	<b>7,495.30</b>
<b>3</b>	<b>SEGMENT ASSETS</b>		
a	Laundry & Allied Products	28,112.76	24,727.97
b	IT-Enabled Services	1,680.64	1,109.54
c	Windmill	1,315.49	863.36
d	Unallocated / Corporate*	66,917.67	29,306.82
		<b>98,026.56</b>	<b>56,007.69</b>
<b>4</b>	<b>Segment Liabilities</b>		
a	Laundry & Allied Products	8,407.60	8,331.97
b	IT-Enabled Services	933.35	470.08
c	Windmill	14.99	1.16
d	Unallocated / Corporate*	2,714.76	1,096.73
		<b>12,070.70</b>	<b>9,899.94</b>
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>85,955.86</b>	<b>46,107.75</b>

\* including unrealised gain on investments through Other Comprehensive Income (OCI) ₹ 51,687.82 Lakhs (previous year ₹ 16,174.95 Lakhs).

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## 47. Related party disclosures

## 1 Names of related parties and nature of relationship:

Nature of relationship	Name of related party		
Wholly Owned Subsidiary	Ultramarine Specialty Chemicals Ltd		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Joint Managing Director	Executive
	Mr. R. Senthil Kumar	Whole-time Director	Executive
	Mr. V. Bharathram	Whole-time Director	Executive
	Mr. Nimish Patel	Director	Non-Executive Independent
	Mr. Navin M Ram	Director	Non-Executive Independent
	Mr. Rajeev M. Pandia	Director	Non-Executive Independent
	Mr. C.R. Chandra Bob	Director	Non-Executive Independent
	Mrs. P. Arunasree	Director	Non-Executive Independent
	Mr. Harsh R. Gandhi	Director	Non-Executive Independent
	Mr. S. Ramanan	Chief Financial Officer	
	Mr. Kishore Kumar Sahoo	Company Secretary	
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Thirumalai Chemicals Limited Lapiz Europe Limited TCL Global B.V Thirumalai Charity Trust TCL Intermediates Pvt. Limited		
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President	
	Ms. Vidya Sampath	Vice President - Corporate Social Responsibility	

## 2 Transactions carried out with related parties referred in 1 above, in ordinary course of business

₹ in Lakhs

Nature of Transactions	Related Parties	
	2021-22	2020-21
<b>Sales</b>		
Goods, Materials and Services		
Thirumalai Chemicals Limited	3.54	0.73
Ultramarine Specialty Chemicals Ltd	60.21	-
<b>Purchase</b>		
Goods, Materials and Services		
Thirumalai Chemicals Limited	-	0.36



Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Nature of Transactions	Related Parties	
	2021-22	2020-21
<b>Investment in a subsidiary Ultramarine Specialty Chemicals Limited in Equity and Preference Shares</b>		
Investment in Preference Shares	2,200.00	-
Investment in Equity Shares (including share application money during 2020-21 - ₹.1200 Lakhs)	2,200.00	-
Share Application Money Pending Allotment	134.00	1,200.00
<b>Loan to subsidiary Ultramarine Specialty Chemicals Limited</b>		
Term Loan	550.00	-
<b>Remuneration to Key Managerial Personal</b>		
Mr. V. Bharathram	218.41	164.23
Ms. Tara Parthasarathy	166.70	115.49
Mr. R. Senthilkumar	80.63	70.05
Mr. S. Ramanan	53.56	32.16
Mr. Kishore Kumar Sahoo	20.68	18.32
Sitting fees & commission to Independent & Non-executive Directors	120.81	111.52
<b>Remuneration paid to relatives of Key Managerial Personnel</b>		
Ms. Meera Parthasarathy	96.36	64.43
Mrs. Vidya Sampath	64.13	48.77
<b>Rendering of Services to</b>		
Thirumalai Chemicals Limited	12.94	14.49
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	0.16	-
<b>Rent Received</b>		
TCL Intermediates Pvt. Limited	0.28	-
<b>Rent Paid to</b>		
Thirumalai Chemicals Limited	37.78	34.06
Ms. Vidya Sampath	2.23	1.94
<b>Receiving of services from</b>		
Thirumalai Chemicals Limited	1.71	0.15
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	1.40	5.25
<b>Reimbursement of Expense</b>		
Lapiz Europe Ltd	-	0.40
TCL Global BV	51.44	64.82
<b>Land and other related Expenses</b>		
Ultramarine Specialty Chemicals Ltd	979.84	-
<b>Outstanding payables</b>		
Thirumalai Chemicals Limited	3.93	-
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	0.18	0.08
Ms. Vidya Sampath	0.20	0.17
<b>Directors Remuneration Payables</b>		
Mr. V.Bharathram	80.00	70.00
Ms. Tara Parthasarathy	80.00	70.00
Mr. R. Senthilkumar	20.00	10.00

Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Nature of Transactions	Related Parties	
	2021-22	2020-21
Non executive Directors commission	83.18	78.72
<b>Outstanding receivables</b>		
Ultramarine Specialty Chemicals Ltd	7.10	48.41
Thirumalai Chemicals Limited	0.12	0.01
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	-	0.05
TCL Intermediates Pvt. Limited	0.28	-
<b>Outstanding deposits receivables</b>		
Ms. Vidya Sampath	0.70	0.70
Thirumalai Chemicals Limited	14.00	14.00
<b>Advances/Receivables</b>		
Ultramarine Specialty Chemicals Ltd - Term Loan Receivable	550.00	-
Ultramarine Specialty Chemicals Ltd - Other Receivable	983.52	47.92
<b>Donations paid</b>		
Thirumalai Charity Trust	160.00	110.00

## 48. Leases

i) The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2022:

₹ in Lakhs

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Balance at the beginning of the year	259.53	832.65
Lease liabilities recognised on initial application of Ind-AS 116	436.29	427.89
Finance cost accrued during the period	20.27	53.40
Payment of lease liabilities	(124.72)	(190.61)
Gain recognised on reassessment of Lease	-	(27.74)
Gain recognised on termination of Lease	(1.67)	(199.64)
Reversal of Liability on Pre-Closure of Leases	(5.79)	(636.42)
<b>Balance at the end of the year</b>	<b>583.92</b>	<b>259.53</b>
Lease Liability - Current	120.01	151.74
Lease Liability - Non-Current	463.91	107.79

ii) Interest on lease liabilities is ₹ 20.27 Lakhs (March 31, 2021 ₹ 53.40 Lakhs) for the year ended March 31, 2022.

The total cash outflow for leases is ₹ 124.72 Lakhs ( March 31, 2021 - ₹ 190.61 Lakhs) for the year ended March 31, 2022. The Company has lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.



### Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022

- iii) The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2022 on an undiscounted basis:

Particulars	₹ in Lakhs	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Payable</b>		
Within one year	153.52	118.27
After one year but not more than five years	332.30	163.16
More than five years	229.10	-

#### 49. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Particulars	₹ in Lakhs	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>i. Profit attributable to Equity holders of Company</b>	5,832.59	5,578.66
Profit attributable to equity holders of the Company for basic and diluted earnings per share		

Particulars	₹ in Lakhs	
	31 <sup>st</sup> March, 2022 INR	31 <sup>st</sup> March, 2021 INR
<b>ii. Weighted average number of ordinary shares</b>		
Number of Issued equity shares at April 1	2,92,00,000	2,92,00,000
Effect of shares issued as	-	-
Nominal value per share	2	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	2,92,00,000	2,92,00,000
<b>Basic earnings per share</b>	19.97	19.10

#### 50. Research and Development Expenditure

₹ in Lakhs

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>The Company has Incurred Research and Development expenses as under:</b>		
<b>On Capital Account:</b>		
Lab Equipment	44.16	7.99
Building & Other Assets	13.43	-
<b>On Revenue Account</b>		
Salaries & Allowances	106.21	107.14
Contributions to Provident fund and other funds	7.55	8.56
Chemicals and Consumables	18.85	20.53
Other Expenses	8.41	18.33
<b>Total</b>	<b>198.61</b>	<b>162.55</b>

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March, 2022****51. Details of CSR Expenditure**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
(a) Gross amount required to be spent during the year	<b>145.04</b>	135.77
(b) Amount approved by the Board to be spent during the year	<b>253.00</b>	170.00
(c) Amount spent during the year ending 31st March, 2022		
(i) construction / acquisition of any asset	<b>23.23</b>	5.02
(ii) on purposes other than above	<b>200.32</b>	137.04
(d) Shortfall at the end of the year,	-	-
(e) Total of previous years shortfall,	-	-
(f) Reason for shortfall,	-	-
(g) Nature of CSR activities,		
(i) Contribution to Charitable Trust	<b>161.00</b>	114.00
(ii) Contribution to Government	<b>30.00</b>	10.00
(iii) Contribution to Health/Education	<b>32.55</b>	18.06
(h) Details of related party transactions		
(i) Donation paid to Thirumala Charity Trust	<b>160.00</b>	110.00

The company spent amount in excess of requirement provided under sub-section (5) of 135, the Board/CSR committee decided not to carryover the balance for subsequent years for set-off as permitted by the Act.

**52. Disclosures required as per Micro, Small and Medium Enterprises Development Act, 2006 .**

The disclosure regarding Micro and Small Enterprises has been made to the extent such parties have been identified

Particulars	₹ in Lakhs	
	2021-22	2020-21
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	<b>190.96</b>	163.16
(ii) The amount of interest paid by the buyer in terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	<b>NIL</b>	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act.	<b>0.83</b>	0.27
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	<b>1.14</b>	0.30
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23 of Micro, Small and Medium Enterprises Development Act, 2006	<b>NIL</b>	NIL



## Notes to the standalone financial statements for the year ended 31st March, 2022

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>53. C I F Value of Imports</b>		
Raw Materials	15,144.67	4,682.08
Plant & Machinery	-	28.06
Machinery spares	0.29	41.39
Lab Equipment	14.47	-
R&D Equipment	0.71	-
Components	35.28	-
<b>Total</b>	<b>15,195.42</b>	<b>4,751.53</b>
<b>54. Expenditure in Foreign Currency</b>		
Travelling	3.00	-
Legal & Professional Charges	2.50	3.90
Sales Promotion Expenses	54.83	66.77
Other Expenses	22.91	12.06
<b>Total</b>	<b>83.24</b>	<b>82.74</b>
<b>55. Earnings in foreign currencies</b>		
Export of goods calculated on FOB basis	8,342.58	5,197.83
Income from IT-enabled services	3,328.17	2,689.00
<b>Total</b>	<b>11,670.75</b>	<b>7,886.83</b>

56. Effective from 1st April, 2021, the company has implemented an ERP System. The financial modules and all other modules also have been implemented and the issues identified during implementation have been addressed and all the modules are stabilised and is operating well / satisfactorily as on 31st March, 2022. It is ensured that there were no material issues that require to be modified or changed to the ERP system for relying on the data available in the system in preparation of financial statements for the year ended 31st March, 2022. The company is in the process of aligning and revisiting to modify the existing Internal Control over financial reporting, wherever required, with the controls and processes established in the new ERP System. There were no material observations or deviations noticed in the ERP System during the year ended 31st March, 2022 which will have an impact on the financial data and the financial information statements prepared are matching with the Books of Accounts maintained.

**57. Code on Social Securities**

The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees including post employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognised post notification of relevant provisions.

**58. Capital Management****Net Debt Rconciliation**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Cash and Cash equivalents</b>	<b>2,795.01</b>	6,939.35
Current Borrowings	600.29	95.00
Non- Current borrowings including Current Maturities	3,029.81	3,475.55
Other Financial Liabilities - Interest Payable	0.65	0.74
	<b>3,630.75</b>	3,571.29
<b>Net debt</b>	<b>835.74</b>	(3,368.06)

**Notes to the standalone financial statements for the year ended 31st March, 2022**

This section sets out an analysis of net debt and the movements in net debt for the period presented

₹ in Lakhs

Particulars	Other assets	Liabilities from Financing activities		Net Debt
	Cash and Cash equivalents	Non- Current borrowings	Current borrowings	
<b>Net debt as at 31<sup>st</sup> March 2020</b>	<b>1,968.40</b>	<b>2,025.00</b>	-	<b>56.60</b>
Cash flows	4,969.57	1,450.55	95.00	(3,424.02)
Foreign exchange adjustments	1.38	-	-	(1.38)
Interest expenses (Includes Interest capitalized ₹ 181.99 Lakhs)	-	232.41	-	232.41
Interest paid	-	(231.67)	-	(231.67)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
<b>Net debt as at 31<sup>st</sup> March 2021</b>	<b>6,939.35</b>	<b>3,476.29</b>	<b>95.00</b>	<b>(3,368.06)</b>
Cash flows	(4,141.30)	(445.74)	505.29	4,200.85
Foreign exchange adjustments	(3.04)	-	-	3.04
Interest expenses (Includes Interest capitalized ₹ 4.07 Lakhs)	-	266.03	-	266.03
Interest paid	-	(266.12)	-	(266.12)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
<b>Net debt as at 31<sup>st</sup> March 2022</b>	<b>2,795.01</b>	<b>3,030.46</b>	<b>600.29</b>	<b>835.74</b>

**59. Ratio**

Ratio	Numerator	Denominator	F.Y. 2021-22	F.Y. 2020-21	% Variance	Reason for Variance by more than 25% as compared to p.y. (Positive or Negative)
(a) Current Ratio	Current Assets	Current Liabilities	3.42	4.06	(15.74)	
(b) Debt-Equity Ratio	Total Debt (Total Borrowings + Lease Liabilities)	Shareholder's Equity (Shareholders' funds other than Other Comprehensive Income)	0.12	0.13	(4.00)	
(c) Debt Service Coverage Ratio	Earnings available for debt service (Net profit after taxes + Depreciation and amortization + Finance cost)	Debt Service (Interest & Lease Payments + Principal Repayments)	14.20	22.11	(35.81)	Due to increase in borrowings, lease payments and increase in interest costs



## Notes to the standalone financial statements for the year ended 31st March, 2022

Ratio	Numerator	Denominator	F.Y. 2021-22	F.Y. 2020-21	% Variance	Reason for Variance by more than 25% as compared to p.y. (Positive or Negative)
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	17.00%	18.63%	(8.77)	
(e) Inventory Turnover Ratio	Sale of Materials	Average Inventory	8.42	7.79	7.96	
(f) Trade Receivables Turnover Ratio	Total Sales	Average Accounts Receivable	11.79	7.42	58.86	Due to increase in sales as compared with previous year
(g) Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	8.00	4.50	77.74	Due to increase in volume of purchases on higher sales as compared with previous year
(h) Net Capital Turnover Ratio	Total Sales	Working Capital	3.35	1.88	77.82	Due to increase in volume of sales as compared with previous year
(i) Net Profit Ratio	Net Profits after taxes	Total Sales	11.88%	18.10%	(34.38)	Based on increase in raw material costs and sales mix of products sold during the year
(j) Return on Capital Employed	Earning before interest and taxes (Profit before tax + Finance Costs)	Capital Employed (Net Worth + Total Debt + Deferred Tax Liability - OCI adjustments for Fair Value of Investments Recognised )	20.44%	21.98%	(7.03)	
(k) Return on Investment	Income from Investments	Cost of Investments				
1. Equity			16.81%	-	-	
2. Mutual Funds & Other Investments			5.61%	4.53%	23.78	
3. Fixed Deposits			4.66%	5.27%	(11.50)	
4. Intercompany Deposits			6.20%	7.53%	(17.68)	

**60. Other Statutory Information**

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The company have not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediates) with the understanding that the intermediary shall
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- iv) The company have not received any fund from any persons or entities including foreign entities (intermediates) with the understanding that the intermediary shall
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**Notes to the standalone financial statements for the year ended 31st March, 2022**

- v) The Company does not have any such 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.
- vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date except :

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value ( ₹ in Lakhs )	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
PPE	14.20 Acres of Land in Industrial Estate	897.90	Andrapradesh Industrial Investment Corporation (APIIC)	Not Applicable	2018	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to other terms and conditions. (Refer Note No.4(ii))
PPE	0.25 Acres	0.29	Ultramarine & Pigments Limited	Not Applicable	1983	The title of property in the name of the company as per revenue records and in occupation of a third party claiming the title based on sale agreement and the company has taken legal action to protect the title.





## Notes to the standalone financial statements for the year ended 31st March, 2022

xii) The Company does not have any transactions with companies which are struck off except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
COLORTEK INDIA LTD	Sale of Goods	NIL	Customer
HEMLATA INVESTMENT PRIVATE LIMITED	Shares held by struck off company	₹0.01 Lakhs (726 Shares)	Shareholder
KAVERI IMPEX PRIVATE LIMITED	Shares held by struck off company	₹ 0.08 Lakhs (4000 Shares)	Shareholder
VAISHAK SHARES LIMITED	Shares held by struck off company	₹ 0.00 Lakhs (5 Shares)	Shareholder

61. Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**R.NAGENDRA PRASAD**  
Partner  
Membership No.203377

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN :07121058

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**S. RAMANAN**  
Chief Financial Officer

**V. BHARATHRAM**  
Whole-time Director  
DIN : 08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Ultramarine & Pigments Limited

**Report on the Audit of Consolidated Financial Statements****1. Opinion**

1.1 We have audited the Consolidated Financial Statements of Ultramarine & Pigments Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary (the holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidate Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information ( "the Consolidated financial statements").

1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, and Profit, changes in equity and its cash flows for the year ended on that date.

**2 Basis for Opinion**

2.1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated 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.

**3 Key Audit Matters**

3.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report.

**4 Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

4.1 The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

4.3 In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

- 5.1 The Holding 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 Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements, as aforesaid.
- 5.2 In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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

- 6.1 Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
- 6.2 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- f. Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the such entities included in the consolidated financial statements of which we are independent auditors. We remain solely responsible for our audit opinion.
- 6.3 We communicate with those charged with governance of the Holding Company 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.
- 6.4 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.
- 6.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **7 Report on Other Legal and Regulatory Requirements**

- 7.1 As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 7.2 As required by Section 143 (3) of the Act, based on our audit we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed 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 of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and Subsidiary Company, none of the directors of the Group companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and the Subsidiary Company, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of 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 Group has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in Note 39 to the consolidated financial statements
  - ii. The Group 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 Group.
  - iv. (a) The respective Managements of the Holding and its Subsidiary Company has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested 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 respective Managements of the Holding and its Subsidiary Company has represented, that, to the best of its knowledge and belief, no funds 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.
- v. As stated in Note no.20.2 (b) to the Consolidated financial statements

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

Place: Chennai  
Date: 24<sup>th</sup> May, 2022

For **Brahmayya & Co.**  
Chartered Accountants  
Firm's registration No.: 000511S

**R. Nagendra Prasad**  
Partner  
Membership No.: 203377  
UDIN: 22203377AKEGQU1962

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

To the Members of Ultramarine & Pigments Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2022 (Referred to in paragraph 7.1 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Clause (xxi) of Companies (Auditor's Report) Order (CARO) reports

In our opinion and according to the information and explanations given to us, the following companies included in the consolidated financial statements, have certain remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO)

**1. Ultramarine & Pigments Limited – Holding Company.**

Clause number and extract of the standalone CARO report which is having certain remark

Clause (i)(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 are held in the name of the Company except the following:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs )	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
PPE	14.20 Acres of Land in Industrial Estate	897.90	Andra Pradesh Industrial Investment Corporation (APIIC)	Not Applicable	March 2018	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to other terms and conditions. (Refer Note No.4(ii))
PPE	0.25 acres of Land	0.29	Ultramarine and Pigments Limited	Not Applicable	1983	The title of property in the name of the company as per revenue records and in occupation of a third party claiming the title based on sale agreement and the company has taken legal action to protect the title.

**2. Ultramarine Speciality Chemicals Limited – Subsidiary Company.**

Clause number and extract of the standalone CARO report which is having certain remark

i(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 are held in the name of the Company except the following:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs )	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
PPE	Plot No. 59A 14.59 Acres of Land in Industrial Estate Doc No. No.721/2022	972.24	Andra Pradesh Industrial Investment Corporation (APIIC)	Not Applicable	2 <sup>nd</sup> March 2022	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to conditions like construction of space and commencement of production.



## ANNEXURE - "B" TO AUDITORS' REPORT

Referred to in paragraph 7.1 (f) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited (hereinafter referred to as "the Holding Company" or "the Company") and its Subsidiary Company as of 31st March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

2. The Board of Directors of the company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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

3. Our responsibility is to express an opinion on internal financial controls over financial reporting of the Company and its Subsidiary Company 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting on the Company and its Subsidiary Company.

#### Meaning of Internal Financial Controls over Financial Reporting

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



#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion and to the best of our information and according to the explanations given to us, the Company and its Subsidiary 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, 2022, based on the internal control over financial reporting criteria established by the respective Companies 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 **Brahmayya & Co.**  
Chartered Accountants  
Firm's registration No.: 000511S

**R. Nagendra Prasad**  
Partner  
Membership No.: 203377  
UDIN : 22203377AKEGQU1962

Place: Chennai  
Date: 24<sup>th</sup> May, 2022



Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		4	14,563.60	11,618.53
(b) Right of use asset		5	579.46	253.79
(c) Capital work in progress		4	6,934.63	2,981.66
(d) Other Intangible assets		6	63.73	12.80
(e) Financial Assets				
(i) Investments		7	54,698.95	17,884.30
(ii) Loans		8	700.00	-
(iii) Other financial assets		9	211.85	204.35
(f) Other non-current assets		10	938.14	1,305.64
			<u>78,690.36</u>	<u>34,261.07</u>
<b>(2) Current assets</b>				
(a) Inventories		11	7,167.59	3,694.05
(b) Financial Assets				
(i) Investments		12	431.80	1,513.72
(ii) Trade receivables		13	3,941.00	4,383.87
(iii) Cash and cash equivalents		14	2,976.48	7,020.57
(iv) Bank balances other than cash and cash equivalents		15	66.90	129.64
(v) Loans		16	3,837.85	3,069.52
(vi) Other financial assets		17	242.59	196.15
(c) Current Tax Assets ( Net)			-	-
(d) Other current assets		18	2,156.06	869.10
(e) Asset held for sale		19	-	922.40
			<u>20,820.27</u>	<u>21,799.02</u>
	<b>Total Assets</b>		<u>99,510.63</u>	<u>56,060.09</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		20	584.00	584.00
(b) Other Equity		21	85,368.99	45,523.13
			<u>85,952.99</u>	<u>46,107.13</u>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		22	4,154.81	3,475.55
(ii) Lease liabilities		23	463.91	107.79
(iii) Other Financial liabilities		24	66.12	19.52
(b) Provisions		25	160.41	120.29
(c) Deferred tax liabilities (net)		26	2,339.50	822.69
(e) Deferred Income		27	28.33	31.75
			<u>7,213.08</u>	<u>4,577.59</u>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		28	600.29	95.00
(ii) Lease liabilities		29	120.01	151.74
(iii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises		30	225.15	163.16
Total outstanding dues of creditors other than micro enterprises and small enterprises			3,747.19	3,451.34
(iv) Other financial liabilities		31	991.01	1,163.62
(b) Other current liabilities		32	544.86	290.18
(c) Provisions		33	112.63	56.91
(d) Deferred Income		34	3.42	3.42
			<u>6,344.56</u>	<u>5,375.37</u>
	<b>Total Equity and Liabilities</b>		<u>99,510.63</u>	<u>56,060.09</u>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN : 07121058

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**V. BHARATHRAM**  
Whole-time Director  
DIN : 08444583

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Partner  
Membership No.203377

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

Consolidated Statement of profit and loss for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
I	Revenue From Operations	35	49,041.37	30,819.47
II	Other Income	36	903.60	959.99
III	<b>Total Income (I+II)</b>		<b>49,944.97</b>	<b>31,779.46</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	37	28,982.27	14,715.41
	Changes in Inventories of Finished goods and work-in-progress	38	(892.32)	(248.79)
	Employee benefits expense	39	5,122.93	4,209.37
	Finance costs	40	295.71	107.69
	Depreciation and amortization expense	4-6	1,189.95	878.26
	Other expenses	41	7,485.50	4,622.22
	<b>Total expenses (IV)</b>		<b>42,184.04</b>	<b>24,284.16</b>
V	<b>Profit before exceptional items (III-IV)</b>		<b>7,760.93</b>	<b>7,495.30</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax (V+VI)</b>		<b>7,760.93</b>	<b>7,495.30</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		(1,796.26)	(1,817.68)
	(2) Deferred tax		(124.47)	(98.96)
	(3) Excess/(Short) provision of earlier year		(9.86)	-
IX	<b>Profit for the period (VII-VIII)</b>		<b>5,830.34</b>	<b>5,578.66</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(49.91)	32.81
	- Equity instruments through other comprehensive income		36,905.21	10,256.56
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		12.56	(8.25)
	- Equity instruments through other comprehensive income		(1,392.34)	-
	B (i) Items that will be reclassified to profit or loss		-	-
	B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	<b>Total other comprehensive income (A (i - ii) + B(i - ii))</b>		<b>35,475.52</b>	<b>10,281.12</b>
XII	<b>Total comprehensive income for the period (IX + XI)</b>		<b>41,305.86</b>	<b>15,859.78</b>
XIII	<b>Earnings per equity share of face value of ₹ 2 each</b>			
	(1) Basic		19.97	19.10
	(2) Diluted		19.97	19.10

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

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Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

Consolidated Statement of cash flows for the year ended 31<sup>st</sup>, March 2022

₹ in Lakhs

Sl. No	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	7,760.93	7,495.31
	<b>Adjustments for:</b>		
	Finance Cost	295.71	107.49
	Depreciation and amortisation expenses	1,189.95	878.26
	Interest Income	(356.19)	(462.51)
	Dividend Income	(449.94)	-
	Gain on Reassessment / Termination of Lease	(1.67)	(227.38)
	Provision for Leave Encashment	38.41	27.80
	Bad Debts and Provision for expected credit loss	3.64	(0.20)
	Net gains on disposal of property, plant and equipment	19.94	32.34
	Remeasurement of defined benefit liabilities	(49.91)	32.81
	Receipt of government grant	(3.42)	(3.42)
	Net gains on sale of Investments	(29.70)	(98.36)
	Net gains arising on financial assets designated at FVTPL	(4.25)	(19.10)
	Net gains on foreign currency transactions and translation	11.98	(5.35)
	<b>Operating profit before working capital changes</b>	<b>8,425.48</b>	<b>7,757.69</b>
	<b>Movements in working capital:</b>		
	<b>Adjustments for (increase)/decrease in operating assets:</b>		
	Inventories	(3,473.55)	(310.70)
	Trade receivables	439.72	(420.49)
	Current financial loans and advances	(98.94)	146.64
	Other current assets	(1,286.95)	(434.64)
	Non-current financial loans and advances	(7.50)	(5.85)
	Other Non-current assets	(36.77)	97.38
	<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
	Trade payables	348.41	656.82
	Other current financial liabilities	28.82	114.10
	Other current liabilities	318.16	(43.99)
	Current provisions	-	-
	Other non-current financial liabilities	46.59	19.52
	<b>Cash generated from operations</b>	<b>4,703.47</b>	<b>7,576.48</b>
	<b>Direct taxes paid (net)</b>	<b>(1,795.83)</b>	<b>(1,797.71)</b>
	<b>Net cash generated from operating activities (A)</b>	<b>2,907.64</b>	<b>5,778.77</b>

Consolidated Statement of cash flows for the year ended 31<sup>st</sup>, March 2022

₹ in Lakhs

Sl. No	Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>B</b>	<b>Cash flows from investing activities</b>		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(6,880.67)	(4,280.32)
	Payment for intangible assets (including Intangible assets under development)	(80.24)	(7.48)
	Proceeds from disposals of PPE	29.68	5.25
	Purchase of non current investments	(59.03)	(83.00)
	Redemption of non current investments	156.05	101.76
	Purchase of current investments	(12,329.51)	(4,399.82)
	Redemption of current investments	13,438.80	5,881.96
	(Increase)/ decrease in deposit with companies	(1,406.91)	296.95
	Interest received	401.95	454.71
	Dividend received	449.94	-
	<b>Net cash (used in) investing activities (B)</b>	<b>(6,279.94)</b>	<b>(2,029.99)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Borrowings	1,281.08	1,545.55
	Repayment of Borrowings	(96.53)	-
	Payment of Lease Liabilities	(124.21)	(190.61)
	Interest paid (Net of Interest Capitalised ₹ 36.30 Lakhs (₹181.99 Lakhs)	(269.08)	(54.09)
	Dividend paid	(1,460.00)	-
	<b>Net cash from / (used in) financing activities (C)</b>	<b>(668.74)</b>	<b>1,300.85</b>
<b>D</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(4,041.04)</b>	<b>5,049.63</b>
<b>E</b>	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	Balances with banks in current accounts and deposit accounts	1,565.92	1,332.75
	Cash on hand	0.88	1.80
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
	<b>CASH AND CASH EQUIVALENTS (As per Note No. 14)</b>	<b>7,020.56</b>	<b>1,969.55</b>
<b>F</b>	<b>Effect of exchange differences on translation of foreign currency cash &amp; cash equivalents</b>	<b>(3.04)</b>	<b>1.38</b>
<b>G</b>	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	Balances with banks in current accounts and deposit accounts	1,750.43	1,565.92
	Cash on hand	0.56	0.88
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,225.49	5,453.76
	<b>CASH AND CASH EQUIVALENTS (As per Note No. 14) [ (D)+( E) + (F) ]</b>	<b>2,976.48</b>	<b>7,020.56</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
Joint Managing Director  
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**S. RAMANAN**  
Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai

Date : 24<sup>th</sup> May, 2022

Consolidated Statement of changes in equity for the year ended 31<sup>st</sup> March, 2022

I Equity Share Capital					₹ in Lakhs
Particulars					Amount
<b>Balance as at 31st March 2020</b>					584.00
Changes in Equity Share Capital due to prior period errors					-
Restated balance as at 1st April, 2020					584.00
Changes in equity share capital during the year					-
<b>Balance as at 31st March 2021</b>					584.00
Changes in Equity Share Capital due to prior period errors					-
Restated balance as at 1st April 2021					584.00
Changes in equity share capital during the year					-
<b>Balance as at 31st March, 2022</b>					584.00
II Other Equity					₹ in Lakhs
Particulars	Surplus		Items of Other comprehensive income (OCI)		Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	Remeasurement of defined benefit plans	
<b>Restated Balance as at 1st April, 2020</b>	4,105.00	19,673.39	5,918.39	(33.43)	29,663.35
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year ending 31st March, 2021	-	5,578.66	-	-	5,578.66
<b>Other Comprehensive Income</b>					
-Recognition of Investments at fair value			10,256.56		10,256.56
-Remeasurement of Defined benefit plans (Net of Taxes)				24.56	24.56
Other comprehensive income for the Period (Net of Taxes)	-	-	10,256.56	24.56	10,281.12
<b>Total comprehensive income for the Period</b>		<b>5,578.66</b>	<b>10,256.56</b>	<b>24.56</b>	<b>15,859.78</b>
<b>As at 31st March, 2021</b>	<b>4,105.00</b>	<b>25,252.05</b>	<b>16,174.95</b>	<b>(8.87)</b>	<b>45,523.13</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year ending 31st March, 2022	-	5,830.34	-	-	5,830.34
<b>Other Comprehensive Income</b>					
-Recognition of Investments at fair value (Net of Taxes)			35,512.87		35,512.87
-Remeasurement of Defined benefit plans (Net of Taxes)				(37.35)	(37.35)
Other comprehensive income for the Period (Net of Taxes)	-	-	35,512.87	(37.35)	35,475.52
<b>Total comprehensive income for the Period</b>		<b>5,830.34</b>	<b>35,512.87</b>	<b>(37.35)</b>	<b>41,305.86</b>
<b>Appropriation</b>					
Final dividend - 2020-21		(1,460.00)			(1,460.00)
<b>As at 31st March, 2022</b>	<b>4,105.00</b>	<b>29,622.39</b>	<b>51,687.82</b>	<b>(46.22)</b>	<b>85,368.99</b>

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**TARA PARTHASARATHY**  
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Chief Financial Officer

**KISHORE KUMAR SAHOO**  
Company Secretary

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**Notes to the Consolidated financial statements for the year ended March 31, 2022**

All amounts are in Lakhs (INR) unless otherwise stated

**1. General Information**

Ultramarine & Pigments Limited (the 'Holding Company') is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company and its subsidiary (Collectively "The group") is engaged in manufacturing and selling of Pigments, Surfactants, IT-Enabled Services, and Business Process Outsourcing (BPO) activities. The shares of holding company are listed on BSE Limited in India. The Company caters to both domestic and international markets.

The registered office of the Holding Company is located at Thirumalai House, Road No.29, Near Sion Hill Fort, Sion (E), Mumbai - 400022. Its manufacturing units are located at Ranipet (Vellore District), Ambattur (Chennai District) in the state of Tamilnadu and Naidupet in the State of Andhra Pradesh. Power generation through Wind Power Generators installed in the state of Tamilnadu which is predominantly used for self consumption. IT enabled services and BPO activities are carried out from offices situated in Chennai and Ranipet. The subsidiary company is implementing a greenfield project for manufacture of Pigments in Naidupet in the State of Andhra Pradesh.

The Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 24<sup>th</sup> May, 2022.

**2. Basis of Consolidation :**

The consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiary. Control is achieved when the Group:

- Has power over the investee,
- Is exposure or rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

Consolidation of a Subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

List of subsidiaries and proportion of voting power held

**Ultramarine Specialty Chemicals Limited – 100% Voting Power**

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

**A Statement of compliance**

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS), under historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policy has been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

Details of the Group's accounting policies are included in Note 3.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****B Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, except per share data.

**C Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**D Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis except for the following :

1. Certain financial assets and liabilities that are measured at the fair value.
2. Assets held for sale are measured at lower of carrying amount or fair value.
3. Defined benefit plans – Plan assets measured at fair value

**E Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions and judgements are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the consolidated financial statements:

**Property, plant and equipment and Intangible assets**

The Group has estimated the useful lives of each class of assets based on the nature of assets, the estimated usage of the assets, past history of replacement, anticipated technological changes, etc. Management believes that assigned useful lives are reasonable. The Group reviews the carrying amount of property, plant and equipment at the end of each balance sheet date. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. This re-assessment may result in change of depreciation expense in future periods.

**Income taxes**

Management estimates the provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the consolidated financial statements.

**Contingencies**

Management assesses and estimates the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

**Allowance for uncollected accounts receivable and advances**

Irrecoverable trade receivables are written off when management judges them as not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2022 is included in the following notes:

- Note 42 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 – measurement of defined benefit obligations: key actuarial assumptions;

**F Estimation of Impact of COVID-19 Pandemic**

The Group have considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial results including on the recoverability of carrying amounts of assets. The Company and its subsidiary have considered both internal and external information while finalizing various estimates in relation to its financial results upto the date of approval of the financial results by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company and its subsidiary will continue to closely monitor any material changes to future economic conditions.

**3. Significant Accounting Policies****3.1. Property, Plant, and Equipment: (PPE)**

Group's Property, Plant and Equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition, installation and bringing the asset to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of Property, Plant and Equipment.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised in the Statement of Profit or Loss.

**Subsequent expenditure:**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment/evaluation :

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Equipment	12 – 40	5 – 40
Computer Equipment	3 – 6	3 – 4
R&D Lab Equipment	10	2 – 10

In the case of improvements on Leasehold premises, amortisation is provided over lease period or useful life of the asset whichever is less. Leasehold rights for land are amortised on a straight line method over its lease period. Individual assets costing less than ₹ 10,000/- are fully depreciated in the year of purchase.

Depreciation method, useful lives and residual values are reviewed at each Balance Sheet date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.





## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 3.2. Intangible Assets:

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Intangible assets are amortised on a straight-line basis as under:
  - a) Software costing up to ₹ 25,000/- is amortised out in the year of acquisition. Other Software acquired is amortised over its estimated useful life of 3 years;
  - b) Intellectual Property is amortised over its estimated useful life of 2 years.

The estimated useful life of the intangible assets and the amortization period are reviewed at each Balance Sheet date, with the effect of any changes in estimate being accounted for on a prospective basis.

#### Research and Development expenses:

Expenditure on research activities other than expenditure incurred on acquisition of capital assets is charged to Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if, and only if it meets the recognition criteria.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is charged to Statement of Profit and Loss in the period in which the same are incurred.

Subsequent to its initial recognition, the development expenditure recognised as an asset is reported at cost less accumulated amortization and impairment loss, on the same basis as acquired intangible assets.

#### De-recognition of intangible assets

An Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

The Group has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

### 3.3 Impairment of Tangible and Intangible assets:

The Group assesses whether there is any indication that an asset may be impaired at each balance sheet date. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost impaired earlier.

### 3.4 Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible asset, property, plant and equipment and investment properties are no longer amortized or depreciated.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****3.5 Foreign currency transactions and balances:****Initial recognition:**

Foreign currency transactions (other than advance receipt or payment of foreign currency) are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss. The foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

**Conversion:**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss

Non-monetary assets and liabilities which are carried at historical cost are not translated.

Forward exchange contracts entered into to hedge and manage foreign currency exposures relating to highly probable transactions or firm commitments are marked mark to market and resulting gains or losses are recorded in the statement of profit and loss.

**3.6 Financial Instruments:****Recognition and initial measurement:**

A financial asset or financial liability other than those items that are not at fair value through profit and loss (FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

The trade receivables are recognized when right to consideration is established on transfer of control of goods and services and on fulfillment of performance obligation related to goods and services.

All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

**Classification and subsequent measurement:****Financial assets:**

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- fair value through other comprehensive income (OCI) (FVOCI – debt investment);
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except in the period, the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All Group financial assets that do not meet the criteria for measurement at amortized cost or FVOCI are measured at



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI are measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	<p>These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.</p> <p>The Group transfers amounts from OCI to retained earnings when the relevant equity securities are derecognized.</p>

### Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses:

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

### Derecognition:

#### Financial assets:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities:**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Derivative financial instruments and hedge accounting:**

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

**3.7. Inventories:**

Inventories are valued on the principle laid down by Ind AS 2 "Inventories" on the basis given below:

(a)	Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on weighted average basis) and net realizable value.
(b)	Packing Material	Lower of cost (determined on weighted average basis) and net realizable value.*
(c)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(d)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity.

\* During the previous year, Packing material is valued at lower of cost and net realizable value determined on FIFO basis. On implementation of new ERP system during the year and to be in line with valuation method adopted for raw materials, stores and spares, the method of valuation of packing materials have been changed to weighted average basis during the year. Due to change in valuation, there is an increase in value of stocks by ₹ 0.22 Lakhs and has no material impact on the carrying value of packing materials or the carrying value of inventories for the year ended 31<sup>st</sup> March, 2022.

**3.8. Cash and cash equivalents:**

The Group considers all highly liquid financial instruments, which are readily convertible into and cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term bank deposits with original maturity of three months or less.

**3.9. Taxation:**

Tax expense comprises of current and deferred tax charge or credit.

**Current Tax:**

Current Tax is determined as the amount of income tax payable to the taxation authorities in respect of taxable income for the period.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized of the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised on assessment of reasonable certainty about realisation of such assets.

In terms of Taxation Law (Amendment) Act, 2019, the Company has availed an irreversible option to pay tax at lower rates subject to non-availment of certain exemptions and deductions, consequent to which Minimum Altranative Tax (MAT) credit is not recognised.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3.10. Revenue from Contract with Customers:

The Group's revenue was primarily comprised of sale of pigments, detergents and sulphonation products, Services income from ITES and BPO operations and sale of power from wind turbine generators.

Revenue is measured based on the transaction price, which is the fair value of the consideration received or receivable after netting trade discounts, volume discounts, sales returns and Goods and Services Tax. Revenue from sale of goods is recognized upon transfer of control of promised goods or services to customers.

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the goods / services rendered.

#### Income from services

- i. In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of time as per terms of contract and are net of service tax/Goods and Services Tax.
- ii. Income from BPO activities is recognized on satisfaction of performance obligations at a point of time based on the terms of the contract with customers.

#### Income from wind turbine generators

Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

#### Export benefits :

The benefit accrued under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, Merchandise Exports from India Scheme (MEIS), Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

Export benefits available under prevalent schemes are recognised in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****Dividend and Interest income:**

Dividend income is recognized when the unconditional right to receive the income is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Sale of Scrap**

Revenue from sale of scrap is recognized on sale.

**3.11. Employee Benefits:****Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense and charged to the statement of profit and loss as and when the services are received from the employees.

**Defined benefit plans:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

**Retirement and other employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**

expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions and the resultant actuarial gains/(losses) are recognized immediately in the statement of other comprehensive income.

**3.12. Accounting for Provisions, Contingent Liabilities and Contingent Assets:****Provisions:**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

**Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent liabilities are disclosed for:-

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

**Contingent assets:**

Contingent assets are not recognized in the consolidated financial statements.

**3.13 Borrowing costs:**

Borrowing costs worked out are determined on effective interest rate, directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****3.14 Leases:**

Effective April 1, 2019, the Group adopted Ind AS 116 “Leases” and applied the standard all lease contracts existing or entered into on or after 1st April, 2019.

The Group’s lease asset primarily consist of lease for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

**3.15 Earnings per share:**

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/(loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

**3.16 Cash Flow Statement**

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the Group.

**3.17 Segment Reporting**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented in the segment reporting. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments.

Based on the above, Business segments of the Group are primarily Laundry and allied products; IT enabled services & BPO services and Wind Turbine Generator. The analysis of Geographic segments is based on the areas in which major operating divisions of the Group Operate.

The Group accounts for inter segment revenues at current market prices.

Unallocated income and expenses includes general corporate income and expense items which are not allocated to any segment.

**3.18 Government Grants and Subsidies:**

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****3.19 Dividend:**

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

**3.20 Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below :

**(i) Ind AS 16 - Property Plant and equipment**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its financial statements.

**(ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**  
**4. Property Plant and Equipment**

Particulars	₹ in Lakhs										
	Freehold Land	Buildings (Note i)	Plant & Machinery	Computer Equipment	Furniture & Fixtures	Leasehold Improvements	Office Equipment	Vehicles	Lab Equipment and Other Assets (Used for R&D)	Total	Capital Work-in progress
<b>Deemed cost:</b>											
<b>Balance as at 31-03-2020</b>	<b>1,959.83</b>	<b>1,044.23</b>	<b>6,340.21</b>	<b>354.38</b>	<b>232.48</b>	<b>44.68</b>	<b>172.11</b>	<b>126.44</b>	<b>174.58</b>	<b>10,448.94</b>	<b>3,538.52</b>
Additions	-	1,526.72	3,164.09	20.38	69.30	-	26.81	8.47	7.99	4,823.76	
Disposals / Adjustments	922.40	-	28.19	15.39	12.15	43.43	3.11	6.36	-	1,031.03	
<b>Balance as at 31-03-2021</b>	<b>1,037.43</b>	<b>2,570.95</b>	<b>9,476.11</b>	<b>359.37</b>	<b>289.63</b>	<b>1.25</b>	<b>195.81</b>	<b>128.55</b>	<b>182.57</b>	<b>14,241.67</b>	<b>2,981.66</b>
Additions	972.24	279.99	2,539.01	68.43	33.62	-	13.26	78.56	57.59	4,042.70	
Disposals / Adjustments	-	23.05	26.85	-	3.39	1.25	-	7.53	-	62.07	
<b>Balance as at 31-03-2022</b>	<b>2,009.67</b>	<b>2,827.89</b>	<b>11,988.27</b>	<b>427.80</b>	<b>319.86</b>	<b>-</b>	<b>209.07</b>	<b>199.58</b>	<b>240.16</b>	<b>18,222.30</b>	<b>6,934.63</b>
<b>Accumulated depreciation:</b>											
<b>Balance as at 31-03-2020</b>	-	148.13	1,352.36	224.01	80.67	26.76	78.31	41.53	42.79	1,994.56	
Charge for the year	-	63.53	479.73	58.96	31.81	3.36	32.25	14.71	15.48	699.83	
Other Adjustments	-	-	14.84	12.34	7.02	30.12	2.89	4.04	-	71.25	
<b>Balance as at 31-03-2021</b>	-	211.66	1,817.25	270.63	105.46	-	107.67	52.20	58.27	2,623.14	
Charge for the year	-	121.97	781.74	49.43	28.77	-	28.12	20.13	17.85	1,048.01	
Other Adjustments	-	0.67	2.92	-	3.39	-	-	5.47	-	12.45	
<b>Balance as at 31-03-2022</b>	-	332.96	2,596.07	320.06	130.84	-	135.79	66.86	76.12	3,658.70	
<b>Net carrying amount:</b>											
<b>As at 31-03-2021</b>	<b>1,037.43</b>	<b>2,359.29</b>	<b>7,658.86</b>	<b>88.74</b>	<b>184.17</b>	<b>1.25</b>	<b>88.14</b>	<b>76.35</b>	<b>124.30</b>	<b>11,618.53</b>	
<b>As at 31-03-2022</b>	<b>2,009.67</b>	<b>2,494.93</b>	<b>9,392.20</b>	<b>107.74</b>	<b>189.02</b>	<b>-</b>	<b>73.28</b>	<b>132.72</b>	<b>164.04</b>	<b>14,563.60</b>	

(i) Cost of Building includes ₹500/- paid for 5 Shares of ₹ 100/- each in Thirumalai House Office Unit Owners Condominium.

(ii) The holding company has paid full consideration for the land acquired in the Industrial Park, Naidupet, Andhra Pradesh and is in possession of land and registered the sale agreement for the said land. In terms of policy, the holding company is entitled to use the land and right to offer the land as security. The holding company has already commenced commercial production during January, 2021. The title to the said land shall be registered in the name of the holding company subject to fulfilment of other terms and conditions.

(iii) Cost of the Land has been transferred to Wholly Owned Subsidiary Company, Ultramarine Speciality Chemicals Limited, on getting necessary approval for re-allotment of land from Andrapradesh Industrial Investment Corporation (APIIC) and registration of sale agreement in the name of the subsidiary company completed during the year.

(iv) Land and Buildings situated at Industrial Property, Plot No.60&61, Menakur Village, Naidupet Town are subject to exclusive charge for the loans availed from HSBC Bank.

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(v) Break-up of Capital Work-in-Progress

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Buildings	1,165.29	767.41
Plant & Machinery	5,456.57	1,978.93
Electrical Installation	-	6.33
<b>In Tangible Assets acquired</b>	-	71.84
<b>Project Expenditure - Direct</b>		
Statutory Fee	6.67	9.96
Salaries and Wages	83.93	31.63
Professional & Consultancy Charges	69.28	38.24
Travelling Expenses	11.65	0.48
Other Direct Expenses	109.01	67.43
Finance Costs	32.23	9.41
	<b>6,934.63</b>	<b>2,981.66</b>

(vi) Depreciation capitalised during the year ₹ 0.72 Lakhs (previous year ₹11.89 Lakhs).

## 4.1 CWIP ageing schedule as at 31.03.2022

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,897.94	1,011.32	25.36	-	6,934.63
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5,897.94</b>	<b>1,011.32</b>	<b>25.36</b>	<b>-</b>	<b>6,934.63</b>

## 4.2 CWIP ageing schedule as at 31.03.2021

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,444.09	537.56	-	-	2,981.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,444.09</b>	<b>537.56</b>	<b>-</b>	<b>-</b>	<b>2,981.66</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 4.3 CWIP, whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2022

₹ in Lakhs

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Sapphire Project	5,446.59	-	-	-	5,446.59
<b>Total</b>	<b>5,446.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,446.59</b>

## 4.4 CWIP, whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2021

₹ in Lakhs

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Sapphire Project	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5. Right of use asset - Building

₹ in Lakhs

Particulars	Leased Premises
<b>Deemed cost:</b>	
<b>Balance as at 31-03-2020</b>	<b>877.42</b>
Additions	447.38
Disposals / Adjustments*	978.24
<b>Balance as at 31-03-2021</b>	<b>346.56</b>
Additions	445.31
Disposals / Adjustments*	29.42
<b>Balance as at 31-03-2022</b>	<b>762.45</b>
<b>Accumulated depreciation:</b>	
<b>Balance as at 31-03-2020</b>	<b>211.70</b>
Charge for the year	181.00
Other Adjustments	299.93
<b>Balance as at 31-03-2021</b>	<b>92.77</b>
Charge for the year	113.35
Other Adjustments	23.13
<b>Balance as at 31-03-2022</b>	<b>182.99</b>
<b>Net carrying amount:</b>	
<b>As at 31-03-2021</b>	<b>253.79</b>
<b>As at 31-03-2022</b>	<b>579.46</b>

\* adjustment is on account of pre-closure of certain lease agreements during the year ended 31st March, 2022 & 2021

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 6. Other Intangible assets

₹ in Lakhs

Particulars	Licensed Computer Software
<b>Deemed cost:</b>	
<b>Balance as at 31-03-2020</b>	<b>93.29</b>
Additions	7.48
Disposals / Adjustments	0.21
<b>Balance as at 31-03-2021</b>	<b>100.56</b>
Additions	80.24
Disposals / Adjustments	-
<b>Balance as at 31-03-2022</b>	<b>180.80</b>
<b>Accumulated depreciation:</b>	
<b>Balance as at 31-03-2020</b>	<b>78.44</b>
Charge for the year	9.32
Other Adjustments	-
<b>Balance as at 31-03-2021</b>	<b>87.76</b>
Charge for the year	29.31
Other Adjustments	-
<b>Balance as at 31-03-2022</b>	<b>117.07</b>
<b>Net carrying amount:</b>	
<b>As at 31-03-2021</b>	<b>12.80</b>
<b>As at 31-03-2022</b>	<b>63.73</b>

₹ in Lakhs

Particulars	As at	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>7. Non-current Investment</b>		
<b>Investment at fair value through Other comprehensive income (FVTOCI)</b>		
Quoted Equity Shares		
2,04,51,770 equity shares of ₹ 1/- each (31st March, 2021 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	<b>54,401.71</b>	17,496.49
<b>Investment at fair value through profit or loss (FVTPL)</b>		
<b>Quoted Bonds</b>		
5 (31st March 2021: 5) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000/- each	<b>52.65</b>	52.10
<b>Unquoted - Investment in Alternative Investment Fund</b>		
(i) 1,76,168 (31st March 2021: 2,80,084) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	<b>177.59</b>	276.37
(ii) Nil (31st March 2021: 24,38,473) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	-	26.34
(iii) 33 (31st March 2021: 33) Kae Capital Fund III Units of ₹ 1,00,000/- each	<b>33.00</b>	33.00
(iv) 34 (31st March 2021: Nil) Kae Capital Opportunity Fund Units of ₹ 1,00,000/- each	<b>34.00</b>	-
<b>Total</b>	<b>54,698.95</b>	17,884.30
Notes:		
(a) Aggregate amount of Quoted Investments and market value thereof:	<b>54,454.36</b>	17,548.59
(b) Aggregate amount of unquoted investments-Mutual funds & Bonds	<b>244.59</b>	335.71

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>8. Non-current Loans</b>		
Deposits with Corporates		
- Considered good - Unsecured	700.00	-
<b>Total</b>	<b>700.00</b>	<b>-</b>
<b>9. Non-current Other Financial Assets</b>		
Unsecured, Considered Good		
Security Deposits	110.80	102.63
Deposits with a Bank		
- Term Deposit *	100.00	100.00
Employees advances	1.05	1.72
<b>Total</b>	<b>211.85</b>	<b>204.35</b>
* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings		
<b>10. Other Non - Current Assets</b>		
Unsecured, Considered Good		
Capital Advances	78.48	476.10
Income taxes (Net)*	721.07	724.10
Deposits for the leased premises	77.55	80.35
Prepaid expenses	61.04	25.09
<b>Total</b>	<b>938.14</b>	<b>1,305.64</b>
*Net of Provision for tax ₹ 5973.15 Lakhs (March 31, 2021 : ₹ 8,014. 88 Lakhs)		
<b>11. Inventories</b>		
Raw materials and components	2,101.22	1,160.13
Raw materials in Transit	2,005.30	460.93
Work in progress	1,526.32	1,088.31
Finished goods	922.59	579.74
Finished goods in Transit	284.97	173.51
Packing materials	148.18	91.18
Fuel	45.49	33.79
Stores and spares	133.52	106.46
<b>Total</b>	<b>7,167.59</b>	<b>3,694.05</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>12. Investments</b>		
<b>Investment at fair value through Profit and Loss (FVTPL)</b>		
Unquoted units of Mutual Funds		
Nil (31 March 2021: 5,017) units of Kotak Liquid Fund	-	208.66
Nil (31 March 2021: 12,664) units of L&T Liquid Fund	-	356.99
Nil (31 March 2021: 4,582) units of Axis Liquid Fund	-	104.68
Nil (31 March 2021: 9,598) units of SBI Liquid Fund	-	309.22
1,05,827 (31 March 2021: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	<b>31.45</b>	30.11
Nil (31 March 2021: 37,849) units of Aditya Birla Sun Life Floating Rate Fund	-	100.61
Nil (31 March 2021: 3,53,231) units of Kotak Equity Arbitrage Fund	-	102.63
Nil (31 March 2021: 90,570) units of Nippon India Overnight Fund	-	100.06
Nil (31 March 2021: 2,62,637) units of HDFC Floating Rate Debt Fund-Direct	-	100.57
Nil (31 March 2021: 8,659) units of Kotak Floating Rate Fund-Direct	-	100.19
35,624 (31 March 2021: Nil) units of Axis Overnight Fund Direct Plan	<b>400.35</b>	-
<b>Total</b>	<b>431.80</b>	1,513.72
<b>13. Trade Receivables</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	<b>3,943.17</b>	4,386.80
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
	<b>3,943.17</b>	4,386.80
Less: Provision for Expected Credit Loss	<b>(2.17)</b>	(2.93)
<b>Total</b>	<b>3,941.00</b>	4,383.87

Notes :

- Trade Receivable includes receivables from Related party - ₹ 0.12 Lakhs ( 31st March 2021 - ₹ 0.06 Lakhs)
- In determining the allowances for doubtful trade receivables the Group has used practical expedience by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

**13.1 Trade Receivables ageing schedule as at 31.03.2022**

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,965.73	919.89	26.23	25.96	0.94	3.24	3,941.99
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	1.18	-	1.18
<b>Total</b>	<b>2,965.73</b>	<b>919.89</b>	<b>26.23</b>	<b>25.96</b>	<b>2.12</b>	<b>3.24</b>	<b>3,943.17</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 13.2 Trade Receivables ageing schedule as at 31.03.2021

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	4,048.17	322.51	11.68	0.02	3.24	-	4,385.62
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	1.18	-	-	1.18
<b>Total</b>	<b>4,048.17</b>	<b>322.51</b>	<b>11.68</b>	<b>1.20</b>	<b>3.24</b>	<b>-</b>	<b>4,386.80</b>

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>14. Cash &amp; cash equivalents</b>		
(i) Cash on hand	0.51	0.88
(ii) Balances with banks		
In current account	1,550.43	1,140.18
In Deposit Accounts with original maturity of less than 3 months	200.00	425.75
In Deposit Accounts with original maturity of more than 3 months and less than 12 months	1,225.54	5,453.76
<b>Total</b>	<b>2,976.48</b>	<b>7,020.57</b>
<b>15. Bank balances other than cash and cash equivalents</b>		
Margin money with banks	0.76	60.72
Un-claimed dividend accounts*	66.14	68.92
<b>Total</b>	<b>66.90</b>	<b>129.64</b>

\* These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities.

## 16. Loans (Unsecured, considered good, unless stated otherwise)

**Deposits with Corporates**

- Considered good - secured	-	-
- Considered good - Unsecured	3,792.00	3,025.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-

**Loans & Advances to Employees**

- Considered good - secured	-	-
- Considered good - Unsecured	8.93	7.59
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-

**Other Deposits**

- Considered good - unsecured	36.92	36.93
<b>Total</b>	<b>3,837.85</b>	<b>3,069.52</b>



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>17. Other Financial Assets - Current</b>		
Advances recoverable in cash	14.64	16.67
Unbilled revenue	4.10	6.95
Other deposits receivable	25.29	35.10
Interest accrued on Deposits	86.26	137.43
Other amounts receivable*	112.30	-
<b>Total</b>	<b>242.59</b>	<b>196.15</b>
* Refund of fee waived receivable from Andhra Pradesh Industrial Investment Corporation (APIIC).		
<b>18. Other Current Assets</b>		
<b>Advances other than capital advances:</b>		
Advance to suppliers	98.43	79.35
Balance with GST, customs, central excise & sales tax	1,816.92	594.38
Prepaid Expenses	173.46	112.92
Export incentives receivable - duty free scrips	67.25	82.45
<b>Total</b>	<b>2,156.06</b>	<b>869.10</b>
<b>19. Asset held for Sale</b>		
Asset held for Sale*	-	922.40
<b>Total</b>	<b>-</b>	<b>922.40</b>
* On getting Approval from Andhra Pradesh Industrial Investment Corporation for re-allotment and transfer of land and registration of sale agreement in the name of wholly owned subsidiary company, Ultramarine Specialty Chemicals Limited, the holding company has transferred cost of land ₹922.40 Lakhs incurred by the company.		
<b>20. Share capital</b>		
<b>Authorised Shares</b>		
5,00,00,000 (March 31, 2021: 5,00,00,000) equity shares of ₹ 2/- each	1,000.00	1,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
2,92,00,000 (March 31, 2021: 2,92,00,000) Equity Shares of ₹ 2/- each fully paid up	584.00	584.00
<b>Total</b>	<b>584.00</b>	<b>584.00</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 20.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Particulars	No. of shares
<b>Authorised share capital:</b>	
Balance as at 1st April, 2020	5,00,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 1st April, 2021</b>	<b>5,00,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2022</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid-up share capital:</b>	
Balance as at 1st April, 2020	2,92,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 1st April, 2021</b>	<b>2,92,00,000</b>
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2022</b>	<b>2,92,00,000</b>

## 20.2 Terms/rights attached to equity shares

- (a) The Company has only one class of share referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.
- (b) The Company declares and pays dividends in Indian Rupees based on the profits available for distribution. The Board of Directors in their meeting held on 24<sup>th</sup> May, 2022 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/- each for the financial year ended March 31, 2022 and the proposal is subject to approval of shareholders at their meeting to be held on 25<sup>th</sup> July, 2022, if approved, would result in cash outflow of approximately ₹ 1460 Lakhs.
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- (d) There is no change in issued and paid up share capital during the year.

## 20.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid equity shares
<b>Thirumalai Chemicals Limited</b>	
As at 31st March, 2022	39,56,730
As at 31st March, 2021	39,56,730

## 20.4 Details of shareholding of promoters

S.No.	Promoters Name	Equity shares held by Promoters at the end of the year		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Thirumalai Chemicals Limited	39,56,730	13.55	39,56,730	13.55			-
2	Sridhar Sundararajan	-	-	2,34,700	0.80			(0.80)
3	Indira Sundararajan	10,71,855	3.67	10,71,855	3.67			-

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Equity shares held by Promoters at the end of the year		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		% Change during the year
S.No.	Promoters Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
4	Bhooma Parthasarathy	9,85,052	3.37	9,77,747	3.35	0.02
5	Jayalakshmi Venkataraman	-	-	2,34,936	0.80	(0.80)
6	Sujata Sampath Family Trust *	12,75,294	4.37	12,75,294	4.37	-
7	Parthasarathy Rangaswamy	9,77,747	3.35	9,77,747	3.35	-
8	Sampath Family Trust *	12,75,293	4.37	12,75,293	4.37	-
9	Daya Sridhar	3,72,974	1.28	4,71,928	1.62	(0.34)
10	Kala Sundaravedha	-	-	2,24,000	0.77	(0.77)
11	Sridhar Sundararajan - Huf	-	-	2,23,000	0.76	(0.76)
12	Deepa Ajay	6,37,044	2.18	6,69,455	2.29	(0.11)
13	Geetha.S	-	-	4,98,621	1.71	(1.71)
14	Pravin Rangachari	1,80,030	0.62	1,80,030	0.62	-
15	S. Varadarajan	7,86,685	2.69	6,42,141	2.20	0.49
16	Srinath Sridhar	-	-	42,492	0.15	(0.15)
17	S. Vidhya	1,07,515	0.37	1,07,515	0.37	-
18	S. Narayan	5,83,894	2.00	4,82,400	1.65	0.35
19	Ramya Bharathram	63,460	0.22	63,460	0.22	-
20	V Bharath Ram	41,050	0.14	41,050	0.14	-
21	Meera Parthasarathy	2,38,222	0.82	2,36,080	0.81	0.01
22	Tara Parthasarathy	2,04,074	0.70	2,02,760	0.69	0.01
23	Aditya Rajan	17,200	0.06	17,200	0.06	-
24	Kavya Narayan	16,000	0.05	16,000	0.05	-
25	Uttara. B	16,000	0.05	16,000	0.05	-
26	V. S. Sundararajan	4,108	0.01	4,108	0.01	-
27	Bina Rajan	4,000	0.01	4,000	0.01	-
28	Varadarajan Santhanam	114	-	114	0.00	-
29	Jasmine Limited	53,620	0.18	53,620	0.18	-
	<b>Total</b>	<b>1,28,67,961</b>	<b>44.06</b>	<b>1,42,00,276</b>	<b>48.62</b>	<b>(4.56)</b>

\* Denotes shares held by the Trust(s) vide SEBI Exemption order WTM/GM/CFD/53/2020-21 dated December 11, 2020.  
₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>21. Other Equity</b>		
General Reserve	4,105.00	4,105.00
Retained Earnings	29,622.39	25,252.05
Other Comprehensive Income - Fair value of investment	51,687.82	16,174.95
Other Comprehensive Income - Remeasurements of defined benefit plans	(46.22)	(8.87)
<b>Total</b>	<b>85,368.99</b>	<b>45,523.13</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>22. Borrowings - Non-current</b>		
<b>Secured</b>		
Term Loan from Banks (refer note below)	4,755.10	3,570.55
Less current maturity of long term loan (refer note 28)	(600.29)	(95.00)
<b>Total</b>	<b>4,154.81</b>	<b>3,475.55</b>
<b>Notes :</b>		
(a) Loan from HSBC Bank is secured by an exclusive charge on the Industrial Plot, charge on movable fixed assets of the holding company at the plant located at Minnakur Village, Naidupet Town. The term loan is repayable in 60 monthly instalments from the date of disbursement with an initial moratorium period of 2 years and the first instalment of repayment commenced in the month of December, 2021.		
(b) The subsidiary company availed term loan of ₹1,125 Lakhs during the year out of sanctioned term loan of ₹2,250 Lakhs by Axis Bank. The loan is secured by mortgage of industrial plot of Land, movable fixed assets and current assets of the company and charge has been created for fixed and current assets of the subsidiary company. The subsidiary company is in the process of creating charge on the Land. The loan carries interest rate of 6.75% p.a and has a moratorium period of 24 months and is repayable in 16 quarterly instalments beginning from October, 2023.		
<b>23. Lease liabilities - Non-current</b>		
Lease Liabilities (refer note 49)	463.91	107.79
<b>Total</b>	<b>463.91</b>	<b>107.79</b>
<b>24. Other Financial liabilities - Non-current</b>		
Retention money payable	66.12	19.52
<b>Total</b>	<b>66.12</b>	<b>19.52</b>
<b>25. Provisions - Non-current</b>		
<b>Provision for employee benefits :</b>		
Provision for compensated absences	160.41	120.29
<b>Total</b>	<b>160.41</b>	<b>120.29</b>
<b>26. Deferred tax liabilities (net)</b>		
<b>Deferred tax liability:</b>		
On account of timing difference in Depreciation and amortisation	1,022.21	877.20
Fair value adjustments of Investments	1,395.18	4.18
	<b>2,417.39</b>	<b>881.38</b>
<b>Deferred tax assets:</b>		
Liabilities allowable on payment basis	73.65	53.43
Lease Liabilities - Leased premises	3.69	4.52
Expected credit loss	0.55	0.74
	<b>77.89</b>	<b>58.69</b>
<b>Total</b>	<b>2,339.50</b>	<b>822.69</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>27. Deferred Income</b>		
Government Grant (Refer Note below)	28.33	31.75
<b>Total</b>	<b>28.33</b>	<b>31.75</b>
Note : The Holding Company has been granted a conditional government grant for ₹ 51.30 Lakhs towards installation of Solar Thermal heating system, which has been installed and is in operation since July 2016. The grant was received in 2016-17 and is recognised as deferred income. It is being amortised over the useful life of the Solar Thermal heating system in proportion in which the related depreciation expense is recognised.		
<b>28. Borrowings - Current</b>		
Current maturity of long term borrowing (refer note 22)	600.29	95.00
<b>Total</b>	<b>600.29</b>	<b>95.00</b>
<b>29. Financial Liabilities - Lease - Current</b>		
Lease Liabilities (refer note 49)	120.01	151.74
<b>Total</b>	<b>120.01</b>	<b>151.74</b>
<b>30. Trade Payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	225.15	163.16
- Total outstanding dues of creditors other than micro enterprise and small enterprises (refer note below)	3,747.19	3,451.34
<b>Total</b>	<b>3,972.34</b>	<b>3,614.50</b>

\* Includes Trade payables to related parties ₹ 4.31 Lakhs (March 31, 2021: ₹ 0.25 Lakhs)

## 30.1 Trade payables ageing schedule as at 31.03.2022

₹ in Lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	137.49	82.51	4.14	1.02	-	225.16
(ii) Others	1,967.23	1,766.46	13.43	0.06	-	3,747.18
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,104.72</b>	<b>1,848.97</b>	<b>17.57</b>	<b>1.08</b>	<b>-</b>	<b>3,972.34</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 30.2 Trade payables ageing schedule as at 31.03.2021

₹ in Lakhs

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	123.60	38.54	1.02	-	-	163.16
(ii) Others	2,790.25	660.76	0.33	-	-	3,451.34
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,913.85</b>	<b>699.30</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>3,614.50</b>

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>31. Other financial liabilities - current</b>		
Interest payable on Term Loan	7.10	0.74
Unpaid dividends (Refer note below(i))	66.14	68.91
Employee dues	282.84	294.50
Dues to Directors - Commission payable	263.21	218.71
Creditors for capital goods	363.84	568.85
Deposit from Dealers	7.88	11.91
<b>Total</b>	<b>991.01</b>	<b>1,163.62</b>

Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.

## 32. Other current liabilities

Statutory Dues	124.36	172.63
Revenue received in advance	267.27	58.83
Other Liabilities	153.23	58.72
<b>Total</b>	<b>544.86</b>	<b>290.18</b>

## 33. Provisions - Current

## For Employee benefits

Provision for gratuity	69.96	6.99
Provision for compensated absences	20.06	21.76

## For Others

Provision for tax*	22.61	28.16
<b>Total</b>	<b>112.63</b>	<b>56.91</b>

\* Net of advance tax and tax deducted at source of ₹ 1761.08 Lakhs (March 31, 2021: ₹ 1797.79 Lakhs)

## 34. Deferred Income

Government Grant	3.42	3.42
<b>Total</b>	<b>3.42</b>	<b>3.42</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>35. Revenue From Operations</b>		
<b>a) Sale of Products</b>		
Manufactured Goods	45,112.37	27,535.00
Sale of Materials	299.61	48.77
Sale of Power from Wind turbine generators	41.30	40.33
<b>Total Sale of Products</b>	<b>45,453.28</b>	27,624.10
<b>b) Sale of Services</b>		
Income from IT enabled Services	3,407.76	2,737.46
Income from BPO activities	-	305.47
<b>Total Sale of Services</b>	<b>3,407.76</b>	3,042.93
<b>c) Other Operating Revenues</b>		
Export Incentives	180.33	152.44
<b>Revenue from Operations</b>	<b>49,041.37</b>	30,819.47
<b>Disaggregate Revenue Information:</b>		
<b>(i) Manufactured goods</b>		
Pigments	12,871.72	9,119.40
Detergents	674.98	579.72
Sulphonation	31,565.67	17,835.88
	<b>45,112.37</b>	27,535.00
<b>(ii) Revenue from IT Enabled Service</b>		
Revenue by contract type		
Fixed price	3,260.40	2,395.81
Other contract	147.36	341.65
	<b>3,407.76</b>	2,737.46
<b>36. Other Income</b>		
<b>a) Interest Income</b>		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	130.80	197.84
Deposits with Companies	188.12	223.22
Bonds	25.47	27.98
Interest on Financial Assets carried at amortized cost	5.41	9.75
Others	6.40	3.62

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>b) Dividend Income on Equity securities designated at FVOCI</b>	<b>449.94</b>	-
<b>c) Other non-operating Income (Net of expenses directly attributable to such income)</b>		
Rental income	3.56	2.49
Credit balances and excess provision written back	-	89.20
Sundry receipts	22.54	57.63
Bad debts recovered	5.33	-
Gain in reassessment of lease	-	27.74
Gain on Termination of lease	1.67	199.64
<b>d) Other gains and losses</b>		
Net gains arising on financial assets measured at FVTPL	4.25	19.10
Net gains on sale of Investments	29.70	98.36
Net gains on foreign currency transactions and translation	26.99	-
<b>e) Government grant</b>	<b>3.42</b>	3.42
<b>Total</b>	<b>903.60</b>	959.99

Note: Government grants are related to investments of the Company in Property, Plant and Equipment of Manufacturing Plant setup in Ranipet, Tamil Nadu, India. There are no unfulfilled conditions or other contingencies attaching to these grants. The company did not benefit directly from any other forms of Government assistance.

**37. Cost of material consumed**

Opening Stock of Raw Materials	1,160.13	1,156.93
Add : Purchase of Materials (including cost of Materials Sold ₹ 355.25 Lakhs) (previous year ₹41.96 Lakhs)	29,872.01	14,718.61
	<b>31,032.14</b>	15,875.54
Less : Closing Stock of Raw Materials	2,049.87	1,160.13
<b>Total</b>	<b>28,982.27</b>	14,715.41

**38. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress****Inventories at the end of the year**

Work-in-progress	1,526.32	1,088.31
Finished goods	1,207.56	753.25
<b>Total</b>	<b>2,733.88</b>	1,841.56

**Inventories at the beginning of the year**

Work-in-progress	1,088.31	717.25
Finished goods	753.25	875.52
	<b>1,841.56</b>	1,592.77
Net (Increase)/ Decrease in Stocks	<b>(892.32)</b>	(248.79)



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>(Increase)/ Decrease in work in progress</b>		
Pigments	(330.77)	(181.62)
Detergents	(1.23)	2.16
Sulphonation	(106.01)	(191.60)
<b>Total</b>	<b>(438.01)</b>	<b>(371.06)</b>
<b>(Increase)/decrease in finished goods (Inclusive of finished goods in transit)</b>		
Pigments	(328.02)	42.94
Detergents	(7.88)	(0.85)
Sulphonation	(118.41)	80.18
<b>Total</b>	<b>(454.31)</b>	<b>122.27</b>
<b>39. Employee Benefit Expense</b>		
Salaries, Wages, Bonus and other benefits	4,113.26	3,399.39
Directors' Remuneration	465.74	349.76
Contribution to Provident Fund and other funds	252.45	210.77
Gratuity	66.91	67.21
Staff Welfare and amenities	224.57	182.24
<b>Total</b>	<b>5,122.93</b>	<b>4,209.37</b>
<b>40. Finance Cost</b>		
Interest on income tax payments	0.12	0.19
Interest on Term Loan	298.26	232.40
Interest on lease liabilities	20.27	53.40
Interest Others	13.36	3.69
	<b>332.01</b>	<b>289.68</b>
Less: Interest on term loan transferred to Capital Work-in-Progress	(36.30)	(181.99)
<b>Total</b>	<b>295.71</b>	<b>107.69</b>
<b>41. Other Expenses</b>		
Consumption of Stores and Spares	219.11	278.02
Power and Fuel ( Note (i) below )	2,462.15	1,273.37
Repairs and Maintenance:		
Machinery	328.23	242.36
Buildings	120.43	48.14
Others	69.23	46.33
Packing Expenses and materials consumed	561.39	431.72
Data Processing Charges	297.98	273.74
Laboratory Expenses	72.80	22.78
Freight and Forwarding expenses	1,697.79	726.23
Insurance	103.27	75.90
Commission on sales	13.47	7.99
Advertisement and Sales Promotion expenses	159.39	167.70
Security Expenses	104.98	87.18
Software License Expenses	32.33	52.96
Water Charges	9.16	9.40
Rent	1.86	24.67
Rates & Taxes	117.49	50.60

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Travelling & Conveyance expenses	124.37	56.57
Communication expenses	84.80	78.78
Legal and Professional Fees	153.00	82.95
Sitting fees to Directors	37.60	32.80
Commission to Non Executive Directors	83.21	78.72
Donation	2.25	5.38
Corporate Social Responsibility Expenditure	223.55	142.06
Assets Scrapped / Loss on Sale of Assets ( net )	19.93	32.34
Bad Debts written off	4.40	3.16
Provision for expected credit Loss (Refer Note No. 46.1.A)	(0.76)	(3.36)
Loss on foreign currency transactions / translations (net)	-	19.50
Bank Charges	68.19	58.85
Sundry balances written off	4.71	-
Miscellaneous expenses	309.19	215.38
<b>Total</b>	<b>7,485.50</b>	<b>4,622.22</b>

Note:-

(i) Power and Fuel is net of wind power generated and utilised	279.26	260.66
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**42. Contingent liabilities and commitments (to the extent not provided for)****[A] Contingent Liabilities**

(i) Claims against the Group/disputed liabilities not acknowledged as debts in respect of :

Labour disputes	1.50	1.50
Disputed Vendor Claims *	558.49	558.49
Disputed Industrial Development Charges claimed by SIPCOT	11.35	11.35
(ii) Bank Guarantees issued and outstanding	14.00	30.72
(iii) Letter of Credit issued and outstanding	607.89	642.42

\*Note : The amount claimed by one of the contractors disputed by the Group as the claims by the vendor is not tenable due to non adherence to the contractual terms of contract and the matter was referred to arbitration. The contractor has also filed an application before National Company Law Tribunal, Mumbai Bench under section 9 of IBC for initiating corporate insolvency resolution process which is pending for listing. Also, the Group have counter claims of ₹ 80.88 Lakhs for the deficiency in service and non-adherence to terms of the contract.

**[B] No provision has been made in respect of the following demands raised by the authorities since the Group has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous.**

(i) By the Income tax authorities [ ₹723.88 Lakhs (31 <sup>st</sup> March, 2021 ₹723.88 Lakhs) deposited with tax authorities]	787.21	787.21
(ii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iii) (a) Excise duty matters	-	27.62
(b) Against which advances paid	-	-

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>[C] Commitments</b>		
<b>Commitment Towards</b>		
(i) Property, Plant & Equipment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>784.50</b>	3,987.89
Against which advance paid	<b>78.48</b>	476.09
(ii) Commitment towards investment in Alternate Investment Funds	<b>200.00</b>	100.00
Amount invested so far	<b>67.00</b>	33.00
(iii) Commitments under non-cancellable period of lease agreements	<b>141.53</b>	364.20
(iv) Other Commitment		

The Group availed concessional rate of customs duty under Export Promotion Capital Goods (EPCG) license scheme on import of capital goods and spares for which the company is obligated to fulfil export obligation / commitment as on 31.03.2022 amounting to ₹1,476.80 lakh (Previous Year ₹1,476.80 lakh).

In this regard, export obligations/ commitments amounting to ₹53.95 lakh have already been completed and the Group is in the process of filing with concerned authorities for getting discharge certificates for its fulfilled export obligations.

The Group is yet to fulfil the balance export obligations/commitments as on 31.03.2022 amounting to ₹1,422.86 lakh and the same is expected to be fulfilled by exports within the permitted time. The Group also executed bonds to customs authorities for the customs duty concession availed as per the scheme on import of capital goods and spares amounting to ₹1,476.80 Lakh (Previous year ₹1,476.80 lakh).

**[D] Pending Proceedings**

The Groups' pending litigation comprise of claims against the Group by the parties and proceedings pending with Revenue authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- 43.** The holding company has availed credit facilities (both fund based and non-fund based) from two banks (Bank of India-₹13.50 Crores & Axis Bank-₹.50.50 Crores) are secured by hypothecation of stocks (raw materials and finished goods) and book debts of the Holding Company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31<sup>st</sup> March, 2022.

The subsidiary company has availed credit facilities (both fund based and non-fund based) from a Bank (Axis Bank-₹ 5 Crores) and are secured by first charge on hypothecation of stocks (raw materials and finished goods) and book debts of the subsidiary company and second charge on fixed assets including land and building. However, no amount is outstanding (fund based and non fund based) as on 31<sup>st</sup> March, 2022.

**44. Employee benefits****[A] Defined contribution plans:**

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the rules of the schemes.

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

The Group has recognised the following amounts in the Statement of Profit and Loss:

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
a. Contribution to Employees Provident Fund*	197.21	168.58
b. Superannuation Fund*	45.08	38.14
	<b>242.29</b>	<b>206.72</b>

\*Includes contribution of ₹32.02 Lakhs (31<sup>st</sup> March, 2021 ₹24.07 Lakhs) included in Director's Remuneration.**[B] Defined benefit plan:**

Gratuity is payable to all the members at the rate of 15 days salary for each completed year of service.

**1. Reconciliation of opening and closing balances of Gratuity obligation**

a. Defined benefit obligation at the beginning of the year	652.65	620.54
b. Interest Cost	40.80	40.65
c. Current Service Cost	69.64	63.35
d. Benefits payments Due but unpaid	-	5.79
e. Past services cost	-	-
f. Benefits Paid from fund	(50.00)	(45.38)
g. Remeasurements - Financial assumptions and Experience adjustments	49.75	(32.30)
h. Defined benefit obligation at the end of the year	<b>762.84</b>	<b>652.65</b>

**2. Reconciliation of opening and closing balances of fair value of plan assets**

a. Fair Value of Plan Assets at the Beginning of the year	645.65	648.87
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	43.53	42.58
d. Contribution by the Employer	53.84	(0.92)
e. Benefits Paid from the funds	(50.00)	(45.38)
f. Remeasurements - Return on Assets	(0.15)	0.50
g. Fair Value of Plan Assets at the End of the year	<b>692.87</b>	<b>645.65</b>

**3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits**

a. Current Service Cost	69.64	63.35
b. Benefit Payments due but unpaid	-	5.79
c. Past service cost	-	-
d. Interest Cost	40.80	40.65
e. Expected return on plan assets	(43.53)	(42.58)
f. Net Actuarial (Gain)/Loss	49.91	(32.81)
g. Total Expenses recognised in Statement of Profit and Loss	<b>116.82</b>	<b>34.40</b>

**4. Amount recognised in the Balance Sheet**

a. Present value of Benefit Obligation at the end of the year	(762.84)	(652.65)
b. Fair Value of Plan Assets at the End of the year	692.87	645.65
c. Funded Status Surplus / (Deficit)	(69.97)	(6.99)
d. Net (Liability) / Asset Recognised in the Balance sheet	<b>(69.97)</b>	<b>(6.99)</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Particulars	As at	As at
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>5. Other Comprehensive Income (OCI)</b>		
Remeasurements - Financial assumptions and Experience adjustments	49.75	(32.30)
Remeasurements - Return on Assets	0.15	(0.51)
Total actuarial (Gain)/Loss recognised in OCI	49.90	(32.81)
<b>6. Description of plan assets</b>		
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	692.87	645.65
Total	692.87	645.65
<b>7 Actuarial assumptions</b>		
a. Discount Rate	6.81%	6.50%
b. Salary Escalation Rate	8.50%	8.00%
c. Turnover Rate	10.00%	10.00%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
<b>8. Expected future cash flows</b>		
Maturity Profile of Defined Benefit Obligations		
Projected benefits payable in future years from the date of reporting		
1 <sup>st</sup> following year	123.19	5.79
2 <sup>nd</sup> following year	76.42	29.15
3 <sup>rd</sup> following year	80.43	14.58
4 <sup>th</sup> following year	109.03	24.29
5 <sup>th</sup> following year	78.78	49.44
Years 6 to 10	313.23	529.40

**9. Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(42.38)	47.87	44.03	(39.98)
Variation in %	-5.60%	6.30%	5.80%	-5.20%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

These plans typically expose the Group to actuarial risks such as : investment risk , interest risk , longevity risk and salary risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Particulars	₹ in Lakhs	
	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
<b>45. Tax Expense</b>		
<b>(a) Amounts recognised in statement of profit and loss</b>		
Current year	(1,796.26)	(1,817.68)
Short/Excess provision for earlier years	(9.86)	-
<b>Current tax expense (A)</b>	<b>(1,806.12)</b>	<b>(1,817.68)</b>
Origination and reversal of temporary differences	(124.47)	(98.96)
<b>Deferred tax expense (B)</b>	<b>(124.47)</b>	<b>(98.96)</b>
<b>Tax expense recognised in the current statement (A) + (B)</b>	<b>(1,930.59)</b>	<b>(1,916.64)</b>

Note: In terms of the Taxation Laws (amendment) Act, 2019, the Holding company can avail of an irreversible option to pay tax at lower rates subject to non-availment of certain exemptions and deductions and the Holding company has availed of the option beginning from the financial year ended 31<sup>st</sup> March, 2020.

**(b) Amounts recognised in other comprehensive income**

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022			Year ended 31 <sup>st</sup> March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(49.91)	12.56	(37.35)	32.81	(8.25)	24.56
Equity Instruments through Other Comprehensive Income	36,905.21	(1,392.34)	35,512.87	10,256.56	-	10,256.56
	<b>36,855.30</b>	<b>(1,379.78)</b>	<b>35,475.52</b>	10,289.37	(8.25)	10,281.12

**(c) Reconciliation of effective tax rate**

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022		Year ended 31 <sup>st</sup> March 2021	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>7,762.94</b>		7,495.30
Tax using the Holding Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	<b>25.17%</b>	<b>1,953.78</b>	25.17%	1,886.42
Increase in tax rate				
<b>Tax effect of:</b>				
Non-deductible tax expenses				
Exempt income	<b>-1.46%</b>	<b>(113.24)</b>	0.00%	-
Permanent Differences - Corporate Social Responsibility Expenditure	<b>0.72%</b>	<b>56.26</b>	0.48%	35.75
Permanent Differences - Others	<b>0.01%</b>	<b>0.57</b>	0.02%	1.35
Other adjustments	<b>0.29%</b>	<b>22.82</b>	-0.09%	(6.88)
Tax relating to earlier years	<b>0.13%</b>	<b>9.86</b>	0.00%	-
Rate difference	<b>0.01%</b>	<b>0.54</b>	0.00%	-
	<b>24.87%</b>	<b>1,930.59</b>	25.57%	1,916.64

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## (d) Movement in deferred tax balances

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2022					
	Net balance 1 <sup>st</sup> April 2021	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
<b>Deferred tax Asset/(Liabilities)</b>						
Property, plant and equipment (includes intangible assets)	(877.20)	(145.01)		(1,022.21)	(1,022.21)	
Employee benefits	-	-	-	-		-
Liabilities allowable on payment basis	53.43	20.21	12.56	73.65		73.65
Fair value of investments	(4.18)	1.34	(1,392.34)	(1,395.18)	(1,395.18)	
Expected credit loss	0.74	(0.19)		0.55		0.55
Leased Liabilities	4.52	(0.83)		3.69		3.69
<b>Tax assets (Liabilities) (Net)</b>	<b>(822.69)</b>	<b>(124.48)</b>	<b>(1,379.78)</b>	<b>(2,339.50)</b>	<b>(2,417.39)</b>	<b>77.89</b>

## (e) Movement in deferred tax balances

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March 2021					
	Net balance 1 <sup>st</sup> April 2020	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
<b>Deferred tax Asset/(Liabilities)</b>						
Property, plant and equipment (includes intangible assets)	(840.55)	(36.65)		(877.20)	(877.20)	
Liabilities allowable on payment basis	74.61	(21.18)	(8.25)	53.43		53.43
Fair value of investments	(12.56)	8.38		(4.18)	(4.18)	-
Expected credit loss	1.59	(0.85)		0.74	-	0.74
<b>Tax assets (Liabilities)</b>	<b>(776.91)</b>	<b>(50.30)</b>	<b>(8.25)</b>	<b>(827.21)</b>	<b>(881.38)</b>	<b>54.17</b>
Leased Liabilities *	53.18	(48.66)		4.52		4.52
<b>Tax assets (Liabilities) (Net)</b>	<b>(723.73)</b>	<b>(98.96)</b>	<b>(8.25)</b>	<b>(822.69)</b>	<b>(881.38)</b>	<b>58.69</b>

The Holding company offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**46. Financial instruments****A Valuation:**

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- i) The fair value of investment in quoted Equity shares is measured at quoted price or NAV
- ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date except advance received or paid.
- iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**B Financial instruments by category**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in Lakhs

PARTICULARS	AS AT 31 <sup>st</sup> MARCH 2022		AS AT 31 <sup>st</sup> MARCH 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Financial assets at amortised cost:</b>				
<b>Total Financial Assets at Cost (A)</b>	-	-	-	-
<b>Non-current financial assets</b>				
Loans	700.00	700.00	-	-
Other Financial Assets	211.85	211.85	204.35	204.35
<b>Current financial assets</b>				
Trade receivables	3,941.00	3,941.00	4,383.87	4,383.87
Cash and cash equivalents	2,976.48	2,976.48	7,020.57	7,020.57
Other bank balances	66.90	66.90	129.64	129.64
Loans	3,837.85	3,837.85	3,069.52	3,069.52
Other Financial Assets	242.59	242.59	196.15	196.15
<b>Total Financial Assets at Amortized Cost (B)</b>	<b>11,976.67</b>	<b>11,976.67</b>	<b>15,004.09</b>	<b>15,004.09</b>
<b>Financial assets Measured at fair value through other comprehensive income</b>				
<b>Non - current Investments</b>				
Investments in quoted equity instruments at FVTOCI	54,401.71	54,401.71	17,496.49	17,496.49
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>54,401.71</b>	<b>54,401.71</b>	<b>17,496.49</b>	<b>17,496.49</b>
<b>Financial assets measured at fair value through profit and loss</b>				
<b>Non Current Investments</b>				
Investments in unquoted instruments at FVTPL	244.59	244.59	335.71	335.71
Investment in Bonds	52.65	52.65	52.10	52.10
<b>Current Investments</b>				
Investments in quoted instruments (Mutual Funds) at FVTPL	431.80	431.80	1,513.72	1,513.72
<b>Total financial assets at fair value through profit and loss (D)</b>	<b>729.04</b>	<b>729.04</b>	<b>1,901.53</b>	<b>1,901.53</b>
<b>Total financial assets (A+B+C+D)</b>	<b>67,107.42</b>	<b>67,107.42</b>	<b>34,402.11</b>	<b>34,402.11</b>



Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

PARTICULARS	AS AT 31 <sup>st</sup> MARCH 2022		AS AT 31 <sup>st</sup> MARCH 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Financial liabilities held at amortised cost:</b>				
<b>Non - Current financial liabilities</b>				
Borrowings	4,154.81	4,154.81	3,475.55	3,475.55
Lease liabilities	463.91	463.91	107.79	107.79
Other Financial liabilities	66.12	66.12	19.52	19.52
<b>Current financial liabilities</b>				
Borrowings	600.29	600.29	95.00	95.00
Lease Liabilities	120.01	120.01	151.74	151.74
Trade payables	3,972.34	3,972.34	3,614.50	3,614.50
Other financial liabilities	991.01	991.01	1,163.62	1,163.62
<b>Total financial liabilities carried at amortised cost</b>	<b>10,368.49</b>	<b>10,368.49</b>	<b>8,627.72</b>	<b>8,627.72</b>

**C Fair Value Hierarchy****Level wise disclosure of Financial Instruments**

The financial instruments are categorised into Three levels based on the inputs used to arrive at fair value measurements as described below:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using the valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

₹ in Lakhs

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2022	31.03.2021		
Investments in quoted equity instruments at FVTOCI	54,401.71	17,496.49	Level 1	Quoted bid price in an active market (*)
Investment in Bonds	52.65	52.10	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	244.59	335.71	Level 2	Fair valuation based on Market Observable inputs
Investments in quoted instruments (Mutual Funds) at FVTPL	431.80	1,513.72	Level 1	Measured at Quoted price or NAV.
Borrowings at Amortized Cost	4,755.10	3,570.55	Level 2	Amortized Cost

There were no changes in the fair value hierarchy Levels in the above periods.

(\*) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****46.1 Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

**Risk management framework**

The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

**A. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investment in debt securities. The Group establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

**Ageing of Trade receivables**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Not due	2,965.73	4,048.17
0-3 months	897.40	297.63
3-6 months	22.45	24.88
6 months to 12 months	26.23	11.68
beyond 12 months	31.32	4.44
Allowance for doubtful trade receivables (Expected credit loss allowance)	(2.17)	(2.93)
<b>Total</b>	<b>3,940.96</b>	<b>4,383.87</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Opening provision	2.93	6.29
Add: Additional provision made	(0.76)	(3.36)
<b>Closing provision</b>	<b>2.17</b>	<b>2.93</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee).

### Investment in debt securities

The Group makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Group also makes investments in Debt Mutual funds.

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
No of Customers who owed more than 10% of the Total receivables	-	2
Contribution of Customers in owing more than 10% of Total receivables	-	53.00%

### Cash and cash equivalents

The Group held cash and cash equivalents of ₹2976.48 Lakhs (₹7020.57 Lakhs as at 31<sup>st</sup> March 2021) as at 31<sup>st</sup> March, 2022. The cash and cash equivalents are held with banks.

### Derivatives

The derivative contracts are entered into with scheduled banks and financial institutions which have good credit ratings.

### B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring forecast and actual cash flows, maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

### Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	600.29	4,154.81	95.00	3,475.55
Lease Liabilities	120.01	463.91	151.74	107.79
Trade and other payables	3,972.34	-	3,614.50	-
Other financial liabilities	991.01	-	1,163.62	-
<b>Total non-derivative financial liabilities</b>	<b>5,683.65</b>	<b>4,618.72</b>	5,024.86	3,583.34

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022****C. Market risk**

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Such changes in values of financial instruments may result from changes in foreign currency exchange rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**(a) Foreign Currency Exchange Rate Risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The following table analyses foreign currency risk from financial instruments as of 31st March 2022 :

Particulars	In Lakhs			
	USD	EURO	GBP	SGD
<b>Accounts Receivable</b>				
As at 31 March 2022	<b>10.88</b>	<b>0.01</b>	<b>0.03</b>	<b>0.20</b>
As at 31 March 2021	8.04	0.12	0.02	0.05
<b>Accounts Payable</b>				
As at 31 March 2022	<b>11.49</b>	-	-	-
As at 31 March 2021	8.75	-	-	-
<b>Cash &amp; Cash Equivalents</b>				
As at 31 March 2022	<b>6.76</b>	-	-	-
As at 31 March 2021	6.16	-	-	-

**Foreign currency sensitivity analysis**

The Group is mainly exposed to the currencies : USD and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	In Lakhs			Average Exchange rate		
	USD	EURO	GBP	INR/USD	INR/EURO	INR/GBP
<b>Export Transactions</b>						
As at 31 March 2022	<b>161.57</b>	<b>1.26</b>	<b>0.46</b>	<b>73.70</b>	<b>86.31</b>	<b>100.90</b>
As at 31 March 2021	106.88	0.68	0.38	73.76	85.58	97.50
<b>Import Transactions</b>						
As at 31 March 2022	<b>200.53</b>	<b>2.78</b>	-	<b>74.08</b>	<b>89.06</b>	-
As at 31 March 2021	61.20	0.77	-	74.33	87.45	-

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## Impact on profit or loss and total equity

In Lakhs

Particulars	USD impact		EURO impact		GBP impact	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	Increase in exchange rate by 5%	<b>(147.34)</b>	166.72	<b>(6.93)</b>	(0.49)	<b>2.31</b>
Decrease in exchange rate by 5%	<b>147.34</b>	(166.72)	<b>6.93</b>	0.49	<b>(2.31)</b>	(1.82)

## Forward foreign exchange contracts

The Group has entered into Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Group.

In Lakhs

Outstanding contracts	As at	Foreign currency	Carrying amount
<b>Derivative instruments</b>			
Accounts Receivables (USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-
Other Receivables (USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-
Accounts Payables(USD)	<b>31<sup>st</sup> March 2022</b>	-	-
	31 <sup>st</sup> March 2021	-	-

## D. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk. The Group makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Group also makes investments in Debt Mutual funds.

## Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

In Lakhs

Particulars	March 31 <sup>st</sup> 2022	March 31 <sup>st</sup> 2021
<b>Fixed-rate instruments</b>		
Financial Assets/Liabilities - measured at amortised cost		
a) Investment in Bonds	<b>52.65</b>	52.10
b) Borrowings	<b>4,755.10</b>	3,570.55

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 202247. Segment wise Revenue, Results and Capital Employed for the year ended 31<sup>st</sup> March, 2022 ₹ in Lakhs

Sl. No.	Particulars	Year ended 31-03-2022	Year ended 31-03-2021
<b>1</b>	<b>SEGMENT REVENUE</b>		
a	Laundry & Allied Products	45,592.45	27,736.22
b	IT Enabled Services	3,407.76	3,042.93
c	Windmill	320.39	300.99
	<b>TOTAL</b>	<b>49,320.60</b>	<b>31,080.14</b>
	Less : Inter-Segment Revenue	279.26	260.67
	<b>SALES/INCOME FROM OPERATIONS</b>	<b>49,041.34</b>	<b>30,819.47</b>
<b>2</b>	<b>SEGMENT RESULTS</b>		
a	Laundry & Allied Products	6,546.51	6,357.79
b	IT-Enabled Services	1,057.00	927.98
c	Windmill	160.41	192.96
	<b>TOTAL</b>	<b>7,763.92</b>	<b>7,478.73</b>
	Add / (Less): Interest and Finance Charges	(295.68)	(107.69)
	Add / (Less): Unallocated Expenditure (Net-off)	292.69	124.26
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>7,760.93</b>	<b>7,495.30</b>
<b>3</b>	<b>SEGMENT ASSETS</b>		
a	Laundry & Allied Products	29,574.66	24,780.89
b	IT-Enabled Services	1,680.64	1,109.26
c	Windmill	1,315.49	863.61
d	Unallocated / Corporate*	66,940.46	29,306.39
		<b>99,511.25</b>	<b>56,060.15</b>
<b>4</b>	<b>Segment Liabilities</b>		
a	Laundry & Allied Products	9,872.54	8,384.81
b	IT Enabled Services	933.35	470.08
c	Windmill	14.99	1.16
d	Unallocated / Corporate *	2,737.38	1,096.97
		<b>13,558.26</b>	<b>9,953.02</b>
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>85,952.99</b>	<b>46,107.13</b>

\* including unrealised gain on investments through Other Comprehensive Income (OCI) ₹51,687.82 Lakhs (previous year ₹16,174.95 Lakhs)

## 48. Related party disclosures

## 1 Names of related parties and nature of relationship:

Nature of relationship	Name of related party		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Joint Managing Director	Executive
	Mr. R. Senthil Kumar	Whole-time Director	Executive
	Mr. V. Bharathram	Whole-time Director	Executive
	Mr. Nimish Patel	Director	Non Executive Independent
	Mr. Navin M Ram	Director	Non Executive Independent
	Mr. Rajeev M. Pandia	Director	Non Executive Independent
	Mr. C.R. Chandra Bob	Director	Non Executive Independent
	Mrs. P. Arunasree	Director	Non Executive Independent
	Mr. Harsh R. Gandhi	Director	Non Executive Independent
	Mr. S. Ramanan	Chief Financial Officer	
	Mr. Kishore Kumar Sahoo	Company Secretary	

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Thirumalai Chemicals Limited	
	Lapiz Europe Limited	
	TCL Global B.V	
	TCL Intermediates Pvt. Limited	
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President
	Ms. Vidya Sampath	Vice President - Corporate Social Responsibility (CSR)

## 2 Transactions carried out with related parties referred in 1 above, in ordinary course of business

₹ in Lakhs

Nature of transactions	Related parties	
	2021-22	2020-21
<b>Sales</b>		
Goods, Materials and Services		
Thirumalai Chemicals Limited	3.54	0.73
<b>Purchase</b>		
Goods, Materials and Services		
Thirumalai Chemicals Limited	-	0.36
<b>Remuneration to Key Managerial Personnel</b>		
Mr. V. Bharathram	218.41	164.23
Ms. Tara Parthasarathy	166.70	115.49
Mr. R. Senthilkumar	80.63	70.05
Mr. S. Ramanan	53.56	32.16
Mr. Kishore Kumar Sahoo	20.68	18.32
Sitting fees & commission to Independent & Non-executive Directors	120.81	111.52
<b>Remuneration paid to relatives of Key Managerial Personnel</b>		
Ms. Meera Parthasarathy	96.36	64.43
Ms. Vidya Sampath	64.13	48.77
<b>Rendering of Services to</b>		
Thirumalai Chemicals Limited	12.94	14.49
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	0.16	-
<b>Rent Received</b>		
TCL Intermediates Pvt. Limited	0.28	-
<b>Rent Paid to</b>		
Thirumalai Chemicals Limited	37.78	34.06
Ms. Vidya Sampath	2.23	1.94
<b>Receiving of services from</b>		
Thirumalai Chemicals Limited	1.71	0.15
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	1.40	5.25
Mr. R Sampath	28.80	28.80

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs

Nature of transactions	Related parties	
	2021-22	2020-21
<b>Reimbursement of Expenses</b>		
Lapiz Europe Ltd	-	0.40
TCL Global BV	51.44	64.82
<b>Outstanding payables</b>		
Thirumalai Chemicals Limited	3.93	-
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	0.18	0.08
Ms. Vidya Sampath	0.20	0.17
<b>Directors Remuneration Payables</b>		
Mr. V.Bharathram	80.00	70.00
Ms. Tara Parthasarathy	80.00	70.00
Mr. R. Senthilkumar	20.00	10.00
Non executive Directors commission	83.18	78.72
<b>Outstanding receivables</b>		
Thirumalai Chemicals Limited	0.12	0.01
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	-	0.05
TCL Intermediates Pvt. Limited	0.28	-
<b>Outstanding deposits receivables</b>		
Ms. Vidya Sampath	0.70	0.70
Thirumalai Chemicals Limited	14.00	14.00
<b>Donations paid</b>		
Thirumalai Charity Trust	160.00	110.00

## 49. Leases

(i) The following is the movement in lease liabilities during the year ended March 31, 2022: ₹ in Lakhs

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Balance at the beginning of the year	259.53	832.65
Lease liabilities recognised on initial application of Ind-AS 116	436.29	427.89
Finance cost accrued during the period	20.27	53.40
Payment of lease liabilities	(124.72)	(190.61)
Gain recognised on reassessment of Lease	-	(27.74)
Gain recognised on termination of Lease	(1.67)	(199.64)
Reversal of Liability on Pre-Closure of Leases	(5.79)	(636.42)
<b>Balance at the end of the year</b>	<b>583.92</b>	<b>259.53</b>
Lease Liability - Current	120.01	151.74
Lease Liability - Non-Current	463.91	107.79

(ii) Interest on lease liabilities is ₹ 20.77 Lakhs (March 31, 2021 ₹ 53.40 Lakhs) for the year ended March 31, 2022.

The total cash outflow for leases is ₹ 124.72 Lakhs ( March 31, 2021 - ₹ 190.61 Lakhs) for the year ended March 31, 2022. The Group has lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.





## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	₹ in Lakhs	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March, 2021
<b>Payable</b>		
Within one year	153.52	118.27
After one year but not more than five years	332.30	163.16
More than five years	229.10	-

### 50. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Particulars	₹ in Lakhs	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>i. Profit attributable to Equity holders of Group</b>		
Profit attributable to equity holders of the Group for basic and diluted earnings per share	5,830.34	5,578.66

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	INR	INR
<b>ii. Weighted average number of ordinary shares</b>		
Number of Issued equity shares at April 1	2,92,00,000	2,92,00,000
Effect of shares issued as	-	-
Nominal value per share	2	2
<b>Weighted average number of shares at March 31 for basic and diluted earnings per shares</b>	<b>2,92,00,000</b>	<b>2,92,00,000</b>
<b>Basic earnings per share</b>	<b>19.97</b>	<b>19.10</b>

51. Effective from 1st April, 2021, the Group has implemented an ERP System. The financial modules and all other modules also have been implemented and the issues identified during implementation have been addressed and all the modules are stabilised and is operating well / satisfactorily as on 31st March, 2022. It is ensured that there were no material issues that require to be modified or changed to the ERP system for relying on the data available in the system in preparation of financial statements for the year ended 31st March, 2022. The Group is in the process of aligning and revisiting to modify the existing Internal Control over financial reporting with the controls and processes established in the new ERP System. There were no material observations or deviations noticed in the ERP System during the year ended 31st March, 2022 which will have an impact on the financial data and the financial information statements prepared are matching with the Books of Accounts maintained.

### 52. Code on Social Securities

The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees including post employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognised post notification of relevant provisions.

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 53. Capital Management

## Net Debt Reconciliation

₹ in Lakhs

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Cash and Cash equivalents	2,976.48	7,020.57
Current Borrowings	600.29	95.00
Non- Current borrowings including Current Maturities	4,154.81	3,475.55
Other Financial Liabilities - Interest Payable	7.10	0.74
	<b>4,762.20</b>	<b>3,571.29</b>
<b>Net debt</b>	<b>1,785.72</b>	<b>(3,449.28)</b>

This section sets out an analysis of net debt and the movements in net debt for the period presented

₹ in Lakhs

Particulars	Other assets	Liabilities from Financing activities		Net Debt
	Cash and Cash equivalents	Non- Current borrowings	Current borrowings	
<b>Net debt as at 31<sup>st</sup> March 2020</b>	<b>1,969.55</b>	<b>2,025.00</b>	<b>-</b>	<b>55.45</b>
Cash flows	5,049.64	1,450.55	95.00	(3,504.09)
Foreign exchange adjustments	1.38	-	-	(1.38)
Interest expenses (Includes Interest capitalized ₹181.99 Lakhs)	-	232.41	-	232.41
Interest paid	-	(231.67)	-	(231.67)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
<b>Net debt as at 31<sup>st</sup> March 2021</b>	<b>7,020.57</b>	<b>3,476.29</b>	<b>95.00</b>	<b>(3,449.28)</b>
Cash flows	(4,041.05)	679.26	505.29	5,225.60
Foreign exchange adjustments	(3.04)	-	-	3.04
Interest expenses (Includes Interest capitalized ₹ 4.07 Lakhs)	-	295.66	-	295.66
Interest paid	-	(289.30)	-	(289.30)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
<b>Net debt as at 31<sup>st</sup> March 2022</b>	<b>2,976.48</b>	<b>4,161.91</b>	<b>600.29</b>	<b>1,785.72</b>


**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022**
**54. Other Statutory Information**

- i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Group have not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediates) with the understanding that the intermediary shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- iv) The Group have not received any fund from any persons or entities including foreign entities (intermediates) with the understanding that the intermediary shall
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- v) The Group does not have any such 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.
- vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.
- viii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) Quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- x) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- xi) The Group does not have any transactions with companies which are struck off except the following:

<b>Name of the struck off company</b>	<b>Nature of transactions with struck off company</b>	<b>Balance outstanding</b>	<b>Relationship with the struck off company, if any, to be disclosed</b>
COLORTEK INDIA LTD	Sale of Goods	NIL	Customer
HEMLATA INVESTMENT PRIVATE LIMITED	Shares held by struck off company	₹ 0.01 Lakhs (726 Shares)	Shareholder
KAVERI IMPEX PRIVATE LIMITED	Shares held by struck off company	₹ 0.08 Lakhs (4000 Shares)	Shareholder
VAISHAK SHARES LIMITED	Shares held by struck off company	₹ 0.00 Lakhs ( 5 Shares)	Shareholder

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

## 55. Financial information pursuant to Schedule III of Companies Act, 2013:

₹ in Lakhs

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (OCI)	
	As at 31 <sup>st</sup> March 2022		Year Ended 31 <sup>st</sup> March 2022		Year Ended 31 <sup>st</sup> March 2022		Year Ended 31 <sup>st</sup> March 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Holding Company</b>								
Ultramarine & Pigments Limited	97.44%	83,755.09	100.04%	5,834.84	100.00%	35,475.52	100.00%	41,308.11
<b>Indian Subsidiary</b>								
Ultramarine Specialty Chemicals Limited	2.56%	2,197.90	(0.04%)	(2.25)	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>85,952.99</b>	<b>100.00%</b>	<b>5,832.59</b>	<b>100.00%</b>	<b>35,475.52</b>	<b>100.00%</b>	<b>41,308.11</b>

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (OCI)	
	As at 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2021		Year Ended 31 <sup>st</sup> March 2021	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Holding Company</b>								
Ultramarine & Pigments Limited	100.00%	46,106.98	100.00%	5,578.66	28.98%	10,281.12	38.39%	15,859.78
<b>Indian Subsidiary</b>								
Ultramarine Specialty Chemicals Limited	0.00%	0.15	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>46,107.13</b>	<b>100.00%</b>	<b>5,578.66</b>	<b>28.98%</b>	<b>10,281.12</b>	<b>38.39%</b>	<b>15,859.78</b>

56. Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

For **Brahmayya & Co**  
Chartered Accountants  
Firm Regn. No. 000511S

**R.NAGENDRA PRASAD**  
Partner  
Membership No.203377

Place: Chennai  
Date : 24<sup>th</sup> May, 2022

**TARA PARTHASARATHY**  
Joint Managing Director  
DIN :07121058

**R. SENTHIL KUMAR**  
Whole-time Director  
DIN : 07506927

**C.R. CHANDRA BOB**  
Director  
DIN : 07384175

**S. RAMANAN**  
Chief Financial Officer

**V. BHARATHRAM**  
Whole-time Director  
DIN : 08444583

**KISHORE KUMAR SAHOO**  
Company Secretary



## The Akshaya Vidya Trust



### Greetings from Vedavalli Vidyalaya!

We have been challenged by the pandemic since 2020 and this academic year was no exception. In spite of the unreliability, we continued our initiatives to impart knowledge to the students and they have sustained their thirst for learning.

The academic year 2021-22 started with online classes in June. Children and teachers were eager to start physical classes and get back to their regular schedules. They worked with renewed enthusiasm when offline school started in November for all the students. Strict safety norms were followed by all.

Until then, classes and special days were celebrated online. Seminars and Workshops for teachers and students were conducted by many resource persons. Many new programmes were initiated for the children to learn and enjoy. A number of community programmes were organized by the school: Vaccination drive, Mobile Library (books for children in the community to read) and community programmes by students. Our Class 11 students started their internships at Thirumalai Chemicals, Ultramarine & Pigments, Thirumalai Mission Hospital, Snap Alginate and Bob Associates.

We hope the upcoming academic year will be constructive and much more interactive, with many programmes held on the school premises.





**Thirumalai Charity Trust (TCT)** was established in 1970 to provide health and education, engaging in the development of poor relief.



To commemorate 50 years of community service, a booklet titled *“Enabling Change since 1970: A Journey with our Community”* was released by Dr J. Radhakrishnan, I.A.S., Principal Secretary, Health & Family Welfare Department, Government of Tamil Nadu.

**TCT’s Community Health Services (CHS)**, operating since 1983, currently covers a population of 1,60,000 in 35,000 families in 315 villages of 50 panchayats in Vellore and Ranipet districts of Tamil Nadu. With this more than 50,000 people have benefitted from promotion, education, detection and screening, referral, treatment, and follow-up activities.

**The Thirumalai Mission Hospital (TMH)**, started in 2010 as a not-for-profit hospital, provides quality Health Care services with care and compassion in multiple departments and has NABH accreditation. TMH offers regular outpatient and inpatient services in various departments. A total of 1055 patients are under our continuous and comprehensive care programme for diabetes and hypertension; 4408 patients are treated for osteoporosis with home supplies. Over 9000 patients have been treated in camps. Eye surgeries were organized for 670 patients.

**TMH Home care services** commenced in 2020. Currently 1886 patients are using the telemedicine facility and 1003 are utilizing our home nursing with respective facilities.



**N.R. Swamy Rehab and Wellness Centre** has treated 45 alcoholics for deaddiction and 160 adolescents were counselled.

**Thirumalai Mission Health and Medical Research Unit**, set up in 2015, is conducting community health and epidemiological research studies.

### COVID Care Initiatives

During the second wave of the pandemic, we chose to become a COVID care facility. We also offered home isolation care for the elderly and the vulnerable. Jointly with the Govt., we helped fully vaccinate 84% of the elderly and 80% between 18-45yrs. We received the best hospital award for COVID care from the district administration.

### Plans

To serve a larger population, TMH plans to have an Outpatient, Lab and Diagnostic imaging centre in Muthukadai. We are working on an expansion of the hospital with 250-bed facility with a built-up space of 100,000 sq.ft. For our future efforts, we invite many more people to join.



Visit [www.tct.community](http://www.tct.community) & [www.thirumalaimissionhospital.org](http://www.thirumalaimissionhospital.org)