

26<sup>th</sup> June, 2023

The Manager – Listing compliance  
BSE Limited,  
P.J. Towers, 25th floor,  
Dalal street, fort,  
Mumbai – 400 001

Dear Sirs,

**Sub: Submission of integrated annual report for the financial year 2022 – 2023**  
**Ref: Reg 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Scrip Code: 506685

The Sixty - Second Annual General Meeting (“AGM”) of the Company will be held on Friday, 21<sup>st</sup> July, 2023 at 3.00 p.m. (IST) at “The Mysore Association Auditorium”, 393, Bhaudaji Road, Matunga C – Rly, Mumbai -400019.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the integrated Annual Report of the Company along with the Notice of AGM for the financial year 2022-2023 which is being sent through electronic mode to the Members.


Pursuant to provisions of Regulation 42 of the SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company shall remain closed during the period from Friday, 15<sup>th</sup> July, 2023 to Friday, 21<sup>st</sup> July, 2023 (Both days inclusive) for the purpose of Dividend and 62<sup>nd</sup> AGM to be held on Friday, 21<sup>st</sup> July, 2023.

The integrated annual report containing the Notice is also uploaded on the Company's website:  
[https://www.ultramarinepigments.net/investors relation/Annual Reports.](https://www.ultramarinepigments.net/investors%20relation/Annual%20Reports)

The Annual return (Form MGT 7) will be uploaded at the website in due Course.

Kindly take on record the same.

Thanking you  
For Ultramarine & Pigments Limited



Kishore Kumar Sahoo  
Company Secretary



ULTRAMARINE &  
PIGMENTS LTD.

62<sup>nd</sup>



ANNUAL  
REPORT

2022–2023

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## **62<sup>nd</sup> Annual General Meeting**

<b>Date &amp; Time</b>	: 21 <sup>st</sup> July, 2023 at 3.00 p.m. (IST)
<b>Dividend declared</b>	: 250% (₹ 5.00 per share)
<b>Book closure</b>	: 15 <sup>th</sup> July, 2023 to 21 <sup>st</sup> July, 2023 (both days inclusive)

Members are requested to bring their copy of annual report with them to the Annual General Meeting.  
A route map to the venue of AGM is appended in page no 156.

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**Board of Directors**

Mr. R. Sampath - Chairman  
Mrs. Indira Sundararajan - Vice Chairperson\*  
Ms. Tara Parthasarathy - Managing Director\*\*  
Mr. V. Bharathram - Managing Director\*\*  
Mr. R. Senthil Kumar - 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  
Mrs. Hemalatha Mohan ^  
Mr. Belur Krishnamurthy Sethuram ^

**Audit Committee**

Mr. C.R. Chandra Bob, Chairman  
Mr. Nimish U. Patel  
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  
Mr. V. Bharathram<sup>§</sup>

**Stakeholders Relationship Committee**

Mr. Navin M. Ram, Chairman  
Mr. C.R. Chandra Bob  
Mr. V. Bharathram

**Risk Management Committee**

Mr. R. Sampath, Chairman  
Mr. C.R. Chandra Bob  
Mr. Harsh R. Gandhi @  
Ms. Tara Parthasarathy  
Mr. V. Bharathram  
Mr. R. Senthil Kumar  
Mr. S. Ramanan

**Chief Financial Officer**

Mr. S. Ramanan

**Company Secretary**

Mr. Kishore Kumar Sahoo

\* Cessation of Directorship w.e.f 09.05.2023

\*\* Change in designation w.e.f 19.05.2023

# Resigned with effect from 19.05.2023

^ Appointed w.e.f 19.05.2023

§ Inducted w.e.f 28.03.2023

@ Inducted w.e.f 07.02.2023

**Statutory Auditors**

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

**Internal Auditors**

M/s. M. S. Krishnaswamy & Co.,  
Chartered Accountants,  
D-1, II Floor, Hansa Enclave, Second Street,  
Bharathi Nagar, Thiruvannamiyur, Chennai - 600041

**Secretarial Auditors**

M/s. R M Mimani & Associates LLP,  
Company Secretaries,  
No. A- 101, Excellency, Old Raviraj Complex,  
Jessal Park, Bhayander - East, Thane - 401105

**Bankers**

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](mailto:cs@ultramarinepigments.net)  
Website: [www.ultramarinepigments.net](http://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](mailto:Cameo@cameoindia.com), [investor@cameoindia.com](mailto:investor@cameoindia.com)

**General Information**

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

**Factory****Ambattur**

556, Vanagaram Road , Ambattur, Chennai - 600 053, Tamilnadu  
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 - 524 421, Andhra Pradesh  
Tel: +91-8623275400

# Board of Directors



**Mr. R. Sampath**

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**

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**

Ms. Tara Parthasarathy is the 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. Navin Muthu Ram**

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**

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 in 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**

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.





**Mr. V. Bharatham**

Mr. V. Bharatham is the Managing Director of Ultramarine & Pigments Limited. He is a graduate in Computer Science and holds Masters in Business Administration from Bharathiar University.

Mr. Bharatham possesses more than 28 years of experience and he was a 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. R. Senthil Kumar**

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 and Ambattur. He has more than 30 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 from Madurai Kamaraj University.



**Mr. Harsh R Gandhi**

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 20 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning, etc.



**Mr. Nimish U. Patel**

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 30 years experience in the field of Textile and more than 12 years in the field of Electro Plating and Pharma Industries.



**Dr. P. Arunasree**

Dr. P. Arunasree is a Doctorate in Organic Chemistry and Bachelor of Law. She has more than 18 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. Belur Krishnamurthy Sethuram**

Mr. Sethuram is the Managing Director for Celanese India, with responsibilities of charting a profitable growth path for Celanese in India and successful integration of plastics compounding acquisitions. He and his team are committed to catalyzing usage of engineering plastics and specialty chemicals in a wide spectrum of end-use markets, and working with customers to develop innovative solutions in emerging segments like 5G, Advanced Mobility, Medical Devices and Sustainability.

Mr. Sethuram has a B. Tech in Chemical Engineering from IIT Madras, an MS from Clarkson University, USA and MBA from Sasin School of Business, a Kellogg-Wharton program. He is also a Certified CEO Coach from Coaching Foundation of India, a partner at Social Venture Partners and Member of the Celanese Global Diversity and Inclusion council.



**Mrs. Hemalatha Mohan**

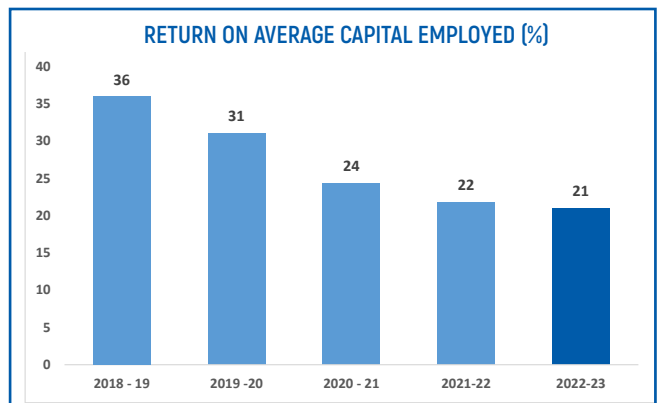
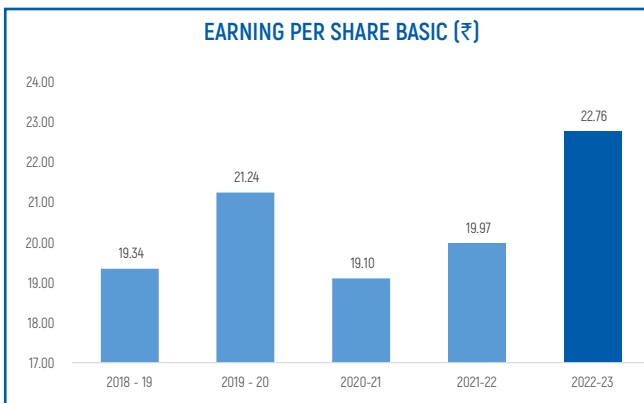
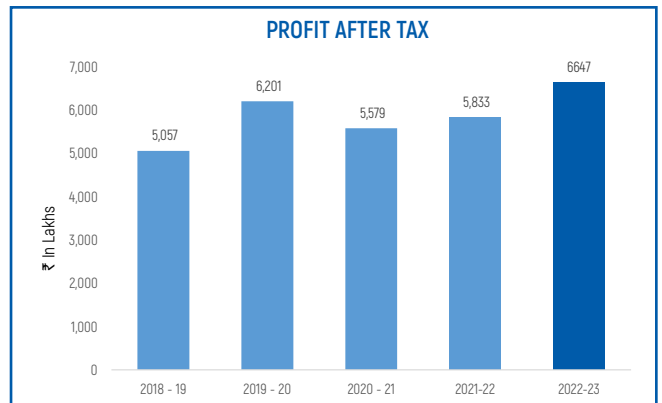
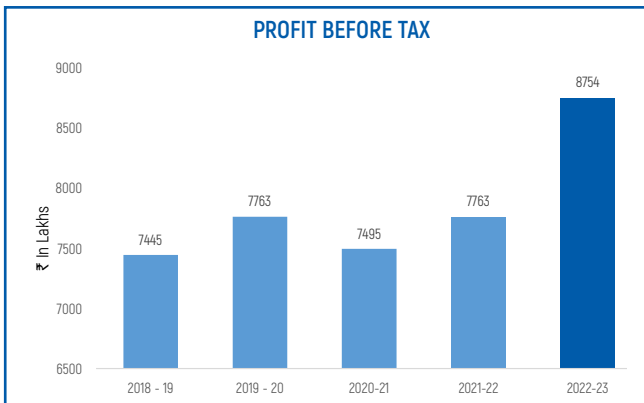
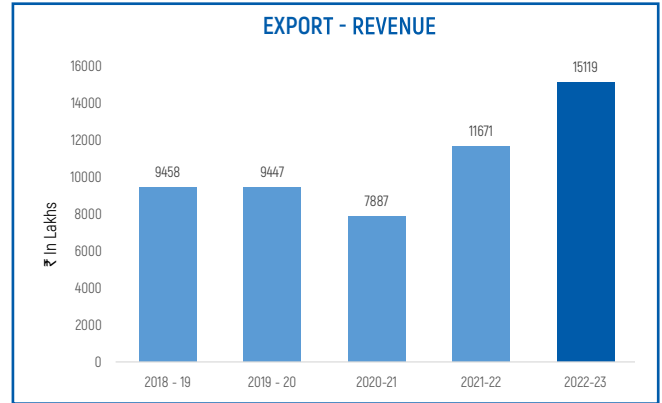
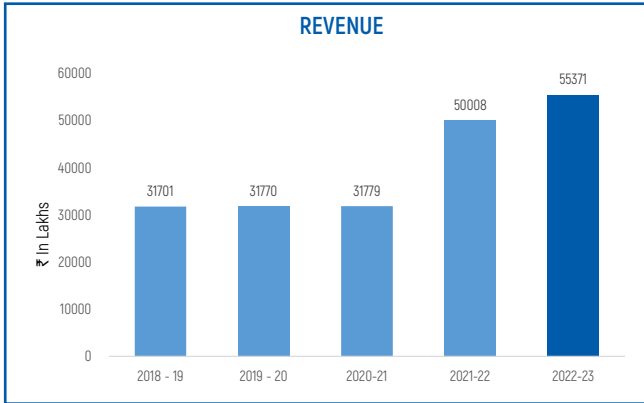
Mrs. Hemalatha Mohan is a Certified Associate of Indian Institute of Bankers [CAIIB] with more than 34 years' experience in the areas of corporate finance, foreign exchange, financing of medium sized units, Debt restructuring of large corporates in terms of Court / BIFR rulings other independent studies, risk management etc. She held the positions as Senior Vice President in ING Vysya Bank Ltd., and Country Head in Bank of India. She is currently conducting training sessions in risk management for several IT companies and MNC Banks.

**FINANCIAL HIGHLIGHTS (STANDALONE)**

Sl.No.	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	72,708	85,372	45,524	29,664	37,905	50,524	30,771	10,869	9,364	8,633
3	Net Worth	73,292	85,956	46,108	30,248	38,489	51,108	31,355	11,453	9,948	9,217
4	Fixed Assets (Net)	17,713	15,720	14,154	12,673	8,110	7,082	6,054	5,454	3,969	4,215
5	Sales/ Other Income*	55,371	50,008	31,779	31,770	31,701	28,607	25,818	22,522	17,389	15,328
6	Profit before Tax **	8,754	7,763	7,495	7,763	8,037	6,342	4,818	3,904	2,752	2,159
7	Current Tax (incl. Fringe Benefit Tax)	(2,069)	(1,796)	(1,818)	(1,882)	(2,517)	(1,907)	(1,312)	(957)	(755)	(755)
8	Deferred Tax	(38)	(134)	(99)	320	128	(71)	(259)	(212)	(122)	36
9	Tax Expenses	(2,107)	(1,930)	(1,917)	(1,562)	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)
10	Net Profit after Tax	6,647	5,833	5,579	6,201	5,648	4,364	3,247	2,735	1,875	1,440
11	Dividend (incl. Dividend Tax)	1,460	1,460	1,460	1,760	1,584	1,494	1,406	1,230	1,054	854
12	Dividend (%)	250	250	250	250	225	212	200	175	150	125
13	Earnings Per share (₹)	22.76	19.97	19.10	21.24	19.34	14.95	11.12	9.37	6.42	4.93

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

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

**FINANCIAL SNAPSHOT**






**NOTICE**

NOTICE is hereby given that the SIXTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held at 'The Mysore Association Auditorium', 393, Bhaudaji Road, Matunga C - Rly., Mumbai - 400019 on the 21st day of July, 2023 at 3.00 p.m. (IST) 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, 2023, together with the reports of the Board of Directors and the Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. R. Senthil Kumar (DIN: 07506927), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

Appointment of Mrs. Indira Sundararajan (DIN. 00092203) as a Non- Executive and Non-Independent Director.

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee and Board of Directors, pursuant to provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and other applicable provisions, if any, as amended from time to time and subject to such approvals, consents, permissions, terms and conditions, if any, as may be considered necessary from the appropriate authorities, consent of the Members be and is hereby accorded to the appointment of Mrs. Indira Sundararajan (DIN. 00092203) as Non-Executive Promoter Director of the Company (who has attained the age 75) as long as she continues in the Office of Director of the Company subject to the provisions, rules and regulations of Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and or any other appropriate authorities, as may be applicable, and as amended from time to time and that Mrs. Indira Sundararajan shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all other activities as may be incidental or expedient in this regard."

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

Appointment of Mrs. Hemalatha Mohan (DIN.07233344) as an Independent Director.

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee and Board of Directors, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Hemalatha Mohan (DIN. 07233344), who has submitted a declaration that she meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 19th May, 2023.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

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

Appointment of Mr. B.K. Sethuram (DIN.03498701) as an Independent Director.

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee and Board of Directors, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. B. K. Sethuram (DIN.03498701), who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 19th May, 2023.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

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

Change in designation of Mr. V. Bharathram (DIN.08444583) Whole-time Director as Managing Director.

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee and Board of Directors, pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the change in designation of Mr. V. Bharathram (DIN.08444583), Whole-time Director as Managing Director of the Company.

RESOLVED FURTHER THAT the other terms and conditions of appointment of Mr. V. Bharathram approved by the Shareholders at the Annual General Meeting held on 29th July, 2019 shall remain unchanged.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

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

Payment of commission to Mr. R. Senthil Kumar, Whole-time Director

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee and Board of Directors, pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the payment of commission to Mr. R. Senthil Kumar (DIN.07506927), Whole -time Director up to 0.5% of the net profit of the Company with effect from 01.04.2023.

Minimum Remuneration

RESOLVED FURTHER THAT notwithstanding anything herein stated above, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. R. Senthil Kumar 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."

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

Ratification of remuneration to cost auditors for the FY 2023-24.

"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), M/s. GSVK & Co (Firm Regn. No.002371), Practicing Cost Accountants, Chennai, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be paid the remuneration at ₹ 25,000/- (exclusive of applicable taxes, travel and out of pocket expenses).

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."

**Regd. Office:**

Thirumalai House, Plot No. 101 -102,  
Road No. 29, SION - East, Mumbai - 400022

Email: [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net)

Website: [www.ultramarinepigments.net](http://www.ultramarinepigments.net)

Date: 19<sup>th</sup> May, 2023

By the Order of the Board  
For **Ultramarine & Pigments Limited**,  
[Kishore Kumar Sahoo]  
Company Secretary

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. The Proxy form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 15th July, 2023 to 21st July, 2023 (both days inclusive) for determining the names of members eligible for dividend, if approved. In respect of shares held in electronic form, the dividend will be paid to those shareholders whose names appear at the close of business hours on 14th day of July, 2023 as beneficial owner as per the list furnished by the Depository Participants for the purpose.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the Financial Year 2014-2015 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.
6. All the persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars & Share Agent of the Company.
8. Details under Reg. 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
9. Electronic copy of the Notice of the 62nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the

- Notice of the 62nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
9. Members may also note that the Notice of the 62nd Annual General Meeting and the Annual Report for 2022-23 will also be available on the Company's website [www.ultramarinepigments.net](http://www.ultramarinepigments.net) on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL <https://www.evotingindia.com> for their download.
  10. 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](http://www.ultramarinepigments.net) and on the website of the Company's Registrar and Transfer Agents, Cameo Corporate Services Ltd at [www.cameoindia.com](http://www.cameoindia.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.
  11. As per the provisions of Section 72 of the Act and SEBI Circular, 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.ultramarinepigments.net](http://www.ultramarinepigments.net). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Registrar and Share Transfer Agent in case the shares are held in physical form.
  12. Members may note that Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020 mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend if declared by the shareholders.
  13. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / Registrar and Share Transfer Agent (if shares held in physical form).
  14. A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
  15. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.
  16. The aforementioned documents (duly completed and signed) are required to be uploaded on RTA's website at [www.cameoindia.com/submission-of-form-15g-15h.html](http://www.cameoindia.com/submission-of-form-15g-15h.html) on or before July 6, 2023 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/ or unsigned forms, declarations and documents will not be considered by the Company.
  17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, bank details along with KYC documents to their DPs in case the shares are held by them in electronic form and "Cameo Corporate Services Limited" if shares held in physical form.
  18. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN allotted for the Company's shares is INE405A01021.
  19. Members / Proxies are requested to bring attendance- Slip along with their copy of Annual Report to the Meeting.
  20. Voting through electronic means.
    - A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the Members to exercise their right to vote at the 62nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.
 

The instructions for shareholders voting electronically are as under:

      - i) The voting period begins on July 17, 2023 at 9.00 am. (IST) and ends on July 20, 2023 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 14, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 20, 2023.
      - ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
      - iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
 

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of

Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

Pursuant to 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	<ol style="list-style-type: none"> <li>Users of 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.</li> <li>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.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. 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 &amp; 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.</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>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.nsd.com">https://eservices.nsd.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 &amp; voting during the meeting.</li> <li>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></li> <li>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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



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

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 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 4 4 30

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

The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com)

Click on "Shareholders" module.

- 1) 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.
- 2) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- 3) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than Individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 Company/ RTA or contact Company / RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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](http://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](mailto: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](mailto: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](mailto:mmimani@csrma.in); [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net) (designated email address of the company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS TO REGISTER EMAIL/MOBILE NO. FOR SHAREHOLDERS WHO HAVE NOT REGISTERED THE SAME WITH THE COMPANY/ DEPOSITORIES.**

- (a) 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.
  - (b) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  - (c) For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
  - (d) If you have any queries or issues regarding 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 toll free no. 1800 22 55 33.
- xvii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- xviii) The Board of directors at its meeting held on May 19, 2023, appointed Mr. Manoj Mimani (Membership No. ACS 17083) failing him Mrs. Ranjana Mimani (Membership No. FCS 6271), Practicing Company Secretaries of M/s. R.M. Mimani & Associates LLP, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
- xix) The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses who is not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xx) 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**

Regulation 17 (1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 states that appointment or continuation of directorship of any person as Non – Executive Director on attaining age 75 requires prior approval of the shareholders by passing special resolution.

Mrs. Indira Sundararajan, Vice Chairperson, the Promoter Non-Executive Director of the Company attained age 75 on 09.05.2023 and her office of directorship ceased on the said date. In compliance with the above mentioned provision, the requisite special resolution is proposed for the appointment of Mrs. Indira Sundararajan as a Director.

Mrs. Sundararajan has been associated with the Company since 2004. She has served the Company as Vice Chairperson and Managing Director for a period of 4 years (year 2015 to 2018) and continued as Non-executive director till 09.05.2023. Having been associated with the Company for such a long period, her continuation will be of immense value especially when the Company is implementing expansion, launching new products etc. Though Mrs. Sundararajan is seventy-five, she is in good physical condition and she is of sound and alert mind. The Board is confident about Mrs. Sundararajan being able to function and discharge her duties in an able and competent manner.

The Board at its meeting held on 19th May, 2023, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the Shareholders, has considered the appointment of Mrs. Indira Sundararajan as a Director.

Save and except Mrs. Indira Sundararajan, being an appointee, Mr. R. Sampath, Chairman and their 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 resolution at item no. 4 as a special resolution for the approval of members.

**Item No. 5**

Mrs. Hemalatha Mohan is a Certified Associate of Indian Institute of Bankers (CAIIB) with more than 34 years' experience in the areas of corporate finance, foreign exchange, financing of medium sized units, Debt restructuring of large corporates in terms of Court / BIFR rulings & other independent studies, risk management etc.

The Board at its meeting held on 19<sup>th</sup> May, 2023, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered appointment of Mrs. Hemalatha Mohan as an Independent Director for a term of five consecutive years with effect from 19.05.2023.

The Company has received declaration from her stating that she meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mrs. Hemalatha Mohan fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the



Company and is independent of the management. A copy of the letter for appointment of Mrs. Hemalatha Mohan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable that the Company avails her services as an Independent Director.

Save and except Mrs. Hemalatha Mohan, being an appointee 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. 5 of the Notice.

The Board of Directors recommends the resolution at item no. 5 as a special resolution for the approval of members.

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

Mr. B.K. Sethuram is a B. Tech in Chemical engineering from IIT Madras, Master of Science from Clarkson University, USA and Masters in Business Administration from Sasin School of Business. He possesses more than two decades of experience in business leadership, developing innovative solutions in emerging segments: 5G, Advanced mobility, medical devices and sustainability. He is the Managing Director of Celanese Chemicals India Private Ltd and Whole-time Director of Next Polymers Limited.

The Board at its meeting held on 19<sup>th</sup> May, 2023, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment of Mr. B.K. Sethuram as an Independent Director for a term of five consecutive years with effect from 19.05.2023.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. B.K. Sethuram fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Mr. B. K. Sethuram as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the service of Mr. B K Sethuram as an Independent Director.

Save and except Mr. B.K. Sethuram, being an appointee 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,

The Board of directors recommends the resolution at Item no. 6 as a special resolution for the approval of members.

#### **Item No. 7**

Mr. V. Bharathram [DIN.08444583], was appointed as Whole-time Director of the Company with effect from 01.08.2019. The appointment was approved by the Shareholders at the AGM held on 29th July, 2019.

During his tenure, the Company has made outstanding progress, weathered many challenges on account of pandemic outbreak and economic slowdown. The Company has successfully implemented a greenfield project at Naidupet, Andhra Pradesh to manufacture sulphonated products and new thrust is given for expansion / growth.

In view of the contribution made by Mr. V. Bharathram towards the growth of the Company, the Board at its meeting held on 19<sup>th</sup> May, 2023, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered to re-designate him as Managing Director of the Company with effect from 19.05.2023.

Other terms and Conditions of his appointment approved by the Shareholders at the Annual General Meeting held on 29<sup>th</sup> July, 2019 shall remain unchanged.

Save and except Mr. V. Bharathram, being an appointee, Mr. R. Sampath and their 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. 7 of the Notice.

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

#### **Item No.8**

Presently, Mr. R. Senthil Kumar, Whole -time Director is remunerated in the following manner:

- i) Basic Salary: ₹ 2,61,800/- per month
- ii) Perquisites: HRA, LTA, Medical allowance, Special allowance etc. as per the rules of the Company.
- iii) Variable Pay: as per the recommendation of Nomination and Remuneration Committee and approval of the Board [₹ 30 Lakhs recommended for the financial year 2022-23]
- iv) In addition to the above, entitled to company's contribution to PF, Superannuation, Gratuity and NPS as per the Rules of the Company and approved by the Shareholders.

The Nomination and Remuneration Committee at its meeting held on 18<sup>th</sup> May 2023, recommended to link the variable pay of Mr. Senthil Kumar based on net Profit of the Company by way of commission in line with other Whole-time Directors.

Commission: up to 0.5% of the net profits of the company (calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013).

The Board at its meeting held on 19<sup>th</sup> May, 2023, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the same.

The aggregate of the remuneration of Mr. Senthil Kumar 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.

The above mentioned change in the terms of remuneration require approval of the Shareholders.

Save and except Mr. R. Senthil Kumar, 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. 8 of the Notice.

The Board of Directors recommends the resolution at item no. 8 as an ordinary resolution for the approval of members.

**Item No. 9**

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;

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

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

**Regd. Office:**

Thirumalai House, Plot No. 101 -102,  
Road No. 29, SION - East, Mumbai - 400022

Email: [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net)

Website: [www.ultramarinepigments.net](http://www.ultramarinepigments.net)

Date: 19<sup>th</sup> May, 2023

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 has to be ratified by the Shareholders of the Company.

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. 9 of the Notice.

The Board of directors recommends the resolution at item no. 9 as an ordinary resolution for the approval of members.

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 sheduled on Friday, the 21<sup>st</sup> July, 2023 as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mrs. Indira Sundararajan	Mr. R. Senthil Kumar	Mr. V. Bharathram
DIN	00092203	07506927	08444583
Date of Birth	09.05.1948	26.05.1967	24.11.1966
Qualification	B. Sc – Tech from University Department of Chemical Technology (Now Institute of Chemical Technology, Mumbai)	Science Graduate, Masters in Business Administration from Madurai Kamaraj University	Graduate degree in Computer Science and Masters in Business Administration from Bharathiar University.
Expertise in specific functional areas	More than 30 years of experience in Business and Trade	More than 30 years of experience in various areas viz, manufacturing, sales, marketing and plant operations.	More than 28 years of experience in marketing, broad basing of network, risk assessment of business enterprises etc.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil	Nil	1. Ultramarine Specialty Chemicals Ltd 2. Ultramarine Fine Chemicals Ltd
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil	Nil	Nil
No. of shares held in the Company	10,71,855 equity shares	472 equity shares	41,050 equity shares
Relationship between Director <i>interse</i>	Sister to Mr. R Sampath, Chairman	Nil	Son-in-law to Mr. R Sampath, Chairman

Note: \*Mr. R. Senthil Kumar, retires by rotation and being eligible, offers himself for re-appointment.

Name of the Director	Mrs. Hemalatha Mohan	Mr. B.K. Sethuram
DIN	07233344	03498701
Date of Birth	28.08.1952	02.04.1962
Qualification	Certified Associate of Indian Institute of Bankers (CAIIB), Masters in Business Administration from All India Management Association.	B. Tech in Chemical engineering from IIT Madras, Masters in Science from Clarkson University, USA, Masters of Business administrative from Sasin School of Business.
Expertise in specific functional areas	Corporate finance, foreign exchange, financing of medium sized units, Debt restructuring of large corporates in terms of Court / BIFR rulings & other independent studies, risk management. Possesses more than 3 decades of experience.	Business leadership, developing innovative solutions in emerging segments: 5G, Advanced mobility, medical devices and sustainability. Possesses more than 2 decades of experience.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil	Next Polymers Limited, Whole-time Director.
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil	Nil
No. of shares held in the Company	Nil	Nil
Relationship between Director <i>interse</i>	Nil	Nil

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

To

Dear Members,

Your Directors have the pleasure of presenting the 62<sup>nd</sup> Annual Report and the audited financial statement of the Company for the financial year ended March 31, 2023. The Management Discussion and Analysis is covered in this report.

### Standalone Financial Results – Summary

₹ Lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from operations (net of tax)	54,141	49,102
Profit before tax	8,754	7,763
Tax Expenses (Including Deferred Tax)	2,107	1,930
Profit after Tax	6,647	5,833

### Consolidated Financial Results – Summary

₹ Lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from operations (net of tax)	55,661	49,041
Profit before tax	9,091	7,761
Tax Expenses (Including Deferred Tax)	2,171	1,931
Profit after Tax	6,920	5,830

### 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, 2023 [previous year ₹ 5.00 per Share of nominal value of ₹ 2.00 per share]. The payment of dividend will absorb a sum of ₹ 1460 Lakhs. The dividend, if approved by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 31<sup>st</sup> July, 2023.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

During the year, the Company witnessed input cost pressures, due to a weakened global market outlook and inflation. Sustained counter measures, operational efficiencies and a balanced business portfolio helped maintain overall margin. The Company continued to focus on consistent capital deployment into new projects, maintained strong cash generation and a robust balance sheet.

### OPERATIONS AND FINANCIAL PERFORMANCE:

The revenue for the year from operations stood at ₹ 541 Crores in 2022-23, registering a growth of 10% as compared to the previous year. This increase is due to improved realisation in the Pigments and Sulphonation divisions. Capacity utilisation of Sulphonation plant at Naidupeta, Andhra Pradesh was impacted partially due to availability of raw material & is expected to improve the same in the coming years.

Both the EBITDA and the net profit improved by 15%, despite sharp increase in energy cost & volatility prevailed in raw materials prices of sulphonation division. The revenue could have been better but for logistical constraints & supply chain issues. Total export revenue for the year was ₹ 151 Crores, as against ₹ 117 Crores in FY22, registering a 29 % 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 21% as compared to the previous year while volumes were down by 5%. Having established a competitive product portfolio, over past few years, through internal development, we were able to meet the demand for performance pigments. This resulted in a better realisation. However, the industry continued to witness a decline in domestic demand in the 3<sup>rd</sup> quarter. Steep increases in input costs, i.e fuel, freight and key raw materials, caused margin pressure.

It achieved a net revenue of ₹ 159 Crores in this financial year compared to ₹131 Crores in the previous financial year, a growth of 21%. Exports were at ₹102 Crores as against ₹ 82 Crores, registering a growth of 26%. The addition of fresh capacity at the new Plant is covered under the Subsidiary Company – Ultramarine Specialty Chemicals Limited.

### Surfactants Division:

There is a nominal increase in revenue from ₹ 326 Crores to ₹ 333 Crores in the sulphonation division. The Ranipet plant achieved full capacity utilisation but the Naidupeta plant witnessed a drop. This is on account of extreme volatility in RM prices, which restricted our ability to pass on the same to customers. The situation improved in the 3<sup>rd</sup> & 4<sup>th</sup> Quarter and the company plans to operate at the Naidupeta plant at better capacity going forward.

Exports from this division clocked ₹ 16 Crores, an increase of 52% over the previous year.

### Wind Power Generation:

The Company owns and operate 6 Wind Turbine Generators at 3 locations in Tamil Nadu, with a capacity of 4.3 MW. All the units generated are consumed at the Ranipet and Ambattur Plants.

Windmills have generated 61.84 lakh units in 2022-23 as against 55.23 lakh units in the previous year. The increase was on account of two new machines becoming fully operational. Captive consumption from the windmills was 49.36 lakh units, an increase of 6.37 lakh units over the previous year.

### ITeS Division:

During the year under review, this division reported an income of ₹ 50 Crores, 47% over the previous year's ₹ 34 Crores. With tight cost control measures, the profit also improved by 47% to ₹ 15 Crores. Both the key verticals, e-publishing & health care, witnessed growth and our focus remains on quality to achieve additional business from the existing clients.

### Earnings per Share (EPS):

Earnings Per Share (EPS) is at ₹ 22.76 as compared to ₹ 19.97 for the previous year. This increase was on account of better performance by Pigments & ITeS divisions.

### Internal Financial Control:

The Company has a dedicated internal audit function which reviews the sustained effectiveness of internal financial control by adopting a systematic approach. The company also has an effective ERP system which is customized to suit specific requirements. The majority of approvals and workflows are routed through the system. With periodic improvement and additions, we have been able to include more workflows in the system this financial year.

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 prevention of data leakage.

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 is 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.

#### 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 up skilling, motivation and well being. In order to encourage a variety of perspectives and skills, the 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. This is also reiterated through monthly meetings with the leadership team and with all heads of department.

In the town halls conducted across the locations, 36 grievances were received and all of them were addressed during the year.

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 employee gender ratio in the manufacturing division at the end of the financial year 2022-23 was 12 % with 55 women and 396 men. In IT&S, the overall ratio was 37 % with 250 women and 417 men.

#### Industrial Relations:

Industrial relations continued to be congenial during the year.

#### Health and safety:

The Company is committed in providing a healthy and safe working environment for the employees, contractors, business associates and visitors on premises and community impacted by its operations.

The Company is compliant with all applicable health and safety, legal requirements. Occupational Health and Safety (OHS) management systems are being implemented and maintained across the locations. The company is also regularly audited on health and safety metrics by large customers.

The Company has a comprehensive Emergency Response Team(ERT) and team members are trained in appropriate emergency response activities in case of any untoward incidents.

#### 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. This is regularly reported to the Risk Management Committee of the board for their feedback and input.

#### New project prospects & outlook

A new plant to manufacture ingredients for food, cosmetics, personal care has been commissioned in Naidupeta. Trial production is underway. The installed capacity of this new plant is 1800 MT.

#### Projects through our Subsidiary:

The Company has successfully commissioned the green field project to manufacture Pigments at Naidupeta, Andhra Pradesh. This plant capacity is 1500 MT and for the 8 months of operation, achieved a capacity utilisation of 70%. This plant is capable of producing more volume of premium pigments and we expect the margins to improve in the coming years.

Projects to add additional capacity of 2250 MT of Pigments are being undertaken in the subsidiary at the same location with a capital outlay of ₹ 80 Crores. We expect some portion of the capacity to come online in FY24.

Project to manufacture complex inorganic pigments has been completed partially and balance will be installed in the current financial year. The total cost of the project is ₹ 37 Crores.

#### Development in R&D

Customer expectations are rapidly changing in recent days with limited product life cycles. R&D is constantly working on improving the product specifications, developing newer applications, enhancing the performance and adding value in all angles. New product ideas are evaluated on an ongoing basis for market viability, profitability and compatible chemistry. There are 6 products are in the pipeline for development and commercialisation in the near future. Some will be commercialised with existing infrastructure.

#### 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, 2023 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 AND KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the composition of the Board and in Key Managerial Personnel. Changes that occurred after the date in review are listed below.

Mrs. Indira Sundararajan (DIN-00092203), Non-Executive and Non-Independent Director ceased to hold the directorship pursuant to attaining of 75 years of age in accordance with Regulation 17(1A) of SEBI Listing Regulations, 2015 with effect from May 09, 2023.

The Nomination and Remuneration Committee recommended her appointment and the Board at its meeting held on May 19, 2023 considered the same subject to the approval of Shareholders at the ensuing Annual General Meeting.

Dr. P Arunasree (DIN-01351504) Independent Director has tendered her resignation from the closing hours of May 19, 2023 before the expiry of her tenure. However, her tenure comes to an end on March 31, 2024. The company places a deep appreciation for her contribution during her tenure as an Independent Director.

Mrs. Hemalatha Mohan (DIN-07233344) and Mr. B.K Sethuram (DIN-03498701) were appointed as additional Independent Directors at the meeting of Board of Directors held on May 19, 2023, based on the recommendation of Nomination and Remuneration Committee, and subject to the approval of Shareholders at the ensuing Annual General Meeting.

#### **Change in designation:**

Ms. Tara Parthasarathy (DIN-07121058), Joint Managing Director, was re-designated as Managing Director at the meeting of Board of directors held on May 19, 2023 based on the recommendation of Nomination and Remuneration Committee.

At the same meeting of the Board of Directors held on May 19, 2023 on the recommendation of the Nomination and Remuneration Committee, Mr. V Bharathram (DIN-08444583), Whole-time director was re-designated as Managing Director of the Company subject to the approval of Shareholders at the ensuing Annual General Meeting.

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

In accordance with Section 152 of Companies Act, 2013, Mr. R Senthil Kumar (DIN-07506927), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

#### **Declaration by Independent Directors**

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

#### **BOARD AND COMMITTEE MEETINGS**

During the year under review, five Board meetings and four Audit Committee meetings were held. The intervening gap between two Board meetings and two Audit Committee meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 'LODR', 2015. Meetings of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, and Corporate Social Responsibility Committee were duly held in compliance with provisions under Companies Act, 2013, and SEBI LODR. The details of these meetings are given in the Corporate Governance Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 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 Executive Directors. The parameters considered were leadership ability, adherence to best corporate governance practices, stakeholder engagement 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 of 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 the summary report and a discussion was held at the Independent Directors meeting held on February 06, 2023 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 - I 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 and 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 SEBI LODR. 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.



### 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 2022-23.

No. of complaints received:	Nil
No. of complaints disposed:	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, 2023 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, 2023 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.

### Details of Subsidiaries

The Company has two wholly owned subsidiaries:

**Ultramarine Specialty Chemicals Limited:** Operational details of this Subsidiary is available in the Management Discussion and Analysis.

**Ultramarine Fine Chemicals Limited:** This Subsidiary was incorporated during the financial year 2022 -23 and yet to commence its operation.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans and investments are provided in the financial statements (Please refer Note 7, 8 & 12 in the financial statement).

### RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were on an arm's length basis and were 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 transactions which were foreseen and 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, 2023

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a 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, 2023 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2015-16	Interim	3.50	11,86,468	02/06/2023
2	2016-17	Final	4.00	13,27,076	22/10/2024
3	2017-18	Final	4.25	5,78,718	12/09/2025
4	2018-19	Final	4.50	6,14,020	07/09/2026
5	2019-20	Interim	5.00	8,53,125	05/05/2027
6	2020-21	Final	5.00	4,56,609	21/08/2028
7	2021-22	Final	5.00	6,80,255	04/09/2029

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

### 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: 13,699 shares



**DETAILS RELATING TO DEMATERIALISED 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 to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares
6	28,800	Nil	Nil	Nil	6	28,800

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

**DEPOSITS**

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2022-23.

**STATUTORY AUDITORS**

Pursuant to 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 the meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2024.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

**COST AUDITORS**

Your Company falls under the applicability of maintenance of cost records and their audit. Pursuant to Section 148 of Companies Act, 2013 and Companies (cost records and audit) Rules, 2014 M/s. GSVK & Co., Cost Accountants (Firm Regn. No. 002371) has been appointed as Cost auditor for the financial year 2022-23.

**INTERNAL AUDITORS**

The Internal Auditors M/s. M.S. Krishnaswamy & Co., Chartered Accountants 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) Rule, 2014, the Company 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 - II to this report. There has been no qualifications, reservations, adverse remark or disclaimer given by the Auditor in their report.

**WEB LINK OF ANNUAL RETURN**

Pursuant to Section 92 (1) and Rule 11(1) of the Companies (Management and Administration) rules, 2014, Annual Return (Form MGT-7) for the year ended March 31, 2023, will be placed on the website of the Company at [www.ultramarinepigments.net](http://www.ultramarinepigments.net) / investors / investors information.

**SECRETARIAL STANDARDS**

Your 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 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure - III to this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS 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 - IV 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 - V to this report.

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

In accordance with 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 shall include a Business Responsibility and Sustainability Report.

The Company has presented the said report for the financial year 2022-23 and is available on the website of the Company at [www.ultramarinepigments.net](http://www.ultramarinepigments.net) / investors / investors information.

**ACKNOWLEDGEMENT**

Your Directors thank the Central and 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**

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

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

Place: Chennai  
Date: May 19, 2023

**SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

₹ in lakhs

Company	Currency	Conversion rate	Capital	Reserve	Total Liability	Investment	Turnover	PBT	PAT	Proposed Dividend
Ultramarine Specialty Chemicals Ltd	₹	---	3,325	298	11,337	---	1,619	365	301	---
Ultramarine Fine Chemicals Ltd	₹	---	1	---	---	---	---	---	---	---

**ANNEXURES TO DIRECTOR'S REPORT**
**ANNEXURE-I**
**Nomination and Remuneration Policy**

The Key Objectives of the Committee and the Policy is:

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

The detailed policy can be viewed on the website of the Company viz., <https://www.ultramarinepigments.net/company-policies/>

**Form No. MR.3****Secretarial Audit Report for the financial year ended on March 31, 2023**

[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 & 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, 2023 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, 2023 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 thereunder
  - (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 and Listing of Non-Convertible Securities) Regulations, 2021
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

**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.

- *The Company has paid the remuneration to Executives Directors during the financial year with the increments, as authorized by virtue of the Shareholders approval dated 29.07.2019, for which subsequent approval of the Nomination & Remuneration Committee and Board was obtained on May 18, 2023 and May 19, 2023 respectively, as stated in the aforesaid Shareholders approval.*

**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 there were 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)**

FCS No: 6271

CP No: 4234

PR No.: 1065/2021

UDIN: F006271E000336117

Place : Mumbai  
Dated : May 19, 2023

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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.

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## ANNEXURES TO DIRECTOR'S 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;

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. 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;

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. 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;

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. It is conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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: F006271E000336117

Place : Mumbai  
Dated : May 19, 2023

**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 ended March 31, 2023

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1.	Tara Parthasarathy	Managing Director	45 times
2.	V. Bharathram	Managing Director	56 times
3.	R. Senthil Kumar	Whole-time Director	22 times

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year ended March 31, 2023.

Sl. No.	Name of the Director	Designation	Percentage increase in remuneration
1.	Tara Parthasarathy	Managing Director	21 %
2.	V. Bharathram	Managing Director	16 %
3.	R. Senthil Kumar	Whole-time Director	26 %
4.	S. Ramanan	Chief Financial Officer	–
5.	Kishore Kumar Sahoo	Company Secretary	11 %

- iii) The percentage increase in the median remuneration of Employees in the financial year is 3 %.
- iv) The Company has 462 permanent employees on the rolls as on March 31, 2023.
- v) The Company has not made any public issue of shares.
- vi) 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.
- vii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.
- viii) Details under Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 will be provided upon request. Any member interested in obtaining such information may address to email: [cs@ultramarinepigments.net](mailto:cs@ultramarinepigments.net).

**ANNEXURES TO DIRECTOR'S REPORT**
**ANNEXURE- IV**
**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 ended 31.03.2023	Year ended 31.03.2022
<b>1. ELECTRICITY</b>			
a) Purchased Units	KWH	89,73,219	99,77,687
Total amount paid	₹	8,02,90,160	7,84,30,809
Rate/ Unit	₹	8.95	7.86
b) Own Generation			
Through Windmill	KWH	18,84,480	42,41,021
Through Solar	KWH	1,34,576	1,33,161
Electricity units generated	KWH	1,68,854	1,27,820
Diesel consumption	in Litres	51,546	38,619
Diesel cost	₹	48,79,127	34,75,649
Unit / Litre of Diesel Oil	₹	3.28	3.31
Fuel Cost per KWH	₹	28.90	27.19
<b>2. COAL AND COKE</b>			
Coal & Coke & Pet Coke	₹	57,635	10,03,742
Coal & Coke & Pet Coke	Tons	4	45
Average rate / Ton	₹/Ton	14,043	22,256
<b>3. FURNACE OIL/ DIESEL / SKO ETC</b>			
Furnace Oil / Diesel / SKO Etc.	₹	72,74,103	55,89,625
Total amount	KL	74,612	62,325
Rate / KL	₹/KL	97	90
<b>4. LPG</b>			
Liquefied Petroleum Gas - Value	₹	16,46,04,648	10,86,16,924
Liquefied Petroleum Gas - KGS	KGS	18,44,829	12,83,761
Average rate per KGS	₹/KGS	89	85
<b>5. LNG</b>			
Liquefied Natural Gas -value	₹	5,20,60,767	7,08,70,379
Liquefied Natural Gas- MT	MT	424	954
Average rate per MT	₹/MT	1,22,713	74,252
<b>6. Natural Gas</b>			
Natural Gas -value	₹	3,66,24,348	7,08,70,379
Liquefied Natural Gas- MT	MT	597	954
Average rate per MT	₹/MT	61,346	74,252
<b>7. RESEARCH &amp; DEVELOPMENT EXPENDITURE</b>			
i) Capital	₹	30,86,001	57,59,310
ii) Recurring	₹	1,98,95,397	1,41,01,701
iii) Total	₹	2,29,81,398	1,98,61,011
iv) Total R&D Expenditure as a percentage of total turnover	%	0.42	0.40

**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 2022-23	FY 2021-22
Foreign exchange earnings	1,51,18,97,202	1,16,70,75,078
Foreign exchange outgo	83,27,16,478	1,51,95,41,496

On Behalf of the Board  
For Ultramarine & Pigments Limited

Tara Parthasarathy  
Managing Director  
[DIN: 07121058]

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

Place: Chennai  
Date: May 19, 2023



**Annual Report on Corporate Social Responsibility (CSR) activities for financial year ended March 31, 2023**
**Corporate Social Responsibility (CSR) Philosophy:**

Giving back to the community is 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.

**1. Composition of CSR Committee:**

Sl No.	Name of Directors	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. V Bharathram**	Member Managing Director	NA	NA
4.	Mr. Navin M. Ram	Member Non -Executive Independent	1	1

\* Ceased to be a member of the Committee w.e.f March 28, 2023

\*\*Inducted as a member of the committee w.e.f March 28, 2023

**2. 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)

**3. 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

**4. 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:**

Not applicable

**5. Average net profit of the Company as per Section 135(5): ₹ 7,417 lakhs**

a. Two percent of average net profit of the Company as per Section 135(5)	₹ 148.33 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	---
d. Total CSR obligation for the financial year ( 6a+6b-6c)	₹ 148.33 lakhs

**6. (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
1,86,43,982	Nil	Nil	Nil	Nil	Nil

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

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	
S. 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 for the project (in ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing agency	
				State	District			Name	CSR Regn. No.
1.	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i)	Yes	Tamil Nadu	Ranipet	160,00,000	No	Implementing agency – "Thirumalai Charity Trust", Vellore, Tamil Nadu  CSR Registration No. CSR00000287	
2.	Promotion of Education.	Clause (ii)	Yes	Tamil Nadu	Ranipet	6,88,176	Yes	--	
3.	Construction of National Flag post	Clause (v)	Yes	Tamil Nadu	Ranipet	5,82,240	Yes	---	
4.	Health and sanitation	Clause (i)	Yes	Tamil Nadu	Vellore	4,29,600	Yes	---	
5.	Promotion of education	Clause (ii)	Yes	Tamil Nadu	Coimbatore	4,00,000	No	Bhuvana Foundation	
6.	Promotion of education	Clause (ii)	Yes	Tamil Nadu	Ambattur	2,10,500	No	Jayam Special School	
7.	Health and sanitation	Clause (i)	Yes	Tamil Nadu	Vellore	2,00,000	No	South Central India Network for Development Alternatives CSR Registration No. CSR00004582	
8.	International chess Olympiad	Clause (vii)	Yes	Tamil Nadu	Chennai	75,000	No	Government of Tamil Nadu	
9.	Health care	Clause (i)	Yes	Tamil Nadu	Ranipet	48,466	Yes	Government of Tamil Nadu	
10.	DPHICON – 2022, Health care programme	Clause (i)	Yes	Tamil Nadu	Ranipet	10,000	No	Government of Tamil Nadu	
<b>Total</b>						<b>1,86,43,982</b>			

(d) Amount spent in Administrative Overheads : ₹ 64,300

(e) Amount spent on Impact Assessment : Not Applicable

(f) Total amount spent for financial year : ₹ 1,86,43,982

**(g) Excess amount for set off, if any**

Sl No.	Particulars	Amount (in ₹ lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	148.33
(ii)	Total amount spent for the financial year	186.44
(iii)	Excess amount spent for the financial year [(ii - i)]	38.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii - iv)]	38.11

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

Sl 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**

1	2	3	4	5	6	7	8	9
Sl 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								

**8. 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.	Name of trust/organization for which capital asset has been acquired	Description of capital asset	Amount (₹)
1.	Thirumalai Charity Trust	Air conditioner for CT room	8,47,078
		Air conditioner for OT centre	75,000
		Deep Freezer-Lab	1,55,052
		Furniture & Fittings	10,000
		Instrument Trolley	50,150
		Ultra scanner system	18,880
		CT Room equipment	75,242
	<b>Total</b>		<b>12,31,402</b>

On Behalf of the Board  
For Ultramarine & Pigments Limited

Place: Chennai  
Date: May 19, 2023

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

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

## 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 31.03.2023 and the relevant details:

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

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

Name of Directors	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	3	<b>Listed</b> 1. Thirumalai Chemicals Limited	Non –Executive	2	--
		<b>Others</b> 1. Ultramarine Specialty Chemicals Limited 2. Ultramarine Fine Chemicals Limited	Non –Executive Non - Executive	--	--
Indira Sundararajan	--	--	--	--	--
Tara Parthasarathy	3	<b>Listed</b> --	--	--	--
		<b>Others</b> 1. Ultramarine Specialty Chemicals Limited 2. Ultramarine Fine Chemicals Limited 3. N. R. Swamy Investments Private Ltd	Executive Executive Executive	--	--
R. Senthil Kumar	--	--	--	--	--
V. Bharathram	2	<b>Listed</b> --	--	--	--
		<b>Others</b> 1. Ultramarine Specialty Chemicals Limited 2. Ultramarine Fine Chemicals Limited	Executive Executive	--	--
Nimish U Patel	8	<b>Listed</b> 1. Shri Dinesh Mills Limited 2. Transpek Industry Limited	Executive Independent	-- 2	-- --
		<b>Others</b> 1. Dinesh Remedies Limited 2. Parosha Chemicals Private Limited 3. Fernway Technologies Limited 4. Stellent Chemicals Industries Limited 5. Mcgean India Chemicals Private Limited 6. Mcgean Rohco Chemicals India Pvt Ltd	Executive Executive Executive Executive Executive Executive	-- -- -- -- -- --	-- -- -- -- -- --

The Company has an optimum combination of Whole-time and Non-Executive Directors with 6 Independent Directors on the Board. None of the Directors on the Board is a Member on more than of 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 Committee positions occupied by them in other companies.

### Relevant details of Directors:

Sl No.	Name of Directors	Category
1.	Mr. R. Sampath	Chairman, Non-Executive
2.	Mrs. Indira Sundararajan	Vice Chairperson, Non-Executive
3.	Ms. Tara Parthasarathy	Managing Director
4.	Mr. V. Bharathram	Managing Director
5.	Mr. R. Senthil Kumar	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.

Name of Directors	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
Navin M Ram	5	<b>Listed</b> -- <b>Others</b> 1. Pipe Hangers & Supports Private Limited 2. Originwave Techsoft Private Limited 3. Blue Bay Personal Care Private Limited 4. Cauvery Farms and Services Private Limited 5. Ultramarine Specialty Chemicals Ltd	--  Executive Executive Executive Executive Independent	-- -- -- --	-- -- -- --
Rajeev M Pandia	5	<b>Listed</b> 1. GRP Limited 2. The Supreme Industries Limited 3. Excel Industries Limited 4. Thirumalai Chemicals Limited 5. Supreme Petrochem Limited	Independent Independent Independent Independent Independent	1 -- 1 -- 1	1 2 -- -- --
C. R. Chandra Bob	1	<b>Listed</b> -- <b>Others</b> 1. Jasmine Limited	--  Non-Executive	-- --	-- --
P. Arunasree	1	<b>Listed</b> -- <b>Others</b> 1. Gnanlex Hermeneutics Private Limited	--  Executive	-- --	-- --
Harsh R Gandhi	4	<b>Listed</b> 1. GRP Limited <b>Others</b> 1. Alphanso Net secure Private Limited 2. Steel Cast Limited 3. GRP Circular Solutions Ltd	Executive  Executive Executive Executive	2 -- -- --	-- -- -- --

**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 more than	Business operations and Management	Global Business	Strategy and Planning	Governance
Mr. R. Sampath	51	✓	✓	✓	✓
Mrs. Indira Sundararajan	41	✓	✓	✓	✓
Ms. Tara Parthasarathy	15	✓	✓	✓	✓
Mr. V. Bharathram	29	✓	✓	✓	✓
Mr. R. Senthil Kumar	31	✓	✓	✓	✓
Mr. Nimish U Patel	31	✓	✓	✓	✓
Mr. Navin M Ram	28	✓	✓	✓	✓
Mr. Rajeev M. Pandia	47	✓	✓	✓	✓
Mr. C.R. Chandra Bob	31	✓	--	--	✓
Mrs. P. Arunasree	19	--	--	--	✓
Mr. Harsh Gandhi	20	✓	✓	✓	✓

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 2022 - 2023**

Five meetings of the Board of Directors were held on the following dates:  
**24/05/2022, 08/08/2022, 07/11/2022, 07/02/2023 & 28/03/2023.**

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.

**h) Remuneration of Directors**
**Managing Directors, Whole-time Director**

Remuneration paid or payable to Managing Directors, Whole-time Director during the year ended 31-03-2023.

(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, MD	50,16,960	41,00,140	20,97,475	100,00,000	2,12,14,575	2,04,074
2. Mr. V. Bharathram, MD	69,12,000	68,64,900	28,89,748	100,00,000	2,66,66,648	41,050
3. Mr. R. Senthil Kumar, WTD	29,74,400	24,97,883	19,91,880	30,00,000	1,04,64,163	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 year 2022 -2023 is as under:

Name	Amount (Rs)
Mr. R. Sampath	3,60,000
Mrs. Indira Sundararajan	3,20,000
Mr. Nimish Patel	4,00,000
Mr. Navin M Ram	5,20,000
Mr. Rajeev M. Pandia	3,60,000
Mr. C.R. Chandra Bob	4,80,000
Mrs. P. Arunasree	2,40,000
Mr. Harsh R. Gandhi	2,80,000
<b>Total</b>	<b>29,60,000</b>

- Sitting fees paid to the Non-Executive Directors depending on the number of meetings attended by them.

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

Name of Directors	Board Meeting attended					Attendance at AGM held on 25.07.2022
	May 24, 2022	Aug 8, 2022	Nov 7, 2022	Feb 7, 2023	Mar 28, 2023	
Mr. R. Sampath	Leave of absence	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	Leave of absence	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	Leave of absence	✓	✓	✓	✓
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	✓	✓

- Payment of Commission to Non - Executive Directors (within the ceiling 1% of 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 2021 -2022 is as follows:

Name	Commission amount (₹)
Mr. R. Sampath	20,80,250
Mrs. Indira Sundararajan	20,80,250
Mr. Nimish Patel	8,75,895
Mr. Navin M Ram	8,75,895
Mr. Rajeev M. Pandia	5,83,930
Mr. C.R. Chandra Bob	8,75,895
Mrs. P. Arunasree	5,10,939
Mr. Harsh R. Gandhi	4,37,947
<b>Total</b>	<b>83,21,000</b>

### Shareholdings of Directors

Details of shares held by Non-Executive Directors as on 31/03/2023

Name	No. of Shares held
Mr. R. Sampath as a Trustee of Sujata Sampath Family Trust*	12,75,293
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 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:

Composition of Audit Committee as on March 31, 2023 is as below:

Sl 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

The composition of Audit Committee meets with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mrs. Indira Sundararajan ceased to be a member effective from May 09, 2023.

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

**24/05/2022, 08/08/2022, 07/11/2022, and 07/02/2023.**

Chief Financial officer, Statutory auditors, Internal auditors were present at all the meetings..

The Company Secretary acts as Secretary to the Audit Committee.

#### Attendance record of Audit Committee:

Sl No.	Name of Members	24.05.2022	08.08.2022	07/11.2022	07.02.2023
1.	C. R. Chandra Bob	✓	✓	✓	✓
2.	Nimish U. Patel	✓	✓	✓	✓
3.	Indira Sundararajan	✓	Leave of absence	✓	✓
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 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

Composition of the Committee as on March 31, 2023 is as below:

Sl 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, two meetings of the Committee were held on 13/05/2022 and 14/11/2022:

#### Attendance record of Nomination and Remuneration Committee:

Sl No.	Name of Members	13.05.2022	14.11.2022
1.	Rajeev M Pandia	✓	✓
2.	R. Sampath	✓	✓
3.	Navin M. Ram	✓	✓

The Nomination and Remuneration Committee review the Key Result Area (KRA) of Executive Directors. Appointment and payment of remuneration to the Directors and key management personnel are referred to / reviewed 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

Composition of the Committee as on March 31, 2023 is as below:

Sl 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 Stakeholders' 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. 4 complaints were received from Shareholders during 2022-2023 relating to Status of Shares. The same were redressed.

Sl No.	Nature of Complaint	Complaint received on	Complaint resolved on
1.	Dematerialization of shares	26.07.2022	29.08.2022
2.	Non - receipt of shares from IEPF	09.09.2022	09.09.2022
3.	Transmission of Shares	12.09.2022	13.09.2022
4.	Transmission of Shares	23.03.2023	25.03.2023

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

The process of share transfer/ transmission / transposition is delegated to a Registrar and Share Transfer Agent and is done once a fortnight (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 23/05/2022.

#### Attendance record of Stakeholders Relationship Committee

Sl No.	Name of Members	23.05.2022
1.	Mr. Navin M. Ram	✓
2.	Mrs. Indira Sundararajan	✓
3.	Mr. C.R. Chandra Bob	✓

#### Corporate Social Responsibility (CSR) Committee:

Composition of the Committee as on March 31, 2023 is as below:

Sl 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
4.	Mr. V. Bharathram **	Executive	Member

\* Ceased to be a member with effect from 28.03.2023

\*\* Inducted as a member with effect from 28.03.2023

The CSR Committee monitors the CSR activities, and recommends the amount to be contributed for the purpose of CSR. CSR activity report and statement of accounts have been placed before the Committee for review.

During the year, one meeting of the Committee was held on 23/05/2022.

#### Attendance record of Corporate Social Responsibility Committee:

Sl No.	Name of Members	23.05.2022
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, compliance risk etc. and the mitigation plan relating thereto.

Composition of the Committee as on March 31, 2023 is as below:

Sl No.	Name	Category	Chairman / Member
1.	Mr. R. Sampath	Non-Executive & Non Independent	Chairman
2.	Ms. Tara Parthasarathy	Executive	Member
3.	Mr. R.Senthil Kumar	Executive	Member
4.	Mr. V. Bharathram	Executive	Member
5.	Mr. C.R. Chandra Bob	Non-Executive Independent	Member
6.	Mr. S. Ramanan	Chief Financial Officer	Member
7.	Mr. Harsh Gandhi*	Non-Executive Independent	Member

\* Inducted with effect from 07.02.2023

During the year, two meetings of the Committee were held on the following dates: 29/10/2022 & 27/03/2023.

#### Attendance record of Risk Management Committee:

Sl No.	Name of Members	29.10.2022	27.03.2023
1.	Mr. R. Sampath	✓	✓
2.	Ms. Tara Parthasarathy	✓	✓
3.	Mr. R.Senthil Kumar	✓	✓
4.	Mr. V. Bharathram	✓	✓
5.	Mr. C.R. Chandra Bob	✓	✓
6.	Mr. S. Ramanan	✓	✓
7.	Mr. Harsh R. Gandhi	NA	✓

#### Business Review Committee:

Sl 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 14/11/2022.

#### Attendance record of Business Review Committee:

Sl No.	Name of Members	14.11.2022
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 under review the Independent Directors met on 6<sup>th</sup> February, 2023, inter alia to discuss and review:

- i) Performance of non – independent directors;
- ii) Performance of the Chairperson 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.

**Familiarization 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 relating to HR practices, safety, R & D activities, Regulatory update on the Product certification, etc.

The details of familiarization program are available at the website of the Company: <https://www.ultramarinepigments.net/familiarization-programme/>.

**Brief details of General Body Meetings:**

The Sixty Second Annual General Meeting of the Company for the financial year 2022- 2023 would be held on **Friday, the 21<sup>st</sup> Day of July, 2023 at 3.00 p.m. (IST) at 'The Mysore Association Auditorium', 393, Bhaudaji Road, Matunga C- Rly, Mumbai – 400019.**

**The last three Annual General Meetings were held as under:**

Financial Year	Date	Time	Location
2021-2022	25/07/2022	4.00 PM	Through Video Conferencing ("VC")
2020-2021	12/07/2021	4.00 PM	Through Video Conferencing ("VC")
2019-2020	22/07/2020	3.00 PM	Through Video Conferencing ("VC")

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

Year	No. of Special resolutions passed
2021-2022	Nil
2020-2021	Nil
2019-2020	Nil

- Special resolution passed last year through postal ballot:  
Nil
- Special resolution is proposed to be conducted through postal ballot:  
Nil

**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 CDSL to provide e-voting facility to all the members.

The facility for e-voting will also be made available at the AGM, and the members who have not already cast their vote by remote e – voting can exercise their vote at the AGM.

**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, 2023. 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/Company\\_policies](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.

**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 whenever required.

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:**

Type of Service	₹ Lakhs	
	FY 2023	FY 2022
Audit Fee	12.50	12.50
Tax Audit Fee	3.00	3.00
GST Audit Fee	-	1.45
Limited review Fee	5.25	5.25
Certification	4.05	4.65
<b>Total</b>	<b>24.80</b>	<b>26.85</b>
<b>Subsidiary Company</b>		
Audit Fee	2.50	1.25
Certification	1.50	0.60
<b>Total</b>	<b>4.00</b>	<b>1.85</b>
<b>Grand Total</b>	<b>28.80</b>	<b>28.70</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 Exchanges 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 this 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/investors/CompanyPolicies](http://www.ultramarinepigments.net/investors/CompanyPolicies).****(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.

The Company has nominated Chief Risk Officer to identify internal and external risks specifically faced by the listed entity, in particular including operational, sectoral, sustainability (particularly, ESG related risks), financial, information, cyber security risks; To suggest measures for risk mitigation including systems and processes for internal control of identified risk.

The Risk Management Committee meetings are held in the regular intervals to review the risk management and mitigation.

**(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. 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**

As per Regulation 43A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend distribution

policy has been displayed on the website of the Company viz., <https://www.ultramarinepigments.net/download/dividend-distribution-policy/>.

**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 profit of the Company.
- The Company is in the regime of un-qualified financial statements.
- 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 Exchanges 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 Companies:**

The Company has two wholly owned subsidiaries company namely, Ultramarine Specialty Chemicals Limited and Ultramarine Fine Chemicals Ltd (both are not material subsidiaries). 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 62 <sup>nd</sup> AGM	Friday, the 21 <sup>st</sup> July, 2023 at 3.00 p.m. (IST) 'The Mysore Association Auditorium', 393, Bhaudaji Road, Matunga C Rly, Mumbai - 400019	13. Mailing of Annual Reports	3 <sup>rd</sup> week of June, 2023
2. Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March	14. Credit rating obtained along with revisions thereto for the FY 2022 -23	Long term rating re-affirmed - [ICRA] A+ Short term rating re-affirmed - [ICRA]A1+ Outlook on long term rating is stable.
3. Date of Book Closure	15 <sup>th</sup> July 2023 to 21 <sup>st</sup> July, 2023 (both the days inclusive)	15. Dividend Payment dates	On or before 31 <sup>st</sup> July, 2023
4. Listing on Stock Exchanges	BSE Ltd.	16. Dematerialisation of Shares	As on 31/03/2023, 98.87% of the Company's shares representing 2,88,69,846 shares were held in the de-materialized form. Shares with NSDL - 2,45,31,170 Shares with CDSL - 43,38,676
5. Listing Fees	Paid as per the listing agreement	17. Plant location	<b>Ambattur</b> No.556, Vanagaram Road, Ambattur, Chennai - 600 053, Tamilnadu. Tel: +91-44 - 26136700 - 26136704 Fax: +91- 44- 26821201  <b>Ranipet</b> 25-B, SIPCOT Industrial Complex, Ranipet - 632 403, Tamil Nadu. Tel: +91- 4172- 664401 / 402 / 403 /404/ 405 Fax: +91- 4172- 664400 E.mail: <a href="mailto:syndet@ultramarinepigments.net">syndet@ultramarinepigments.net</a>  <b>Naidupet</b> 59A, 60 & 61, APIIC Industrial Park Block C, Road No.13, Naidupet - 524 421 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 : <a href="mailto:info@lapizdigital.com">info@lapizdigital.com</a>
6. ISIN No.	INE405A01021	18. Foreign Exchange / Commodity risks	Foreign exchange and commodity risks depends upon the prevailing market condition.
7. BSE Stock Code	506685	Hedge risks	Nil
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 : <a href="mailto:cs@ultramarinepigments.net">cs@ultramarinepigments.net</a>		
9. Registrars 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 : <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>		
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 : <a href="mailto:cs@ultramarinepigments.net">cs@ultramarinepigments.net</a>		
11. Share Transfer System	The Company's shares are traded in the Stock Exchanges compulsorily in de-materialized mode. Shares sent for physical transmission 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, 2023 : By 14 <sup>th</sup> Aug, 2023 September 30, 2023 : By 14 <sup>th</sup> Nov, 2023 December 31, 2023 : By 14 <sup>th</sup> Feb, 2024 March 31, 2024 : By 30 <sup>th</sup> May, 2024		

19.

Categories of Shareholders as on 31.03.2023	No. of Shares	% to the total paid up capital
Promoters / Promoter group	12,373,292	42.37
General Public and HUF	13,901,129	47.61
NRI	1,240,618	4.25
Companies / Bodies Corporate	898,375	3.08
Foreign Portfolio Investor	232,437	0.80
Alternative Investment Fund	200,000	0.68
Investor Education & Protection Fund (IEPF)	194,107	0.66
Directors and relatives	80,526	0.28
Financial Institutions / Banks	39,168	0.13
Escrow account	28,800	0.10
Clearing Member	7,474	0.02
Mutual Fund	4,074	0.01
<b>Total</b>	<b>29,200,000</b>	<b>100.00</b>

Top 10 Shareholders (Excluding Promoter's Shareholding):

Sl No	Name of the Shareholder	No of shares	% of total shares of the company
1	R Sundar Rajan jointly with S Bhooma	3,54,981	1.21
2	R Ramachandran jointly with R Suchitra	3,09,800	1.06
3	Sujatha Sridhar	2,82,000	0.96
4	Gymkhana Partners L.P.	2,06,400	0.71
5	Santulan Investment Trust-Growth Fund	2,00,000	0.68
6	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	1,94,107	0.66
7	Vinod Gnanakan Nehemiah	1,93,160	0.66
8	S Bhooma jointly with S Sriram	1,48,276	0.51
9	Saroja Srinivasan	1,24,650	0.43
10	Tejeshwari Barma	1,15,200	0.39

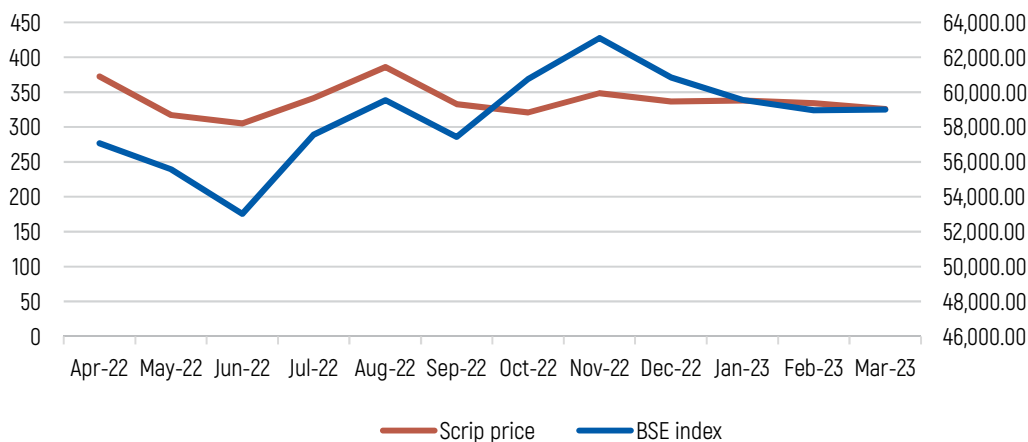
20. Distribution of Shareholding as on 31.03.2023

No. of Shares	No. of Share Holders	% Of Share Holders	No. of Shares	% of Share Holding
Up to 5000	22,548	97.88	7,613,702	26.07
5001-10000	262	1.14	1,967,890	6.74
10001-20000	117	0.51	1,623,461	5.56
20001-30000	39	0.17	1,002,893	3.43
30001-40000	16	0.07	541,745	1.86
40001-50000	7	0.03	310,361	1.06
50001-100000	23	0.10	1,719,328	5.90
Over 100000	24	0.10	14,420,620	49.38
<b>Total</b>	<b>23,036</b>	<b>100.00</b>	<b>29,200,000</b>	<b>100.00</b>

21. Stock Market price data and BSE sensx points for the financial year 2022 - 2023

Month	Market share at BSE Ltd			Sensex Points	
	High	Low	No. of Shares traded	High	Low
April -2022	413.95	317.00	986,127	60845.10	56009.07
May-2022	380.00	302.70	569,825	57184.21	52632.48
June-2022	323.90	290.50	846,566	56432.65	50921.22
July-2022	357.90	296.85	435,056	57619.27	52094.25
August-2022	395.00	336.00	790,799	60411.20	57367.47
September-2022	385.95	325.20	531,614	60676.12	56147.23
October-2022	365.00	316.85	316,585	60786.70	56683.40
November-2022	389.00	318.70	731,842	63303.01	60425.47
December-2022	355.00	319.00	612,975	63583.07	59754.10
January-2023	343.00	317.05	447,481	61343.96	58699.20
February-2023	375.00	320.00	786,373	61682.25	58795.97
March-2023	354.35	320.20	401,887	60498.48	57084.91

### Scrip price vis-a-vis Sensex points



April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023
57060.87	55,566.41	53,018.94	57,570.25	59,537.07	57,426.92	60,746.59	63,099.65	60,840.74	59,549.90	58,962.12	58,991.52
372.45	317	305.1	341.7	385.95	333	320.9	348.5	336.65	338.1	334.1	326

#### 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 prevention of Insider Trading", which contains policies prohibiting Insider Trading, Vigil mechanism. The Company has also promulgated Code of Conduct to be followed by Directors and Management. The same is available on the Company's website.

On Behalf of the Board

For Ultramarine & Pigments Limited

**Tara Parthasarathy**

Managing Director

[DIN: 07121058]

Place: Chennai  
Date: May 19, 2023

#### 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 for the financial year ended March 31, 2023.

On Behalf of the Board

For Ultramarine & Pigments Limited

**Tara Parthasarathy**

Managing Director

[DIN: 07121058]

Place: Chennai  
Date: May 19, 2023

## 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, 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 year ended 31<sup>st</sup> March, 2023 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.

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

Place: Chennai  
Date: May 19, 2023

**Tara Parthasarathy**  
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 & Pigments Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2023, 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 2023.
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 BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
UDIN : 23203377BGVERI9410

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

**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 ended on March 31, 2023 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 Members	Designation	Date of Appointment
00021730	Mr. Rajeew Mahendra Pandia	Director	12/11/2018
00092144	Mr. Rangaswamy Sampath	Director	13/08/1990
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	Mrs. 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 Ramchandar 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: F006271E000335875

Place: Mumbai  
 Dated: May 19, 2023

## INDEPENDENT AUDITOR'S REPORT

To

**The Members of Ultramarine & Pigments Limited**

**Report on the Audit of 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 31st March 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit, other comprehensive income, 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 Act. 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 ("ICAI") 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 made 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 on the Standalone Financial Statements.

### **3 Key Audit Matters**

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

### **4 Other Information**

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 the 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 Management and Board of Directors is responsible for the matters stated in section 134(5) of 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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, the management and Board of Directors are 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 The 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 scepticism throughout the audit. We also:

- a. 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.
- b. 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 Act, 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- d. 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**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 Standalone Financial Statements comprise of the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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 with reference to Standalone Financial Statements;
- g) 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, 2023 on its financial position in Note 40 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) 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) 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 19.2(b) to the Standalone Financial Statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.
- h) 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.

**For BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
UDIN : 23203377BGVERG8308

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

**Annexure – 'A' to Independent Auditors' Report**

[Referred to in paragraph 71 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	Andhrapradesh Industrial Infrastructure 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 conditions like construction of space and commencement of production.(Refer Note No4(ii))
PPE	0.25 acres of Land	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.

- (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 31st March, 2023 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 inventory 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 and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification. ;
- (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 information and explanations given to us, the company is regular in submission of quarterly returns with the bank and there are no material discrepancies noticed between the returns filed with the bank and the books of account for the year under review.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties during the year. Further, the Company has not made investments in Firms and Limited Liability Partnerships during the year. The Company has made investments and granted unsecured loans to subsidiaries and the details of which are given below :



₹ In Lakhs

Particulars	Investments	Loans
<b>A. Aggregate amount granted / Provided during the year:</b>		
- Wholly Owned Subsidiaries	1505	1025
<b>B. Balance outstanding as at balance sheet date in respect of above cases:</b>		
- Wholly Owned Subsidiaries	5906	1575

- (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 amount and receipts of interest are as per terms of loans granted except for a few delays in receipt of interest from subsidiary company
- (d) In respect of loans granted by the Company, there is no overdue amounts 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 except for loan amounting to ₹ 70 Lakhs repayable on demand to a subsidiary company.
- (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 subsidiaries of the 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 31st March 2023, 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 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 the dues	Amount (₹ in lakhs)	Year to which relates	Forum where dispute is pending
Income tax Act, 1961	Income-tax	0.51	Financial Year 2005-06	Commissioner of Incometax (Appeals), Mumbai
Income tax Act, 1961	Income-tax	62.82	Financial Year 2009-10, 2010-11, 2011-12,	Commissioner of Income tax (Appeals), Mumbai
Income tax Act, 1961	Income-tax	23.41	Financial Year 2020-21, 2019-20	Commissioner of Income tax (Appeals) NFAC, Mumbai
Tamilnadu Value Added Tax, 2006	Tamilnadu Value Added Tax	12.60	Financial Year 2012-13, 2013-14 and 2015-16	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Tamilnadu Value Added Tax, 2006	Tamilnadu Value Added Tax	8.41	Financial Year 2013-14 & 2014-15	Joint Commissioner of Commercial Taxes, Chennai

Disputed taxes paid under protest – Income Tax ₹ 726.60 Lakhs and Sales Tax - ₹ 36.17 Lakhs has not been included above and not charged to Statement of Profit and Loss.

- (viii) According to the information and explanations given to us, 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) According to the information and explanations given to us, the company has availed term loan from a bank during the year and the company is regular in repayment of term loan due during the year. The company did not avail any loan or borrowings from financial institutions and also did not have any debentures outstanding during the year under report;

According to the information and explanations given to us,

- (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) As per information and explanations given to us,
- (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 given 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) Based on the examination of books and records of the company 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) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the 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 Standalone 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.

**For BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
UDIN : 23203377BGVER68308

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

**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 with reference to Standalone Financial Statements of Ultramarine & Pigments Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's and Board of Directors' Responsibility for Internal Financial Controls**

2. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls Standalone Financial Statements 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 ("Guidance Note") 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 Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to stand alone financial statements, 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 with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

6. A company's internal financial control with reference to Standalone Financial Statements 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 with reference to financial statements 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 with reference to stand alone financial statements**

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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to Standalone Financial Statements 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 ("the Guidance Note").

**For BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

Membership No: 203377  
UDIN : 23203377BGVERG8308

**Standalone Balance Sheet as at 31st March, 2023**

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31st March 2023	As at 31st March 2022
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	4	14,656.39	13,588.77
	(b) Right of use asset	5	962.04	579.46
	(c) Capital work in progress	4	2,060.66	1,488.04
	(d) Other Intangible assets	6	33.94	63.73
	(e) Financial Assets			
	(i) Investments	7	41,294.40	59,099.95
	(ii) Loans	8	2,310.00	1,250.00
	(iii) Other financial assets	9	883.77	336.97
	(f) Other non-current assets	10	942.89	918.80
			<b>63,144.09</b>	<b>77,325.72</b>
(2)	<b>Current assets</b>			
	(a) Inventories	11	8,012.72	7,113.06
	(b) Financial Assets			
	(i) Investments	12	1,190.11	431.80
	(ii) Trade receivables	13	4,242.34	3,948.10
	(iii) Cash and cash equivalents	14	3,076.01	2,795.01
	(iv) Bank balances other than cash and cash equivalents	15	61.95	66.90
	(v) Loans	16	3,311.88	3,837.37
	(vi) Other financial assets	17	394.46	1,113.81
	(c) Current Tax Assets ( Net)		-	-
	(d) Other current assets	18	1,331.59	1,394.81
			<b>21,621.06</b>	<b>20,700.86</b>
	<b>Total Assets</b>		<b>84,765.15</b>	<b>98,026.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	(a) Equity Share capital	19	584.00	584.00
	(b) Other Equity	20	72,708.22	85,371.86
			<b>73,292.22</b>	<b>85,955.86</b>
<b>LIABILITIES</b>				
(1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	21	3,124.88	3,029.81
	(ii) Lease liabilities	22	763.26	463.91
	(b) Provisions	23	153.18	160.41
	(c) Deferred tax liabilities (net)	24	985.12	2,339.50
	(d) Deferred Income	25	24.91	28.33
			<b>5,051.35</b>	<b>6,021.96</b>
(2)	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	26	743.12	600.29
	(ii) Lease liabilities	27	182.08	120.01
	(iii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises		178.35	190.96
	Total outstanding dues of creditors other than micro enterprises and small enterprises	28	3,899.67	3,681.76
	(iv) Other financial liabilities	29	883.14	797.67
	(b) Other current liabilities	30	434.09	542.02
	(c) Provisions	31	97.71	112.63
	(d) Deferred Income	32	3.42	3.42
			<b>6,421.58</b>	<b>6,048.76</b>
	<b>Total Equity and Liabilities</b>		<b>84,765.15</b>	<b>98,026.58</b>

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmaya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

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

 Place : Chennai  
Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN : 08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

**Standalone Statement of profit and loss for the year ended 31st March, 2023**

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I	Revenue From Operations	33	54,140.52	49,101.57
II	Other Income	34	1,230.35	906.86
III	<b>Total Income (I+II)</b>		<b>55,370.87</b>	<b>50,008.43</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	35	29,076.48	28,692.63
	Purchase of stock-in-trade		1,058.97	355.25
	Changes in Inventories of Finished goods and work-in-progress	36	(1,413.70)	(892.32)
	Power and Fuel (Refer Note 39.1)		3,301.90	2,462.15
	Employee benefits expense	37	6,851.42	5,122.93
	Finance costs	38	301.22	295.68
	Depreciation and amortization expense	4-6	1,392.40	1,189.95
	Other expenses	39	6,048.49	5,019.22
	<b>Total expenses (IV)</b>		<b>46,617.18</b>	<b>42,245.49</b>
V	<b>Profit before exceptional items (III-IV)</b>		<b>8,753.69</b>	<b>7,762.94</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>8,753.69</b>	<b>7,762.94</b>
VIII	Tax expense:			
	(1) Current tax		(2,068.85)	(1,796.26)
	(2) Deferred tax		(37.96)	(124.47)
	(3) Excess/(Short) provision of earlier year		-	(9.62)
IX	<b>Profit for the period (VII-VIII)</b>		<b>6,646.88</b>	<b>5,832.59</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		30.34	(49.91)
	- Equity instruments through other comprehensive income		(19,265.56)	36,905.21
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(7.64)	12.56
	- Equity instruments through other comprehensive income		1,392.34	(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>(17,850.52)</b>	<b>35,475.52</b>
XII	<b>Total comprehensive income for the period (IX + XI)</b>		<b>(11,203.64)</b>	<b>41,308.11</b>
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		22.76	19.97
	(2) Diluted		22.76	19.97

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmaya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

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

 Place : Chennai  
Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary



**Standalone Statement of cash flows for the year ended 31st March, 2023**

₹ in Lakhs

Sl. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	8,753.69	7,762.94
	<b>Adjustments for:</b>		
	Finance Cost	301.22	296.02
	Depreciation and amortisation expenses	1,392.40	1,189.95
	Interest Income	(486.93)	(356.19)
	Dividend Income	(511.29)	(449.94)
	Gain on Reassessment / Termination of Lease	(19.24)	(1.67)
	Provision for Leave Encashment	14.40	38.41
	Provision for doubtful Debts and Provision for expected credit loss	309.80	3.64
	Provision for other receivables	40.76	-
	Net Loss / (gains) on disposal of property, plant and equipment	35.67	19.94
	Remeasurement of defined benefit liabilities	30.34	(49.91)
	Receipt of government grant	(3.42)	(3.42)
	Net gains on sale of Investments	(31.65)	(29.70)
	Net gains arising on financial assets designated at FVTPL	6.49	(4.25)
	Net gains on foreign currency transactions and translation	10.51	11.69
	<b>Operating profit before working capital changes</b>	<b>9,842.75</b>	<b>8,427.51</b>
	<b>Movements in working capital:</b>		
	<b>Adjustments for (increase)/decrease in operating assets:</b>		
	Inventories	(899.66)	(3,419.02)
	Trade receivables	(608.48)	432.62
	Current financial loans and advances	790.69	3.35
	Other current assets	22.45	(534.78)
	Non-current financial loans and advances	(380.79)	1.50
	Other Non-current assets	(32.34)	(36.94)
	<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
	Trade payables	200.83	251.13
	Other current financial liabilities	142.95	22.11
	Other current liabilities	(129.95)	317.99
	<b>Cash generated from operations</b>	<b>8,948.45</b>	<b>5,465.47</b>
	<b>Direct taxes paid (net)</b>	<b>(2,102.07)</b>	<b>(1,795.32)</b>
	<b>Net cash generated from operating activities (A)</b>	<b>6,846.38</b>	<b>3,670.15</b>

**Standalone Statement of cash flows for the year ended 31st March, 2023**

		₹ in Lakhs	
Sl. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>B</b>	<b>Cash flow from investing activities</b>		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(2,936.01)	(2,665.04)
	Payment for intangible assets (including Intangible assets under development)	(1.39)	(80.24)
	Proceeds from disposals of PPE	4.25	29.89
	Purchase of non current investments	(66.00)	(59.03)
	Investments in Wholly Owned Subsidiary	(1,671.00)	(3,334.00)
	Term Loan to a Wholly Owned Subsidiary	(955.00)	(550.00)
	Redemption of non current investments	95.51	156.05
	Purchase of current investments	(8,019.60)	(12,329.00)
	Redemption of current investments	7,301.82	13,439.02
	(Increase)/ decrease in deposit with companies	487.01	(1,467.03)
	Interest received	343.13	398.95
	Dividend received	511.29	449.94
	<b>Net cash (used in) investing activities (B)</b>	<b>(4,905.99)</b>	<b>(6,010.49)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Long Term Borrowings	837.00	155.77
	Repayment of Borrowings	(599.10)	(96.53)
	Payment of Lease Liabilities	(180.78)	(124.49)
	Interest paid (Net of Interest Capitalised ₹ 25.30 Lakhs (P.Y. ₹4.08 Lakhs)	(254.91)	(275.71)
	Dividend paid	(1,460.00)	(1,460.00)
	<b>Net cash from / (used in) financing activities (C)</b>	<b>(1,657.79)</b>	<b>(1,800.96)</b>
<b>D</b>	<b>Net Increase/(Decrease) In Cash And Cash Equivalents [(A) + (B) + (C)]</b>	<b>282.60</b>	<b>(4,141.30)</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	1,568.96	1,484.49
	Cash on hand	0.51	1.10
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,225.54	5,453.76
	<b>Cash and Cash Equivalents (As per Note No. 14)</b>	<b>2,795.01</b>	<b>6,939.35</b>
<b>F</b>	<b>Effect of exchange differences on translation of foreign currency cash &amp; cash equivalents</b>	<b>(1.60)</b>	<b>(3.04)</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	1,446.72	1,568.96
	Cash on hand	0.29	0.51
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,629.00	1,225.54
	<b>Cash and Cash Equivalents (As per Note No. 14) [(D)+(E) + (F)]</b>	<b>3,076.01</b>	<b>2,795.01</b>

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

For Brahmayya & Co

Chartered Accountants  
Firm Regn. No. 000511S

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

Place : Chennai  
Date : 19th May 2023

For and on behalf of Board of Directors

**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

**Standalone Statement of changes in equity for the year ended 31st March, 2023**
**I Equity Share Capital**

₹ in Lakhs

Particulars	Amount
Balance as at 31st March 2021	584.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1st April 2021	-
Changes in equity share capital during the year	-
Balance as at 31st March 2022	584.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1st April 2022	-
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2023</b>	<b>584.00</b>

**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>As at 31st 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 Tax)	-	-	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 31st 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>
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year ending 31st March, 2023	-	6,646.88	-	-	6,646.88
<b>Other Comprehensive Income</b>					
-Recognition of Investments at fair value (Net of Taxes)			[17,873.22]		[17,873.22]
-Remeasurement of Defined benefit plans (Net of Taxes)				22.70	22.70
Other comprehensive income for the Period (Net of Tax)	-	-	[17,873.22]	22.70	[17,850.52]
<b>Total comprehensive income for the Period</b>		6,646.88	[17,873.22]	22.70	[11,203.64]
<b>Appropriation</b>					
Final dividend - 2021-22		[1,460.00]			[1,460.00]
<b>As at 31st March 2023</b>	<b>4,105.00</b>	<b>34,812.14</b>	<b>33,814.60</b>	<b>[23.52]</b>	<b>72,708.22</b>

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmaya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

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

 Place : Chennai  
Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**  
Managing Director  
DIN :07121058

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Whole-time Director  
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Chief Financial Officer

**V. BHARATHRAM**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 Tamil Nadu and Naidupet (SPSR District) in the State of Andhra Pradesh. Power generation through Wind Power Generators installed in the state of Tamil Nadu 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 May 19, 2023.

### 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.

Accounting policies have 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

Any asset or liability is satisfied as current if it satisfies any of the following conditions:

- i. Asset / Liability is expected to be realized / settled in the Company's normal operating cycle.
- ii. Asset is intended for sale or consumption .
- iii. Asset / Liability is held primarily for the purpose of trading.
- iv. Asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date.
- v. In case of a Liability, the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

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

#### 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:

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 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 and Provisions

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

Expected credit losses of the Company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current credit worthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required. Irrecoverable trade receivables are written off when management judges them as not collectible.

### 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 2023 is included in the following notes:

- Notes 40- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 - measurement of defined benefit obligations: key actuarial assumptions;

## 3. Significant Accounting Policies

### 3.1. Property, Plant, and Equipment: (PPE)

#### Initial Recognition

Property, Plant and Equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost of an item of Property, Plant and Equipment includes its purchase price (after deducting trade discounts and rebates), import duties, 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.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

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 Measurement

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

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 Act 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.

During the year, the company has reviewed the useful life of certain plant and equipment i.e., Kiln Equipment and Burner for Kilns based on changes in technology, usage of fuel and revised the useful life from 10 - 40 years to 5 -10 years. The company has changed the estimated useful life of these assets effective from 1st April, 2022 and adopted depreciating those assets based on the revised useful life.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Equipment	12 – 40	5 –20
Computer Equipment	3 – 6	3 – 4
R&D Lab Equipment	10	2 – 10

In the case of improvements on Leasehold premises, amortization 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, with the effect of changes in estimate of useful life of those assets being accounted on prospective basis. 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.

The impact on account of change in estimated useful life of above mentioned assets resulted in increase in depreciation by ₹ 10.41 Lakhs and the profit for the year, reserves and surplus and property, Plant and Equipment are lower by a similar amount. The impact of the above change on the future years for the existing assets ( not considering the future procurement of assets) is by a similar amount.

**Derecognition**

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognized in the profit or loss in the year the asset is derecognized.

**3.2. Intangible Assets**
**Initial Recognition**

Intangible assets acquired separately are initially measured at cost. Intangible assets are recognized if and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Cost of separately acquired intangible assets includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to preparing the asset for its intended use.

**Subsequent measurement and Amortisation**

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



## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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. Such reversal is recognized in the statement of profit or loss.

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

#### Translation:

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. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

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

- amortized cost;
- fair value through other comprehensive income (OCI) (FVTOCI – debt investment);
- Fair value through other comprehensive income (FVTOCI) – 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:

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

- 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 FVTOCI 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 FVTOCI – 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 FVTOCI 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 FVTOCI 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 the Statement of profit and 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 FVTOCI	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 FVTOCI	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

### 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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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.

### 3.7. Fair Value Measurements

The company follows the following mentioned underneath hierarchy for determining fair values of its financial instruments:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available 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 fair valued using level 2 inputs.

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### 3.8. 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.

### 3.9. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into 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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.10. 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 Statements 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.

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.

### 3.11. Share Capital

Equity Shares are classified as equity.

### 3.12. Revenue from Contract with Customers

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

Revenue is measured based on the transaction price after netting trade discounts, volume discounts, sales returns and goods and service tax, excluding the estimates of variable consideration that is allocated to that performance obligation. 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 or Taxes on Export Products (RoDTEP), 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.

#### Other Income

##### 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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Sale of Scrap

Revenue from sale of scrap is recognized on sale.

### 3.13. 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.
- 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.

### 3.14. 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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 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 but disclosed in the Standalone Financial Statements, when an inflow of economic benefits is probable..

### 3.15. 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.

### 3.16. 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 April 1, 2019.

#### Company as Lessee

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.

#### Company as a lessor

Leases for which the company is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income from operating leases is recognized in the statement of profit and loss income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.17. 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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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.

### 3.18. 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.

### 3.19. 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.

### 3.20. 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 expense 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.

### 3.21. 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.

### 3.22. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Standalone Financial Statements.

Non Adjusting events after the Balance Sheet date which are material in size or nature are disclosed separately in the Standalone Financial Statements.

### 3.23 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### (i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

#### (ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty" The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

#### (iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**4 Property Plant and Equipment**

₹ in Lakhs

Particulars	Freehold Land (Note ii & iii)	Leasehold Land	Buildings (Note i & iii)	Plant & Machinery	Computer Equipments	Furniture & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Lab Equipment and Other Assets (Used for R&D)	Total	Capital Work- in progress
<b>Deemed cost:</b>												
Balance as at 31-03-2021	1,037/43	-	2,570.95	9,476.11	359.00	289.50	1.25	195.81	128.55	182.57	14,241.17	2,259.33
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	-
Balance as at 31-03-2022	1,037/43	-	2,827.89	11,988.25	426.71	318.74	-	207.96	199.58	240.16	17,246.72	1,488.04
Additions	-	-	184.37	1,887/41	96.15	66.12	20.90	23.07	13.52	10.34	2,301.88	-
Disposals / Adjustments	-	-	-	62.17	12.54	3.91	-	8.50	3.59	3.03	93.74	-
<b>Balance as at 31-03-2023</b>	<b>1,037/43</b>	<b>-</b>	<b>3,012.26</b>	<b>13,813.49</b>	<b>510.32</b>	<b>380.95</b>	<b>20.90</b>	<b>222.53</b>	<b>209.51</b>	<b>247/47</b>	<b>19,454.86</b>	<b>2,060.66</b>
<b>Accumulated depreciation:</b>												
Balance as at 31-03-2021	-	-	211.66	1,817/25	270.62	105.46	-	107.67	52.20	58.27	2,623.13	-
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	-
Balance as at 31-03-2022	-	-	332.96	2,596.07	319.82	130.67	-	135.47	66.84	76.12	3,657.95	-
Charge for the year	-	-	130.51	911.49	47.88	38.24	0.86	28.61	23.64	15.06	1,196.29	-
Other Adjustments	-	-	-	30.46	8.95	3.81	-	7.94	3.11	1.50	55.77	-
<b>Balance as at 31-03-2023</b>	<b>-</b>	<b>-</b>	<b>463.47</b>	<b>3,477/10</b>	<b>358.75</b>	<b>165.10</b>	<b>0.86</b>	<b>156.14</b>	<b>87.37</b>	<b>89.68</b>	<b>4,798.47</b>	<b>-</b>
<b>Net carrying amount:</b>												
As at 31-03-2022	1,037/43	-	2,494.93	9,392.18	106.89	188.07	-	72.49	132.74	164.04	13,588.77	-
<b>As at 31-03-2023</b>	<b>1,037/43</b>	<b>-</b>	<b>2,548.79</b>	<b>10,336.39</b>	<b>151.57</b>	<b>215.85</b>	<b>20.04</b>	<b>66.39</b>	<b>122.14</b>	<b>157/79</b>	<b>14,656.39</b>	<b>-</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 of ₹ 897.90 Lakhs 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) Land and Buildings situated at Industrial Property, Plot No.60&amp;61, Menakur Village, Naidupet Town are subject to exclusive charge for the loans availed from HSBC Bank.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

(iv) Break-up of Capital Work-in-Progress

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31st March 2023	As at 31st March 2022
Buildings	531.45	62.88
Plant & Machinery	1,491.71	1,418.49
Furniture & fittings	7.51	-
<b>In Tangible Assets acquired</b>	-	-
<b>Project Expenditure - Direct</b>		
Statutory Fee	3.83	6.67
Professional & Consultancy Charges	1.50	-
Other Direct Expenses	24.66	-
	<b>2,060.66</b>	<b>1,488.04</b>

**4.1 CWIP ageing schedule as at 31.03.2023**

₹ 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	1,842.26	218.40	-	-	2,060.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,842.26</b>	<b>218.40</b>	<b>-</b>	<b>-</b>	<b>2,060.66</b>

**4.2 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>

**5 Right of use asset - Building**

₹ in Lakhs

Particulars	Leased Premises
<b>Deemed cost:</b>	
Balance as at 31-03-2021	346.56
Additions	445.31
Disposals / Adjustments*	29.42
Balance as at 31-03-2022	762.45
Additions	948.60
Disposals / Adjustments*	484.61
<b>Balance as at 31-03-2023</b>	<b>1,226.44</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2021	92.77
Charge for the year	113.35
Other Adjustments	23.13
Balance as at 31-03-2022	182.99
Charge for the year	166.89
Other Adjustments	85.48
<b>Balance as at 31-03-2023</b>	<b>264.40</b>
<b>Net carrying amount:</b>	
As at 31-03-2022	579.46
<b>As at 31-03-2023</b>	<b>962.04</b>

\* adjustment is on account of pre-closure of certain lease agreements during the year ended 31st March, 2023 &amp; 2022

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**6 Other Intangible assets**

₹ in Lakhs

Particulars	Licensed Computer Software
<b>Deemed cost:</b>	
Balance as at 31-03-2021	100.56
Additions	80.24
Disposals / Adjustments	-
Balance as at 31-03-2022	180.80
Additions	1.39
Disposals / Adjustments	13.32
<b>Balance as at 31-03-2023</b>	<b>168.87</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2021	87.76
Charge for the year	29.31
Other Adjustments	-
Balance as at 31-03-2022	117.07
Charge for the year	29.22
Other Adjustments	11.36
<b>Balance as at 31-03-2023</b>	<b>134.93</b>
<b>Net carrying amount:</b>	
As at 31-03-2022	63.73
<b>As at 31-03-2023</b>	<b>33.94</b>

**7 Non-current Investment**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Non-current Investment</b>		
<b>Investment carried at cost (Unquoted)</b>		
<b>Investment in 100% Subsidiaries</b>		
3,32,50,000 equity shares of ₹ 10/- each (March 31, 2022: 2,20,10,000 equity shares of ₹ 10/- each) fully paid up in Ultramarine Speciality Chemicals Limited.	3,325.00	2,201.00
2,20,000 Non Cumulative Redeemable Preference shares of ₹ 1,000/- each (31st March 2022: 2,20,000 Non Cumulative Redeemable Preference shares of ₹ 1,000/- each) carrying coupon rate of 7.5% (Refer Note 7.1)	2,200.00	2,200.00
38,000 Non Cumulative Optionally Convertible Preference shares of ₹ 1,000/- each (31st March 2022- Nil) carrying coupon rate of 7.5% (Refer Note 7.2)	380.00	-
10,000 equity shares of ₹ 10/- each (March 31, 2022: Nil) fully paid up in Ultramarine Fine Chemicals Limited.	1.00	-
<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, 2022 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	35,136.14	54,401.71
<b>Investments at fair value through Other Profit or Loss (FVTPL)</b>		
<b>Quoted Bonds</b>		
5 (31 March 2022: 5) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000 each	50.64	52.65
<b>Unquoted</b>		
<b>Investment in Alternative Investment Funds</b>		
(i) 79,312 (31 March 2022: 1,76,168) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	67.63	177.59
(ii) 66 (31 March 2022: 33) Kae Capital Fund III Units	68.99	33.00
(iii) 67 (31 March 2022: 34) Kae Capital Opportunity Fund Units	65.00	34.00
<b>Total</b>	<b>41,294.40</b>	<b>59,099.95</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Notes:</b>		
(a) Aggregate amount of Quoted Investments and market value thereof:	<b>35,186.78</b>	54,454.36
(b) Aggregate amount of unquoted investments-Mutual funds & Bonds	<b>201.62</b>	244.59
(c) Aggregate amount of unquoted investments-Equity shares	<b>3,326.00</b>	2,201.00
(d) Aggregate amount of unquoted investments-Preference shares	<b>2,580.00</b>	2,200.00

71 Non Cumulative Redeemable Preference Share Capital (NCRPS) shall be entitled to a preferential dividend of 7.5 % per annum. The NCRPS shall be redeemed from the Financial Year 2027-28 (3 yearly instalments) or such other period as may be agreed mutually.

72 Non Cumulative Optionally Convertible Preference Share Capital (NCOCPS) shall be entitled to a preferential dividend of 7.5 % per annum. The NCOCPS shall be redeemed or converted (as mutually agreed) in the Financial Year 2027-28 or such other period as may be agreed mutually.

**8 Non-current Loans**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Loans to related Parties</b>		
Term Loan to a subsidiary company - Unsecured (Refer Note 8.1)	<b>1,505.00</b>	550.00
<b>Deposits with Corporates</b>		
- Considered good - Unsecured	<b>805.00</b>	700.00
<b>Total</b>	<b>2,310.00</b>	1,250.00

**8.1 Note:**

- Term loan to a wholly owned subsidiary carrying interest rate in the range of 6.75% - 9.25% (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 ₹ 1000 Lakhs, and disbursed ₹ 450 Lakhs during the year.
- Additional Term loan of ₹ 505 Lakhs carrying interest rate of 9.25% (repo rate plus 2.75%) repayable in 16 quarterly instalments with a moratorium of 2 years and repayment to commence from the month of January 2025. Loan committed for ₹ 594 Lakhs, and disbursed during the year ₹ 505 Lakhs.

**9 Non-current Other Financial Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Advance towards share application money to a subsidiary company	<b>300.00</b>	134.00
Security Deposits	<b>165.24</b>	101.92
<b>Deposits with Banks</b>		
- Term Deposit with maturity of more than 12 months	<b>310.00</b>	-
- Term Deposit *	<b>100.00</b>	100.00
Employees advances	<b>8.53</b>	1.05
<b>Total</b>	<b>883.77</b>	336.97

\* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings.

**10 Other Non - Current Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, Considered Good		
Capital Advances	<b>68.78</b>	59.97
Income taxes (Net)*	<b>731.55</b>	720.49
Deposits for the leased premises	<b>107.87</b>	77.30
Prepaid expenses	<b>34.69</b>	61.04
<b>Total</b>	<b>942.89</b>	918.80

\*Net of Provision for tax ₹ 5756.85 lakhs (March 31, 2022 : ₹ 5,973.15 lakhs)

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**11 Inventories**

₹ in Lakhs

Particulars	As at	
	31st March 2023	31st March 2022
Raw materials and components	1,963.68	2,049.87
Raw materials and other materials in Transit	1,528.60	2,005.30
Work in progress	1,989.11	1,526.32
Finished goods	1,754.92	922.59
Finished goods in Transit	403.55	284.97
Packing materials	163.97	146.94
Fuel	25.26	43.55
Stores and spares	183.63	133.52
<b>Total</b>	<b>8,012.72</b>	<b>7,113.06</b>

**12 Investments**

₹ in Lakhs

Particulars	As at	
	31st March 2023	31st March 2022
<b>Investment at fair value through Profit and Loss (FVTPL)</b>		
<b>Unquoted units of Mutual Funds</b>		
7400 (31 March 2022: Nil) units of Axis Liquid Fund	185.06	-
5659 (31 March 2022: Nil) units of TATA Liquid Fund	200.98	-
3,75,610 (31 March 2022: Nil) units of Nippon India Overnight Fund	452.10	-
29688 (31 March 2022: 35,624) units of Axis Overnight Fund Direct Plan	351.97	400.35
Nil (31 March 2022: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	-	3145
<b>Total</b>	<b>1,190.11</b>	<b>431.80</b>

**13 Trade Receivables**

₹ in Lakhs

Particulars	As at	
	31st March 2023	31st March 2022
- Considered good - secured	-	-
- Considered good - Unsecured	4,243.68	3,950.27
- Having significant increase in Credit Risk	310.63	-
- Credit impaired	-	-
	<b>4,554.31</b>	<b>3,950.27</b>
Less: Provision for doubtful receivables	(310.63)	-
Less: Provision for Expected Credit Loss	(1.34)	(2.17)
<b>Total</b>	<b>4,242.34</b>	<b>3,948.10</b>

Notes :

(a) Trade Receivable includes receivables from Related party - ₹ 48.26 Lakhs ( 31st March 2022 - ₹ 7.22 lakhs)

(b) 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 31.03.2023**

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date 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	3,446.62	1,103.84	3.60	0.25	-	-	4,554.31
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>3,446.62</b>	<b>1,103.84</b>	<b>3.60</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>4,554.31</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**13.2 Trade Receivables ageing schedule as at 31.03.2022**

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date 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>

**14 Cash & cash equivalent**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Cash and cash equivalent</b>		
(i) Cash on hand	0.29	0.51
(ii) Balances with banks		
In current account	1,420.20	1,368.96
In Deposit Accounts with original maturity of less than 3 months	26.52	200.00
In Deposit Accounts with original maturity of more than 3 months and less than 12 months	1,629.00	1,225.54
<b>Total</b>	<b>3,076.01</b>	<b>2,795.01</b>

**15 Bank balances other than cash and cash equivalents**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Margin money with banks	0.79	0.76
Un-claimed dividend accounts*	61.16	66.14
<b>Total</b>	<b>61.95</b>	<b>66.90</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)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deposits with Corporates</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	3,199.95	3,792.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Loan to a Subsidiary *</b>		
- Considered good - unsecured	70.00	-
<b>Loans &amp; Advances to Employees</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	5.01	8.44
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Other Deposits</b>		
- Considered good - unsecured	36.92	36.93
<b>Total</b>	<b>3,311.88</b>	<b>3,837.37</b>

\* Repayable on demand by subsidiary

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**17 Other Financial Assets - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Advances recoverable in cash	33.89	14.64
Advances and Amounts receivable from Subsidiary *	130.82	981.18
Unbilled revenue	3.18	4.10
Other deposits receivable	0.07	25.29
Interest accrued on Deposits	179.72	86.26
Interest accrued on Term Loan to Subsidiary *	46.78	2.34
<b>Total</b>	<b>394.46</b>	<b>1,113.81</b>

\* Includes amounts receivable from a subsidiary ₹ 130.82 Lakhs( ₹ 981.18 Lakhs) towards cost of land and other related costs.

**18 Other Current Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Advances other than capital advances:</b>		
Advance to suppliers	191.91	98.27
Balance with GST, customs, central excise & sales tax	902.65	1,055.97
Less: Provision for service tax refund claim	(40.76)	-
Prepaid Expenses	191.95	173.32
Export incentives receivable - duty free scrips	85.84	67.25
<b>Total</b>	<b>1,331.59</b>	<b>1,394.81</b>

**19 Share capital**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised Shares</b>		
5,00,00,000 (March 31, 2022: 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, 2022: 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>

**19.1 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, 2021	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2022	5,00,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2023</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid up share capital:</b>	
Balance as at 1st April, 2021	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2022	2,92,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2023</b>	<b>2,92,00,000</b>



**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**19.2 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 19th May 2023 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2023 and the proposal is subject to approval of shareholders at their meeting to be held on 21st July, 2023, 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.

**19.3 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, 2023	40,55,000
As at 31st March, 2022	39,56,730

**19.4 Details of shareholding of promoters**

Equity Shares held by promoters at the end of the year		As at 31st March 2023		As at 31st March 2022		% Change during the year
S.No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Thirumalai Chemicals Limited	40,55,000	13.89	39,56,730	13.55	0.34
2	Sridhar Sundararajan	-	-	-	-	-
3	Indira Sundararajan	10,71,855	3.67	10,71,855	3.67	-
4	Bhooma Parthasarathy	7,305	0.03	9,85,052	3.37	(3.34)
5	Bhooma Parthasarathy Family Trust	9,77,747	3.35	-	-	3.35
6	Jayalakshmi Venkataraman	-	-	-	-	-
7	R. Sampath	-	-	-	-	-
8	Sampath Family Trust	12,75,293	4.37	12,75,293	4.37	-
9	Parthasarathy Rangaswamy	-	-	9,77,747	3.35	(3.35)
10	Rangaswamy Parthasarathy Family Trust	9,77,747	3.35	-	-	3.35
11	Sujata Sampath	-	-	-	-	-
12	Sujata Sampath Family Trust	12,75,294	4.37	12,75,294	4.37	-
13	Daya Sridhar	96,000	0.33	3,72,974	1.28	(0.95)
14	Kala Sundaravedha	-	-	-	-	-
15	Sridhar Sundararajan - HUF	-	-	-	-	-
16	Deepa Ajay	3,56,000	1.22	6,37,044	2.18	(0.96)
17	Geetha.S	-	-	-	-	-
18	Pravin Rangachari	1,80,030	0.62	1,80,030	0.62	-
19	S. Varadarajan	7,82,019	2.68	7,86,685	2.69	(0.01)
20	Srinath Sridhar	-	-	-	-	-
21	S. Vidhya	1,07,515	0.37	1,07,515	0.37	-
22	S. Narayan	5,52,639	1.89	5,83,894	2.00	(0.11)
23	Ramyia Bharathram	63,460	0.22	63,460	0.22	-
24	V Bharathram	41,050	0.14	41,050	0.14	-
25	Meera Parthasarathy	2,38,222	0.82	2,38,222	0.82	-
26	Tara Parthasarathy	2,04,074	0.70	2,04,074	0.70	-
27	Aditya Rajan	17,200	0.06	17,200	0.06	-
28	Kavya Narayan	16,000	0.05	16,000	0.05	-
29	Uttara. B	16,000	0.05	16,000	0.05	-
30	V. S. Sundararajan	4,108	0.01	4,108	0.01	-
31	Bina Rajan	4,000	0.01	4,000	0.01	-
32	Varadarajan Santhanam	114	-	114	-	-
33	Jasmine Limited	53,620	0.18	53,620	0.18	-
	<b>Total</b>	<b>1,23,72,292</b>	<b>42.38</b>	<b>1,28,67,961</b>	<b>44.06</b>	<b>(1.68)</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**20 Other Equity**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
General Reserve	4,105.00	4,105.00
Retained Earnings	34,812.14	29,625.26
Other Comprehensive Income - Fair value of investment	33,814.60	51,687.82
Other Comprehensive Income - Remeasurements of defined benefit plans	(23.52)	(46.22)
<b>Total</b>	<b>72,708.22</b>	<b>85,371.86</b>

**21 Borrowings - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured</b>		
Term Loan from Bank (refer note below)	3,868.00	3,630.10
Less : Current maturity of long term loan (refer Note 26)	(743.12)	(600.29)
<b>Unsecured</b>		
Term Loan from Others	-	-
<b>Total</b>	<b>3,124.88</b>	<b>3,029.81</b>

Notes:

- (a) Loan from HSBC Bank 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, carrying interest rate in the range of 6.10% to 8.73%.
- (b) Additional loan of Rs.837 Lakhs availed with a moratorium period of 2 years and payable in 48 months instalments. The repayment of the loan will commence from 30th June, 2024 carrying an interest rate of 8.16% p.a.

**22 Lease liabilities - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities (refer note 47)	763.26	463.91
<b>Total</b>	<b>763.26</b>	<b>463.91</b>

**23 Provisions - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Provision for employee benefits :</b>		
Provision for compensated absences	153.18	160.41
<b>Total</b>	<b>153.18</b>	<b>160.41</b>

**24 Deferred tax liabilities (net)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deferred tax liability:</b>		
On account of timing difference in Depreciation and amortisation	1,161.05	1,022.21
Right of Use Assets - Leased premises	-	-
Fair value adjustments of Investments	0.73	1,395.18
	<b>1,161.78</b>	<b>2,417.39</b>
<b>Deferred tax assets:</b>		
Liabilities allowable on payment basis	80.67	73.65
Lease Liabilities - Leased premises	7.65	3.69
Expected credit loss	0.34	0.55
Provision for doubtful receivables & service tax refund claim	88.00	-
	<b>176.66</b>	<b>77.89</b>
<b>Total</b>	<b>985.12</b>	<b>2,339.50</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**25 Deferred Income**

₹ in Lakhs

Particulars	As at	As at
	31st March 2023	31st March 2022
Government Grant (Refer Note below)	24.91	28.33
<b>Total</b>	<b>24.91</b>	<b>28.33</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.

**26 Borrowings - Current**

₹ in Lakhs

Particulars	As at	As at
	31st March 2023	31st March 2022
Current maturity of long term borrowing (refer Note 21)	743.12	600.29
<b>Total</b>	<b>743.12</b>	<b>600.29</b>

**27 Financial Liabilities - Lease - Current**

₹ in Lakhs

Particulars	As at	As at
	31st March 2023	31st March 2022
Lease Liabilities (refer Note 47)	182.08	120.01
<b>Total</b>	<b>182.08</b>	<b>120.01</b>

**28 Trade Payables**

₹ in Lakhs

Particulars	As at	As at
	31st March 2023	31st March 2022
Trade payables :		
- Total outstanding dues of micro enterprises and small enterprises	178.35	190.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note below and Note 51)	3,899.67	3,681.76
<b>Total</b>	<b>4,078.02</b>	<b>3,872.72</b>

\* Includes Trade payables to related parties ₹ 3.32 Lakhs (March 31, 2022: ₹ 4.31 Lakhs)

**28.1 Trade payables due for payment**

Trade payables ageing schedule as at 31.03.2023

₹ 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	118.16	60.19	-	-	-	178.35
(ii) Others	2,104.68	1,794.54	-	0.45	-	3,899.67
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,222.84</b>	<b>1,854.73</b>	<b>-</b>	<b>0.45</b>	<b>-</b>	<b>4,078.02</b>

**28.2 Trade payables due for payment**

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	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>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**29 Other financial liabilities - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Interest payable on Term Loan	0.95	0.65
Unpaid dividends (Refer note below(i))	61.16	66.14
Employee dues	369.21	276.43
Dues to Directors - Commission payable	297.65	263.21
Creditors for capital goods	130.56	183.36
Deposit from Dealers	7.88	7.88
Retention money payable	15.73	-
<b>Total</b>	<b>883.14</b>	<b>797.67</b>

Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.

**30 Other current liabilities**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	220.87	121.29
Revenue received in advance	191.46	267.27
Exchange Loss on on remeasurement of forward contracts	1.23	-
Other Liabilities	20.53	153.46
<b>Total</b>	<b>434.09</b>	<b>542.02</b>

**31 Provisions - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>For Employee benefits</b>		
Provision for gratuity	47.93	69.96
Provision for compensated absences	41.69	20.06
<b>For Others</b>		
Provision for tax *	8.09	22.61
<b>Total</b>	<b>97.71</b>	<b>112.63</b>

\* Net of advance tax and tax deducted at source of ₹ 2068.40 Lakhs (March 31, 2022: ₹ 1761.08 Lakhs)

**32 Deferred Income - Government**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Government Grant	3.42	3.42
<b>Total</b>	<b>3.42</b>	<b>3.42</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**33 Revenue From Operations**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>a) Sale of Products</b>		
Manufactured Goods	47,443.03	45,097.17
Sale of Materials	1,060.52	359.81
Sale of Power from Wind turbine generators	40.20	41.30
<b>Total Sale of Products</b>	<b>48,543.75</b>	<b>45,498.28</b>
<b>b) Sale of Services</b>		
Income from Processing	364.21	15.20
Income from IT enabled Services	5,012.70	3,407.76
<b>Total Sale of Services</b>	<b>5,376.91</b>	<b>3,422.96</b>
<b>c) Other Operating Revenues</b>		
Export Incentives	219.86	180.33
<b>Revenue from Operations (a+b+c)</b>	<b>54,140.52</b>	<b>49,101.57</b>
<b>Disaggregate Revenue Information:</b>		
<b>(i) Manufactured goods</b>		
Pigments	15,597.38	12,871.72
Detergents	997.56	674.98
Sulphonation	30,848.09	31,550.47
	<b>47,443.03</b>	<b>45,097.17</b>
<b>(ii) Revenue from IT Enabled Service</b>		
Revenue by contract type		
Fixed price	4,805.93	3,260.40
Other contract	206.77	147.36
	<b>5,012.70</b>	<b>3,407.76</b>

**34 Other Income**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>a) Interest Income</b>		
<b>Interest income earned on financial assets that are not designated as at FVTPL:</b>		
Bank deposits	79.92	130.80
Deposits with Companies	280.06	188.12
Interest on Financial Assets carried at amortized cost	5.91	5.41
Others	101.45	6.40
<b>b) Income earned on financial assets that are designated as at FVTPL:</b>		
Interest/Income earned on financial assets measured at FVTPL	19.60	25.47
Net gains/(loss) arising on financial assets measured at FVTPL	(6.59)	4.25
<b>c) Dividend Income on Equity securities designated at FVOCI</b>	<b>511.29</b>	<b>449.94</b>
<b>d) Other non-operating Income (Net of expenses directly attributable to such income)</b>		
Rental income	5.51	3.56
Credit balances and excess provision written back	16.61	3.26
Sundry receipts	11.85	22.54
Bad debts recovered	-	5.33
Gain on Termination of lease	19.24	1.67

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>e) Other gains and losses</b>		
Net gains on sale of Investments	31.65	29.70
Net gains on foreign currency transactions and translation	150.43	26.99
<b>f) Government grant</b>	3.42	3.42
<b>Total</b>	<b>1,230.35</b>	<b>906.86</b>

Note: Government grants are related to investments of the Company in Property, Plant and Equipments 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.

**35 Cost of material consumed**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening Stock of Raw Materials	2,049.87	1,160.13
Add : Purchase of Materials	28,990.29	29,582.37
	31,040.16	30,742.50
Less : Closing Stock of Raw Materials	1,963.68	2,049.87
<b>Total</b>	<b>29,076.48</b>	<b>28,692.63</b>

**36 Changes in Inventories of Finished Goods, and Work-In-Progress**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Inventories at the end of the year</b>		
Work-in-progress	1,989.11	1,526.32
Finished goods	2,158.47	1,207.56
<b>Total</b>	<b>4,147.58</b>	<b>2,733.88</b>
<b>Inventories at the beginning 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>Net (Increase)/ Decrease in Stocks</b>	<b>(1,413.70)</b>	<b>(892.32)</b>
<b>(Increase)/ Decrease in work in progress</b>		
Pigments	(347.79)	(330.78)
Detergents	(5.28)	(1.23)
Sulphonation	(109.73)	(106.00)
<b>Total</b>	<b>(462.80)</b>	<b>(438.01)</b>
<b>(Increase)/decrease in finished goods (Inclusive of finished goods in transit)</b>		
Pigments	(825.68)	(328.02)
Detergents	(5.71)	(7.88)
Sulphonation	(119.51)	(118.41)
<b>Total</b>	<b>(950.90)</b>	<b>(454.31)</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**37 Employee Benefit Expense**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, Wages, Bonus and other benefits	4,596.72	3,462.41
Directors' Remuneration	563.19	465.74
Contribution to Provident Fund and other funds	317.40	243.91
Gratuity	94.02	66.91
Staff Welfare and amenities	435.75	224.57
Payment to Contractors	844.34	659.39
<b>Total</b>	<b>6,851.42</b>	<b>5,122.93</b>

**38 Finance Costs**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on Term Loan	270.01	266.03
Interest on lease liabilities	46.00	20.27
Interest Others	10.47	13.36
Interest on income tax payments	0.04	0.10
	326.52	299.76
Less: Interest on term loan transferred to Capital Work-in-Progress	(25.30)	(4.08)
<b>Total</b>	<b>301.22</b>	<b>295.68</b>

**39 Other Expenses**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Consumption of Stores and Spares	356.06	213.69
Packing Expenses and materials consumed	674.02	561.40
Repairs and Maintenance:		
Machinery	437.78	328.23
Buildings	172.50	120.43
Others	89.52	69.23
Data Processing Charges	240.45	297.98
Laboratory Expenses	73.52	72.80
Freight and Forwarding expenses	1,705.24	1,697.79
Insurance	105.19	103.27
Commission on sales	23.52	13.47
Advertisement and Sales Promotion expenses	264.86	159.39
Security Expenses	122.82	104.98
Software License Expenses	33.66	32.33
Water Charges	19.34	9.16
Rent	2.60	1.86
Rates & Taxes	102.44	139.06
Travelling & Conveyance expenses	227.64	124.37
Communication expenses	87.12	84.80
Printing and Stationery expenses	23.86	18.72
Legal and Professional Fees	180.26	152.80
Sitting fees to Directors	29.60	37.60
Commission to Non Executive Directors	97.65	83.21



**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Donation	2.30	2.25
Corporate Social Responsibility Expenditure { Refer Note No. 50}	186.46	223.55
Assets Scrapped / Loss on Sale of Assets { net }	35.67	19.93
Bad Debts written off	-	4.40
Provision for expected credit Loss (Refer Note No. 44.1.A)	(0.83)	(0.76)
Provision for doubtful receivables	310.63	-
Provision for service tax refund claim	40.76	-
Bank Charges	54.81	68.19
Sundry balances written off	33.03	7.97
Miscellaneous expenses { Note 39.2 below }	316.01	267.12
<b>Total</b>	<b>6,048.49</b>	<b>5,019.22</b>

Note:-

<b>39.1 Power and Fuel is net of wind power generated and utilised</b>	<b>336.64</b>	<b>279.26</b>
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**39.2 Payment to Auditors (included in miscellaneous expenses)**

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>As Auditors:</b>		
Audit Fees	12.50	12.50
Tax Audit Fees	3.00	3.00
GST Audit Fees	-	1.45
Other Services		
- Limited Review Fee	5.25	5.25
- Certification Fee	4.05	4.65
Reimbursement of Expenses	-	-
<b>Total</b>	<b>24.80</b>	<b>26.85</b>

**40 Contingent liabilities and commitments (to the extent not provided for)**
**[A] Contingent Liabilities**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of :		
Disputed Vendor Claims*	558.49	558.49
Disputed Industrial Development Charges claimed by SIPCOT	-	11.35
Labour disputes	-	1.50
(ii) Bank Guarantees issued and outstanding	14.00	14.00
(iii) Letter of Credit issued and outstanding	1,151.75	607.89

\*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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

**[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.**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) By the Income tax authorities [ ₹ 726.60 Lakhs (31st March, 2022 ₹ 723.88 Lakhs) deposited with tax authorities]	813.33	787.21
(ii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iii) Custom duty matters *	170.67	-

\* the company is in process of filing its reply for the demand cum show cause notice received

**[C] Commitments**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Commitments towards</b>		
(i) Property, Plant & Equipment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	224.05	400.95
Against which advance paid	51.55	59.97
(ii) Financial Commitment to Investment in a Subsidiary Company	12,549.00	7,260.00
Amount contributed so far	7,780.00	4,534.00
(iii) Commitment towards investment in Alternate Investment Funds	200.00	200.00
Amount invested so far	133.00	67.00
(iv) Commitments under non-cancellable period of lease agreements	249.40	141.53
(v) Other Commitment - for natural gas procurement	372.85	-

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 fulfill export obligation / commitment as on 31.03.2023 amounting to ₹ 1422.86 lakh (Previous Year ₹ 1476.80 lakh). In this regard, export obligations/ commitments amounting to ₹ 624.89 lakh have already been completed.

The Company is yet to fulfil the balance export obligations/commitments as on 31.03.2023 amounting to ₹ 797.97 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 ₹ 1422.86 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.

41 The Company has availed credit facilities (both fund based and non-fund based) from two banks (HSBC Bank - ₹ 7 Cr & Axis Bank - ₹ 11 Cr) are secured by hypothecation of stocks (raw materials and finished goods) and book debts of the company at Ranipet and Naidupet Plant. However, no amount is outstanding (fund based) as on 31st March, 2023.

**42 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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

The Company has recognised the following amounts in the Statement of Profit and Loss:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Contribution to Employees Provident Fund*	262.76	197.21
b. Superannuation Fund*	52.83	45.08
	<b>315.59</b>	<b>242.29</b>

\*Includes contribution of ₹ 40.23 lakhs (31st March, 2022 ₹ 32.02 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**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Defined benefit obligation at the beginning of the year	762.84	652.65
b. Interest Cost	50.63	40.80
c. Current Service Cost	92.17	69.64
d. Benefits payments Due but unpaid	-	-
e. Past services cost	-	-
f. Benefits Paid directly by employer	-	-
g. Benefits Paid from fund	(38.65)	(50.00)
h. Remeasurements - Financial assumptions and Experience adjustments	(33.70)	49.75
i. Defined benefit obligation at the end of the year	<b>833.29</b>	<b>762.84</b>

**2. Reconciliation of opening and closing balances of fair value of plan assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Fair Value of Plan Assets at the Beginning of the year	692.87	645.65
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	45.03	43.53
d. Contribution by the Employer	82.77	53.84
e. Benefits Paid from the funds	(38.65)	(50.00)
f. Remeasurements - Return on Assets	3.33	(0.15)
g. Fair Value of Plan Assets at the end of the year	<b>785.35</b>	<b>692.87</b>

**3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Current Service Cost	92.17	69.64
b. Benefit Payments due but unpaid	-	-
c. Past service cost	-	-
d. Interest Cost	50.63	40.80
e. Expected return on plan assets	(45.03)	(43.53)
f. Net Actuarial (Gain)/Loss	(37.03)	49.91
g. Total Expenses recognised in Statement of Profit and Loss	<b>60.74</b>	<b>116.82</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**4. Amount recognised in the Balance Sheet**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Present value of Benefit Obligation at the end of the year	(833.29)	(762.84)
b. Fair Value of Plan Assets at the End of the year	785.35	692.87
c. Funded Status Surplus / (Deficit)	(47.95)	(69.97)
d. Net (Liability) / Asset Recognised in the Balance sheet	(47.95)	(69.97)

**5. Other Comprehensive Income (OCI)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Remeasurements - Financial assumptions and Experience adjustments	(33.70)	49.75
Remeasurements - Return on Assets	(3.33)	0.15
Total actuarial (Gain)/Loss recognised in OCI	(37.03)	49.90

**6. Description of plan assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	785.35	692.87
e. Total	785.35	692.87

**7. Actuarial assumptions**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Discount Rate	7.51%	6.81%
b. Salary Escalation Rate	9.25%	8.50%
c. Turnover Rate	8% - 9%	10.00%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

**8. Expected future cash flows as on:**

₹ in Lakhs

Maturity Profile of Defined Benefit Obligations	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st following year	81.00	123.19
2nd following year	85.35	76.42
3rd following year	110.81	80.43
4th following year	94.57	109.03
5th following year	102.78	78.78
Years 6 to 11+	1,149.77	313.23

**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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ 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)	(52.90)	60.32	57.53	(52.08)
Variation in %	-6.35%	7.24%	6.90%	-6.25%

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.

**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.

**43 Tax Expense**
**[a] Amounts recognised in statement of profit and loss**

₹ in Lakhs

Particulars	Year ended	
	31st March, 2023	31st March, 2022
Current year	(2,068.85)	(1,796.26)
Short/Excess provision for earlier years	-	(9.62)
<b>Current tax expense (A)</b>	<b>(2,068.85)</b>	<b>(1,805.88)</b>
Origination and reversal of temporary differences	(37.96)	(124.47)
<b>Deferred tax expense (B)</b>	<b>(37.96)</b>	<b>(124.47)</b>
<b>Tax expense recognised in the current statement (A) + (B)</b>	<b>(2,106.81)</b>	<b>(1,930.35)</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**

₹ in Lakhs

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	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	30.34	(7.64)	22.70	(49.91)	12.56	(37.35)
Equity Instruments through Other Comprehensive Income	(19,265.56)	1,392.34	(17,873.22)	36,905.21	(1,392.34)	35,512.87
	(19,235.22)	1,384.70	(17,850.52)	36,855.30	(1,379.78)	35,475.52

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**(c) Reconciliation of effective tax rate**

₹ in Lakhs

Particulars	Year ended 31st March, 2023		Year ended 31st March, 2022	
	%	Amount	%	Amount
<b>Profit before tax</b>		<b>8,753.69</b>		7,762.94
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	25.17%	2,203.13	25.17%	1,953.78
Increase in tax rate				
<b>Tax effect of:</b>				
Non-deductible tax expenses				
Deductions u/s 80M	-1.47%	(128.68)	-1.46%	(113.24)
Permanent Differences - Corporate Social Responsibility Expenditure	0.54%	47.51	0.72%	56.26
Permanent Differences - Others	-0.05%	(4.13)	0.01%	0.57
Other adjustments	-0.13%	(11.02)	0.29%	22.82
Tax relating to earlier years	0.00%	-	0.12%	9.62
Rate difference	0.00%	-	0.01%	0.54
	<b>24.06%</b>	<b>2,106.81</b>	<b>24.86%</b>	<b>1,930.35</b>

**(d) Movement in deferred tax balances**

₹ in Lakhs

Particulars	Net balance 1 April 2022	Recognised in Profit or Loss	Recognised in OCI	Year ended 31st March, 2023		
				Net	Deferred tax liability	Deferred tax asset
<b>Deferred tax Asset/(Liabilities)</b>						
Property, plant and equipment (includes intangible assets)	(1,022.21)	(138.84)		(1,161.05)	(1,161.05)	
Liabilities allowable on payment basis	73.65	7.02	(7.64)	80.67		80.67
Fair value of investments	(1,395.18)	2.11	1,392.34	(0.73)	(0.73)	
Expected credit loss	0.55	(0.21)		0.34		0.34
Doubtful receivables & service tax refund claim	-	88.00		88.00		88.00
Leased Liabilities	3.69	3.96		7.65		7.65
<b>Tax assets (Liabilities) (Net)</b>	<b>(2,339.50)</b>	<b>(37.96)</b>	<b>1,384.70</b>	<b>(985.12)</b>	<b>(1,161.78)</b>	<b>176.66</b>

**(e) Movement in deferred tax balances**

₹ in Lakhs

Particulars	Net balance 1 April 2022	Recognised in Profit or Loss	Recognised in OCI	Year ended 31st March, 2022		
				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)	
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
<b>Tax assets (Liabilities)</b>	<b>(827.21)</b>	<b>(123.65)</b>	<b>(1,379.78)</b>	<b>(2,343.19)</b>	<b>(2,417.39)</b>	<b>74.20</b>
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>

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.

**44 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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**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 31st March 2023		As at 31st March 2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<b>Financial assets at cost:</b>				
Investment in Subsidiary				
Equity	3,325.00	3,325.00	2,201.00	2,201.00
Preference	2,580.00	2,580.00	2,200.00	2,200.00
<b>Total Financial Assets at Cost (A)</b>	<b>5,905.00</b>	<b>5,905.00</b>	<b>4,401.00</b>	<b>4,401.00</b>
<b>Financial assets at amortised cost:</b>				
<b>Non-current financial assets</b>				
Loans	2,310.00	2,310.00	1,250.00	1,250.00
Other Financial Assets	883.77	883.77	336.97	336.97
<b>Current financial assets</b>				
Trade receivables	4,242.34	4,242.34	3,948.10	3,948.10
Cash and cash equivalents	3,076.01	3,076.01	2,795.01	2,795.01
Other bank balances	61.95	61.95	66.90	66.90
Loans	3,311.88	3,311.88	3,837.37	3,837.37
Other Financial Assets	394.46	394.46	1,113.81	1,113.81
<b>Total Financial Assets at Amortized Cost (B)</b>	<b>14,280.41</b>	<b>14,280.41</b>	<b>13,348.16</b>	<b>13,348.16</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	35,136.14	35,136.14	54,401.71	54,401.71
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>35,136.14</b>	<b>35,136.14</b>	<b>54,401.71</b>	<b>54,401.71</b>
<b>Financial assets measured at fair value through profit and loss</b>				
<b>Non - current Investments</b>				
Investments in unquoted instruments at FVTPL	201.62	201.62	244.59	244.59
Investment in Bonds - quoted	50.64	50.64	52.65	52.65
<b>Current Investments</b>				
Investments in quoted instruments (Mutual Funds) at FVTPL	1,190.11	1,190.11	431.80	431.80
<b>Total financial assets at fair value through profit and loss (D )</b>	<b>1,442.37</b>	<b>1,442.37</b>	<b>729.04</b>	<b>729.04</b>
<b>Total financial assets (A+B+C+D)</b>	<b>56,763.92</b>	<b>56,763.92</b>	<b>72,879.91</b>	<b>72,879.91</b>
<b>Financial liabilities held at amortised cost:</b>				
<b>Non - Current financial liabilities</b>				
Borrowings	3,124.88	3,124.88	3,029.81	3,029.81
Lease liabilities	763.26	763.26	463.91	463.91
<b>Current financial liabilities</b>				
Borrowings	743.12	743.12	600.29	600.29
<b>Lease Liabilities</b>	<b>182.08</b>	<b>182.08</b>	<b>120.01</b>	<b>120.01</b>
Trade payables	4,078.02	4,078.02	3,872.72	3,872.72
Other financial liabilities	883.14	883.14	797.67	797.67
<b>Total financial liabilities carried at amortised cost</b>	<b>9,774.50</b>	<b>9,774.50</b>	<b>8,884.41</b>	<b>8,884.41</b>



**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**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
	31.03.2023	31.03.2022		
Investments in quoted equity instruments at FVTOCI	<b>35,136.14</b>	54,401.71	Level 1	Quoted bid price in an active market (*)
Investment in Bonds	<b>50.64</b>	52.65	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	<b>201.62</b>	244.59	Level 2	Fair valuation based on Market Observable inputs
Investments in unquoted instruments (Mutual Funds) at FVTPL	<b>1,190.11</b>	431.80	Level 1	Measured at Quoted price or NAV.
- Equity Instruments at Cost	<b>3,325.00</b>	2,201.00	Level 3	Valued at Cost
- Preference Shares at Cost	<b>2,580.00</b>	2,200.00	Level 3	Valued at Cost
Borrowings at Amortized Cost	<b>3,868.00</b>	3,630.10	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.

**44.1 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 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.

**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.

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

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

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Not due	3,446.63	2,965.73
0-3 months	780.35	903.01
3-6 months	323.48	23.98
6 months to 12 months	3.60	26.23
beyond 12 months	0.25	31.32
Allowance for doubtful trade receivables	(310.63)	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	(1.34)	(2.17)
<b>Total</b>	<b>4,242.34</b>	<b>3,948.10</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)

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Opening provision	2.17	2.92
Add: Additional provision made	(0.83)	(0.75)
<b>Closing provision</b>	<b>1.34</b>	<b>2.17</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).

### 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 2023	As at 31st March 2022
No of Customers who owed more than 10% of the Total receivables	0	0
Contribution of Customers in owing more than 10% of Total receivables	0.00%	0.00%

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 3076.01 Lakhs as at 31st March, 2023 (31st March, 2022: ₹ 2795.01 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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**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**

₹ in Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	Carrying amount - Contractual cash flows		Carrying amount - Contractual cash flows	
	Upto 1 year	More than 1 year	Upto 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	743.12	3,124.88	600.29	3,029.81
Lease Liabilities	182.08	763.26	120.01	463.91
Trade and other payables	4,078.02	-	3,872.72	-
Other financial liabilities	883.14	-	797.67	-
<b>Total non-derivative financial liabilities</b>	<b>5,886.36</b>	<b>3,888.14</b>	5,390.69	3,493.72

**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 analyzes foreign currency risk from financial instruments as of 31st March 2023 and 31st March 2022:

**Exposure to liquidity risk**

Amount in Lakhs

Particulars	USD	EURO	GBP	SGD
<b>Accounts Receivable</b>				
As at :				
31st March 2023	14.71	0.08	0.03	0.08
31st March 2022	10.88	0.01	0.03	0.20
<b>Accounts Payable</b>				
As at :				
31st March 2023	14.85	-	-	-
31st March 2022	11.49	-	-	-
<b>Cash &amp; Cash Equivalents</b>				
As at :				
31st March 2023	10.70	-	-	-
31st March 2022	8.98	-	-	-

## Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 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	Amount in Lakhs			Average Exchange rate		
	USD	EURO	GBP	INR/USD	INR/EURO	INR/GBP
<b>Export Transactions</b>						
As at :						
<b>31st March 2023</b>	<b>194.67</b>	<b>1.09</b>	<b>0.45</b>	<b>79.42</b>	<b>80.69</b>	<b>96.51</b>
31st March 2022	161.57	1.26	0.46	73.70	86.31	100.90
<b>Import Transactions</b>						
As at :						
<b>31st March 2023</b>	<b>79.41</b>	<b>0.77</b>	<b>-</b>	<b>78.87</b>	<b>87.54</b>	<b>-</b>
31st March 2022	200.53	2.78	-	74.08	89.06	-

### Impact on profit or loss and total equity

Amount in Lakhs

Particulars	USD impact		EURO impact		Other Currencies	
	As at	As at	As at	As at	As at	As at
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Increase in exchange rate by 5%	42.43	31.12	0.34	0.03	0.41	0.72
Decrease in exchange rate by 5%	(42.43)	(31.12)	(0.34)	(0.03)	(0.41)	(0.72)

### 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.

Amount in Lakhs

Outstanding contracts	As at	Foreign currency	Carrying amount
<b>Derivative instruments</b>			
Accounts Receivables (USD)	<b>31st March 2023</b>	-	-
	31st March 2022	-	-
Other Receivables (USD)	<b>31st March 2023</b>	-	-
	31st March 2022	-	-
Accounts Payables(USD)	<b>31st March 2023</b>	<b>6.07</b>	<b>500.72</b>
	31st March 2022	-	-

### 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.

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**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	31st March 2023	31st March 2022
<b>Fixed-rate instruments</b>		
Financial Assets/Liabilities - measured at amortised cost		
a) Investment in Bonds	50.64	52.65
b) Deposits with Corporates	4,004.95	4,492.00
<b>Floating-rate instruments</b>		
a) Borrowings	3,868.00	3,630.10

**45 Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2023**

₹ in Lakhs

Sl.No.	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>1</b>	<b>SEGMENT REVENUE</b>		
a	Laundry & Allied Products	49,087.48	45,652.49
b	IT Enabled Services	5,012.70	3,407.76
c	Windmill	376.84	320.56
	<b>TOTAL</b>	<b>54,477.02</b>	<b>49,380.81</b>
	Less : Inter Segment Revenue	(336.49)	(279.26)
	<b>SALES/INCOME FROM OPERATIONS</b>	<b>54,140.53</b>	<b>49,101.55</b>
<b>2</b>	<b>SEGMENT RESULTS</b>		
a	Laundry & Allied Products	6,901.73	6,548.51
b	IT Enabled Services	1,524.58	1,057.00
c	Windmill	162.80	160.41
	<b>TOTAL</b>	<b>8,589.11</b>	<b>7,765.92</b>
	Less: Interest and Finance Charges	(301.22)	(295.68)
	Less: Unallocated Expenditure (Net-off)	465.61	292.75
	Exceptional Item	-	-
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>8,753.50</b>	<b>7,762.99</b>
<b>3</b>	<b>Segment Assets</b>		
a	Laundry & Allied Products	29,730.55	28,112.76
b	IT Enabled Services	2,370.12	1,680.64
c	Windmill	1,303.75	1,315.49
d	Unallocated / Corporate *	51,360.09	66,917.62
		<b>84,764.51</b>	<b>98,026.51</b>
<b>4</b>	<b>Segment Liabilities</b>		
a	Laundry & Allied Products	8,899.58	8,407.54
b	IT Enabled Services	1,238.94	933.35
c	Windmill	11.50	14.99
d	Unallocated / Corporate *	1,322.26	2,714.77
		<b>11,472.28</b>	<b>12,070.65</b>
	<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>	<b>73,292.23</b>	<b>85,955.86</b>

\* including unrealised gain on investments through Other Comprehensive Income (OCI) ₹ 33814.59 Lakhs (previous year ₹51,687.82 Lakhs)

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**46 Related party disclosures**
**1 Names of related parties and nature of relationship:**

Nature of relationship	Name of related party		
Wholly Owned Subsidiaries	Ultramarine Specialty Chemicals Ltd		
	Ultramarine Fine Chemicals Limited		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Managing Director	Executive
	Mr. V. Bharathram	Managing Director	Executive
	Mr. R. Senthil Kumar	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	
Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.	Thirumalai Chemicals Limited		
	TCL Global B.V		
	Thirumalai Charity Trust		
	TCL Intermediates Pvt. Limited		
	Vedavalli Vidyalaya School (a Unit of Akshaya Vidya Trust )		
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President	
	Ms. Vidya Sampath	Vice President	

**2 Transactions carried out with related parties referred in 1 above, in ordinary course of business**

₹ in Lakhs

Nature of transactions	Related parties	
	2022-23	2021-22
<b>Sales</b>		
<b>Goods, Materials and Services</b>		
Thirumalai Chemicals Limited	110	3.54
Ultramarine Specialty Chemicals Ltd	61.94	60.21
<b>Purchase</b>		
<b>Goods, Materials, equipment and Services</b>		
Thirumalai Chemicals Limited	7.25	-
Ultramarine Specialty Chemicals Ltd	42.25	-
<b>Investment in a subsidiary Ultramarine Specialty Chemicals Limited in Equity and Preference Shares</b>		
Investment in Preference Shares	380.00	2,200.00
Investment in Equity Shares	1,125.00	2,200.00
Share Application Money Pending Allotment	300.00	134.00
<b>Investment in a subsidiary Ultramarine Fine Chemicals Limited in Equity</b>		
Investment in Equity shares	1.00	-
<b>Loan to subsidiary Ultramarine Specialty Chemicals Limited</b>		
Term Loan	1,025.00	550.00
<b>Remuneration to Key Managerial Personal</b>		
Mr. V. Bharathram	266.67	218.41
Ms. Tara Parthasarathy	212.15	166.70
Mr. R. Senthilkumar	104.64	80.63
Mr. Ramanan	53.75	53.56
Mr. Kishore	23.02	20.68
Sitting fees & commission to Independent & Non-executive Directors	127.25	120.81

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

Nature of transactions	Related parties	
	2022-23	2021-22
<b>Remuneration paid to relatives of Key Managerial Personnel</b>		
Ms. Meera Parthasarathy	110.17	96.36
Mrs. Vidya Sampath	68.75	64.13
<b>Rendering of Services to</b>		
Thirumalai Chemicals Limited	17.63	12.94
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	1.12	0.16
Ultramarine Specialty Chemicals Ltd	0.21	-
Vedvalli vidyalaya	0.24	-
<b>Rent Received</b>		
TCL Intermediates Pvt. Limited	0.84	0.28
<b>Rent Paid to</b>		
Thirumalai Chemicals Limited	42.60	37.78
Ms. Vidya Sampath	0.20	2.23
<b>Receiving of services from</b>		
Thirumalai Chemicals Limited	1.24	1.71
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	5.65	1.40
<b>Reimbursement of Expenses</b>		
TCL Global BV	23.32	51.44
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	15.96	-
<b>Land and other related Expenses</b>		
Ultramarine Specialty Chemicals Ltd	-	979.84
<b>Outstanding payables</b>		
Thirumalai Chemicals Limited	3.32	3.93
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	-	0.18
Ms. Vidya Sampath	-	0.20
<b>Directors Remuneration Payables</b>		
Mr. V.Bharathram	100.00	80.00
Ms. Tara Parthasarathy	100.00	80.00
Mr. R. Senthilkumar	32.48	20.00
Non executive Directors commission	97.65	83.18
<b>Outstanding receivables</b>		
Ultramarine Specialty Chemicals Ltd	48.26	7.10
Thirumalai Chemicals Limited	-	0.12
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	-	-
TCL Intermediates Pvt. Limited	0.07	0.28
<b>Outstanding deposits receivables</b>		
Ms. Vidya Sampath	-	0.70
Thirumalai Chemicals Limited	14.00	14.00
<b>Advances/Receivables</b>		
Ultramarine Specialty Chemicals Ltd - Term Loan Receivable	1,575.00	550.00
Ultramarine Specialty Chemicals Ltd - Other Receivable	177.60	983.52
<b>Donations paid</b>		
Thirumalai Charity Trust	160.00	160.00



**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**47 Leases**

The following is the movement in lease liabilities during the year ended March 31, 2023:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	583.92	259.53
Lease liabilities recognised on initial application of Ind-AS 116	906.31	436.30
Finance cost accrued during the period	46.00	20.27
Payment of lease liabilities	(180.78)	(124.72)
Gain recognised on reassessment of Lease	-	-
Gain recognised on termination of Lease	(19.24)	(1.67)
Reversal of Liability on Pre-Closure of Leases	(390.86)	(5.79)
Balance at the end	945.34	583.92
Lease Liability - Current	182.08	120.01
Lease Liability - Non-Current	763.26	463.91

Interest on lease liabilities is ₹ 46.00 Lakhs (March 31, 2022 ₹ 20.27 Lakhs) for the year ended March 31, 2023.

The total cash outflow for leases is ₹ 180.78 Lakhs ( March 31, 2022 - ₹ 124.72 Lakhs) for the year ended March 31, 2023. The Group 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.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Payable</b>		
Within one year	206.52	153.52
After one year but not more than five years	604.32	332.30
More than five years	447.17	229.10

**48 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.

**i. Profit attributable to Equity holders of Company**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per share	6,646.88	5,832.59

**ii. Weighted average number of ordinary shares**

Particulars	As at 31st March 2023	As at 31st March 2022
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
Basic earnings per share (₹)	22.76	19.97

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**49 Research and Development Expenditure**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>The Company has Incurred Research and Development expenses as under:</b>		
<b>On Capital Account:</b>		
Lab Equipment	29.58	44.16
Building & Other Assets	1.28	13.43
<b>On Revenue Account</b>		
Salaries & Allowances	142.50	106.21
Contributions to Provident fund and other funds	10.41	7.55
Chemicals and Consumables	3.03	18.85
Other Expenses	43.01	8.41
<b>Total</b>	<b>229.81</b>	<b>198.61</b>

**50 Details of CSR Expenditure**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Gross amount required to be spent during the year	148.33	145.04
(b) Amount approved by the Board to be spent during the year	200.00	253.00
(c) Amount spent during the year ending 31st March, 2023		
(i) construction / acquisition of any asset	2.59	23.23
(ii) on purposes other than above	183.87	200.32
(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	160.00	161.00
(ii) Contribution to Government	0.75	30.00
(iii) Contribution to Health/Education	25.71	32.55
(h) Details of related party transactions		
(i) Donation paid to Thirumala Charity Trust	160.00	160.00

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.

**51 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

₹ in Lakhs

Particulars	2022-23	2021-22
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	178.35	190.96
(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	NIL	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	0.53	0.83
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	1.66	1.14
(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	NIL	NIL

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**52 C I F Value of Imports**

₹ in Lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw Materials	8,156.20	15,144.67
Plant & Machinery	-	-
Machinery spares	170.96	0.29
Lab Equipment	-	14.47
R&D Equipment	-	0.71
Components	-	35.28
<b>Total</b>	<b>8,327.16</b>	<b>15,195.42</b>

**53 Expenditure in Foreign Currency**

₹ in Lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Travelling	18.34	3.00
Legal & Professional Charges	3.41	2.50
Sales Promotion Expenses	43.69	54.83
Other Expenses	7.28	22.91
<b>Total</b>	<b>72.72</b>	<b>83.24</b>

**54 Earnings in foreign currencies**

₹ in Lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Export of goods calculated on FOB basis	10,664.21	8,342.58
Income from IT enabled services	4,454.76	3,328.17
<b>Total</b>	<b>15,118.97</b>	<b>11,670.75</b>

**55** Effective April 1st, 2021, the company successfully implemented an ERP System. The implementation covered various modules, including financial modules, and the issues identified during the process have been resolved. As of March 31st, 2023, all modules are stable and functioning satisfactorily. No significant issues requiring modifications or changes to the ERP system have been identified for relying on the system's data in preparing the financial statements for the year ending March 31st, 2023.

The company is currently in the process of automating certain modules and aligning and revising the existing Internal Control over financial reporting, as necessary, to match the controls and processes established in the new ERP System. During the year ending March 31st, 2023, there were no significant observations or deviations noticed in the ERP System that would impact the financial data. The financial information statements prepared are consistent with the Books of Accounts maintained.

**56 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.

**57 Capital Management**
**Net Debt Reconciliation**

₹ in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash equivalents	3,076.01	2,795.01
Current Borrowings	-	-
Non- Current borrowings including Current Maturities	3,868.00	3,630.10
	0.95	0.65
Other Financial Liabilities - Interest Payable	3,868.95	3,630.75
<b>Net debt</b>	<b>792.94</b>	<b>835.74</b>

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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	
Net debt as at 31st March 2021	6,939.35	3,571.29	-	(3,368.06)
Cash flows	(4,141.30)	59.55	-	4,200.85
Foreign exchange adjustments	(3.04)	-	-	3.04
Interest expenses (Includes Interest capitalized ₹ 181.99 lakhs)	-	266.03	-	266.03
Interest paid	-	(266.12)	-	(266.12)
Other non-cash movements				
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
Net debt as at 31st March 2022	2,795.01	3,630.75	-	835.74
Cash flows	282.60	237.90	-	(44.70)
Foreign exchange adjustments	(1.60)	-	-	1.60
Interest expenses (Includes Interest capitalized ₹ 4.07 lakhs)	-	270.01	-	270.01
Interest paid	-	(269.71)	-	(269.71)
Other non-cash movements				
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
<b>Net debt as at 31st March 2023</b>	<b>3,076.01</b>	<b>3,868.95</b>	<b>-</b>	<b>792.94</b>

**58 Ratio**

Ratio	Numerator	Denominator	F.Y. 2022-23	F.Y. 2021-22	% Variance	Reason for Variance by more than 25% as compared to p.y. (Positive or Negative)
(a) Current Ratio	Current Assets	Current Liabilities	3.37	3.42	(1.62)	
(b) Debt-Equity Ratio	Total Debt (Total Borrowings + Lease Liabilities)	Shareholder's Equity (Shareholders' funds other than Other Comprehensive Income)	0.12	0.12	(0.78)	
(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)	7.75	14.20	(45.44)	Due to increase in borrowings and lease payments and increase in interest costs
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	16.83%	17.00%	(1.00)	
(e) Inventory Turnover Ratio	Sale of Materials	Average Inventory	6.41	8.42	(23.85)	
(f) Trade Receivables Turnover Ratio	Total Sales	Average Accounts Receivable	13.22	11.79	12.17	
(g) Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	7.29	7.80	(6.56)	
(h) Net Capital Turnover Ratio	Total Sales	Working Capital	3.56	3.35	6.29	
(i) Net Profit Ratio	Net Profits after taxes	Total Sales	12.28%	11.88%	3.35	

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Ratio	Numerator	Denominator	F.Y. 2022-23	F.Y. 2021-22	% Variance	Reason for Variance by more than 25% as compared to p.y. (Positive or Negative)
(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 )	19.40%	20.44%	(5.07)	
(k) Return on Investment	Income from Investments	Cost of Investments				
1. Equity			8.00%	16.81%	(52.40)	Due to increase in Equity investments in subsidiary company during the year 22-23
2. Mutual Funds & Other Investments			4.16%	5.61%	(25.70)	Decrease is mainly due to investment in liquid funds during the year
3. Fixed Deposits			5.75%	4.66%	23.30	
4. Intercorporate Deposits			5.72%	6.20%	(7.68)	

**59 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.
- 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 willful 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 :

**Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2023**

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 Infrastructure 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.

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
HEMLATA INVESTMENT PRIVATE LIMITED	Shares held by struck off company	₹ 0.01 Lakhs (726 Shares)	Shareholder
VAISHAK SHARES LIMITED	Shares held by struck off company	₹ 0.00 Lakhs (5 Shares)	Shareholder

**60** Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For Brahmaya & Co**

Chartered Accountants  
Firm Regn. No. 000511S

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

Place : Chennai  
Date : 19th May 2023

**For and on behalf of Board of Directors**

**TARA PARTHASARATHY**  
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**  
Managing 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 subsidiaries (the holding company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with the companies ( Indian Accounting standards ) Rules ,2015 as amended ( "Ind AS" ) and the other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated Profit, their consolidated total comprehensive income , their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### **2 Basis for Opinion**

2.1 We conducted our audit of Consolidated Financial Statements 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on Consolidated Financial Statements.

### **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 Other Information**

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 or 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 Management and 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 consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India, including the Ind AS 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 the respective board of directors 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 financial reporting process of each company.

## **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 scepticism throughout the audit. We also:

- a. 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.
- b. 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 Act, 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- d. 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.
- e. 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 including other comprehensive income, 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 Statements.

- 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, 2023 taken on record by the Board of Directors of the Holding Company and Subsidiaries, none of the directors of the Group companies is disqualified as on 31st March, 2023 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 Subsidiaries, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies; and
- g) 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, 2023 on its financial position in Note 41 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 Subsidiaries have 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 Subsidiaries have 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.19.2 (b) to the Consolidated Financial Statements
    - (a) The final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with Section 123 of the Act, as applicable
    - (b) 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.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- h) 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.

**For BRAHMAYYA & CO.,**  
**Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
UDIN : 23203377BGVERF7563

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

**Annexure – 'A' to Independent Auditors' Report**

To the Members of Ultramarine & Pigments Limited on the Consolidated Ind AS financial statements for the year ended March 31, 2023 [Referred to in paragraph 71 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Clause (xi) 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 unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO)

Sl.No	Name of Entity	CIN	Holding company/Subsidiary company/JV/ Associate	Clause number of the CARO report which is unfavourable or Qualified or Adverse
1	Ultramarine & Pigments Limited	L24224MH1960PLC011856	Holding company	3 (i) (c)
2	Ultramarine Speciality Chemicals Limited	U24300TN2019PLC133064	Subsidiary company	3 (i) (c)

**For BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner  
Membership No: 203377  
UDIN : 23203377BGVERF7563

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

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

Referred to in paragraph 71 (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 with reference to Consolidated Financial Statements of Ultramarine & Pigments Limited (hereinafter referred to as "the Holding Company" or "the Company") and its Subsidiaries as of 31st March 2023 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company and its subsidiaries for the year ended on that date.

**Management's and Board of Directors' Responsibility for Internal Financial Controls**

2. The respective company's Management and Board of Directors of the holding company and its subsidiaries are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") 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 with reference to Consolidated Financial Statements based on our audit and its Subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
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 with reference to Consolidated Financial Statements of the Company and its Subsidiaries.

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

6. A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 Holding Company and its Subsidiaries has, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to Consolidated Financial Statements 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 (the "Guidance Note").

**For BRAHMAYYA & CO.,  
Chartered Accountants**  
Firm Registration No: 000511S

**R.Nagendra Prasad**  
Partner

Place : Chennai  
Date : 19<sup>th</sup> May, 2023

Membership No: 203377  
UDIN : 23203377BGVERF7563

**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023**

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31st March 2023	As at 31st March 2022
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	4	22,758.70	14,563.60
	(b) Right of use asset	5	962.04	579.46
	(c) Capital work in progress	4	2,941.97	6,934.63
	(d) Other Intangible assets	6	35.61	63.73
	(e) Financial Assets			
	(i) Investments	7	35,388.40	54,698.95
	(ii) Loans	8	805.00	700.00
	(iii) Other financial assets	9	597.42	211.97
	(f) Other non-current assets	10	1,089.38	938.02
			<b>64,578.52</b>	<b>78,690.36</b>
(2)	<b>Current assets</b>			
	(a) Inventories	11	8,849.89	7,167.59
	(b) Financial Assets			
	(i) Investments	12	1,190.11	431.80
	(ii) Trade receivables	13	4,419.34	3,941.00
	(iii) Cash and cash equivalents	14	3,188.10	2,976.48
	(iv) Bank balances other than cash and cash equivalents	15	69.60	66.90
	(v) Loans	16	3,242.54	3,837.85
	(vi) Other financial assets	17	221.86	242.59
	(c) Current Tax Assets ( Net)		-	-
	(d) Other current assets	18	2,355.94	2,156.06
			<b>23,537.38</b>	<b>20,820.27</b>
	<b>Total Assets</b>		<b>88,115.90</b>	<b>99,510.63</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	(a) Equity Share capital	19	584.00	584.00
	(b) Other Equity	20	72,978.35	85,368.99
			<b>73,562.35</b>	<b>85,952.99</b>
<b>LIABILITIES</b>				
(1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	21	5,478.96	4,154.81
	(ii) Lease liabilities	22	763.26	463.91
	(iii) Other Financial liabilities	23	6.83	66.12
	(b) Provisions	24	155.59	160.41
	(c) Deferred tax liabilities (net)	25	1,049.40	2,339.50
	(d) Deferred Income	26	24.91	28.33
			<b>7,478.95</b>	<b>7,213.08</b>
(2)	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	27	1,095.91	600.29
	(ii) Lease liabilities	28	182.08	120.01
	(iii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	29	185.23	225.15
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,008.64	3,747.19
	(iv) Other financial liabilities	30	1,049.73	991.01
	(b) Other current liabilities	31	449.80	544.86
	(c) Provisions	32	99.79	112.63
	(d) Deferred Income	33	3.42	3.42
			<b>7,074.60</b>	<b>6,344.56</b>
	<b>Total Equity and Liabilities</b>		<b>88,115.90</b>	<b>99,510.63</b>

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmayya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

**R.NAGENDRA PRASAD**

 Partner  
Membership No.203377

Place : Chennai

Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**

 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**

 Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**

Company Secretary

**Consolidated Statement of profit and loss for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
I	Revenue From Operations	34	55,660.29	49,041.37
II	Other Income	35	1,147.46	906.86
III	<b>Total Income (I+II)</b>		<b>56,807.75</b>	<b>49,948.23</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	36	29,505.52	28,632.43
	Purchase of stock-in-trade		1,058.97	355.25
	Changes in Inventories of Finished goods and work-in-progress	37	(1,956.85)	(892.32)
	Power and Fuel (Refer Note 40.1)		3,616.96	2,462.15
	Employee benefits expense	38	7,113.46	5,122.93
	Finance costs	39	449.60	295.71
	Depreciation and amortization expense	4-6	1,690.00	1,189.95
	Other expenses	40	6,239.06	5,021.22
	<b>Total expenses (IV)</b>		<b>47,716.72</b>	<b>42,187.32</b>
V	<b>Profit before exceptional items (III-IV)</b>		<b>9,091.03</b>	<b>7,760.91</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>9,091.03</b>	<b>7,760.91</b>
VIII	Tax expense:			
	(1) Current tax		(2,068.85)	(1,796.26)
	(2) Deferred tax		(102.23)	(124.47)
	(3) Excess/(Short) provision of earlier year		-	(9.86)
IX	<b>Profit for the period (VII-VIII)</b>		<b>6,919.95</b>	<b>5,830.32</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		30.27	(49.91)
	- Equity instruments through other comprehensive income		(19,265.57)	36,905.21
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(7.64)	12.56
	- Equity instruments through other comprehensive income		1,392.34	(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>(17,850.60)</b>	<b>35,475.52</b>
XII	<b>Total comprehensive income for the period (IX + XI)</b>		<b>(10,930.65)</b>	<b>41,305.84</b>
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		23.70	19.97
	(2) Diluted		23.70	19.97

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmayya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

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

 Place : Chennai  
Date : 19th May 2023

**TARA PARTHASARATHY**  
Managing Director  
DIN :07121058

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

**For and on behalf of Board of Directors**
**C.R. CHANDRA BOB**  
Director  
DIN:07384175

**S. RAMANAN**  
Chief Financial Officer

**V. BHARATHRAM**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

**Consolidated Statement of cash flows for the year ended 31st March, 2023**

₹ in Lakhs

Sl. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	9,091.03	7,760.91
	<b>Adjustments for:</b>		
	Finance Cost	449.60	295.71
	Depreciation and amortisation expenses	1,690.00	1,189.96
	Interest Income	(379.77)	(356.19)
	Dividend Income	(511.29)	(449.94)
	Gain on Reassessment / Termination of Lease	(19.24)	(1.67)
	Provision for Leave Encashment	18.90	38.41
	Provision for doubtful Debts and Provision for expected credit loss	309.80	3.64
	Provision for other receivables	40.76	-
	Net gains on disposal of property, plant and equipment	35.50	19.94
	Remeasurement of defined benefit liabilities	30.27	(49.91)
	Receipt of government grant	(3.50)	(3.42)
	Net gains on sale of Investments	(31.65)	(29.70)
	Net gains arising on financial assets designated at FVTPL	6.59	(4.25)
	Net gains on foreign currency transactions and translation	10.51	12.01
	<b>Operating profit before working capital changes</b>	<b>10,737.51</b>	<b>8,425.50</b>
	<b>Movements in working capital:</b>		
	<b>Adjustments for (increase)/decrease in operating assets:</b>		
	Inventories	(1,682.30)	(3,473.55)
	Trade receivables	(792.57)	439.72
	Current financial loans and advances	118.10	(98.94)
	Other current assets	(240.64)	(1,286.95)
	Non-current financial loans and advances	(385.52)	(7.50)
	Other Non-current assets	(42.38)	(36.77)
	<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
	Trade payables	217.05	348.41
	Other current financial liabilities	250.68	28.82
	Other current liabilities	(116.94)	318.14
	Other non-current financial liabilities	(59.28)	46.59
	<b>Cash generated from operations</b>	<b>8,003.71</b>	<b>4,703.47</b>
	<b>Direct taxes paid (net)</b>	<b>(2,102.22)</b>	<b>(1,795.83)</b>
	<b>Net cash generated from operating activities (A)</b>	<b>5,901.49</b>	<b>2,907.64</b>



**Consolidated Statement of cash flows for the year ended 31st March, 2023**

₹ in Lakhs

Sl. No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>B</b>	<b>Cash flow from investing activities</b>		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(6,040.95)	(6,880.67)
	Payment for intangible assets (including Intangible assets under development)	(3.25)	(80.24)
	Proceeds from disposals of PPE	4.25	29.68
	Purchase of non current investments	(66.00)	(59.03)
	Redemption of non current investments	95.51	156.05
	Purchase of current investments	(8,019.60)	(12,329.51)
	Redemption of current investments	7,301.82	13,438.80
	(Increase)/ decrease in deposit with companies	479.36	(1,406.91)
	Interest received	279.76	401.95
	Dividend received	511.29	449.94
	<b>Net cash (used in) investing activities (B)</b>	<b>(5,457.81)</b>	<b>(6,279.94)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from Long Term Borrowings	2,189.00	1,281.08
	Proceeds from Short Term Borrowings	230.00	-
	Repayment of Borrowings	(599.23)	(96.53)
	Payment of Lease Liabilities	(180.78)	(124.21)
	Interest paid (Net of Interest Capitalised ₹ 80.90 Lakhs (P.Y. ₹ 36.30 Lakhs)	(409.45)	(269.08)
	Dividend paid	(1,460.00)	(1,460.00)
	<b>Net cash from / (used in) financing activities (C)</b>	<b>(230.46)</b>	<b>(668.74)</b>
<b>D</b>	<b>Net Increase/(Decrease) In Cash And Cash Equivalents [(A) + (B) + (C)]</b>	<b>213.22</b>	<b>(4,041.04)</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	1,750.43	1,565.92
	Cash on hand	0.51	0.88
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,225.54	5,453.76
	<b>Cash and Cash Equivalents (As per Note No. 14)</b>	<b>2,976.48</b>	<b>7,020.56</b>
<b>F</b>	<b>Effect of exchange differences on translation of foreign currency cash &amp; cash equivalents</b>	<b>(1.60)</b>	<b>(3.04)</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	1,558.81	1,750.43
	Cash on hand	0.29	0.51
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,629.00	1,225.54
	<b>Cash and Cash Equivalents (As per Note No. 14) [(D)+(E) + (F)]</b>	<b>3,188.10</b>	<b>2,976.48</b>

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmayya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

**R.NAGENDRA PRASAD**

 Partner  
Membership No.203377

Place : Chennai

Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

**Consolidated Statement of changes in equity for the year ended 31st March, 2023**

<b>I Equity Share Capital</b>						₹ in Lakhs
Particulars						Amount
Balance as at 31st March 2021						584.00
Changes in Equity Share Capital due to prior period errors						-
Restated balance as at 1st April 2021						-
Changes in equity share capital during the year						-
Balance as at 31st March 2022						584.00
Changes in Equity Share Capital due to prior period errors						-
Restated balance as at 1st April 2022						-
Changes in equity share capital during the year						-
<b>Balance as at 31st March 2023</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>As at 31st March 2021</b>	4,105.00	25,252.05	16,174.95	(8.87)	45,523.13	
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 tax)	-	-	35,512.87	(37.35)	35,475.52	
Total comprehensive income for the Period		5,830.34	35,512.87	(37.35)	41,305.86	
<b>Appropriation</b>						
Final dividend - 2020-21		(1,460.00)			(1,460.00)	
<b>As at 31st March 2022</b>	4,105.00	29,622.39	51,687.82	(46.22)	85,368.99	
Changes in accounting policy or prior period errors	-	-	-	-	-	
Profit for the year ending 31st March, 2023	-	6,919.95	-	-	6,919.95	
<b>Other Comprehensive Income</b>						
-Recognition of Investments at fair value (Net of Taxes)			(17,873.23)		(17,873.23)	
-Remeasurement of Defined benefit plans (Net of Taxes)				22.64	22.64	
Other comprehensive income for the Period (net of tax)	-	-	(17,873.23)	22.64	(17,850.59)	
<b>Total comprehensive income for the Period</b>		6,919.95	(17,873.23)	22.64	(10,930.64)	
<b>Appropriation</b>						
Final dividend - 2021-22		(1,460.00)			(1,460.00)	
<b>As at 31st March 2023</b>	4,105.00	35,082.34	33,814.59	(23.58)	72,978.35	

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For Brahmaya & Co**

Chartered Accountants  
Firm Regn. No. 000511S

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

Place : Chennai  
Date : 19th May 2023

**For and on behalf of Board of Directors**

**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 subsidiaries (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 Group 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 Tamil Nadu and Naidupet in the State of Andhra Pradesh. Power generation through wind power generators installed in the state of Tamil Nadu is predominantly used for self-consumption. IT enabled services and BPO activities are carried out from offices situated in Chennai and Ranipet. The subsidiary implemented a greenfield project for manufacturing of Pigments in Naidupet in the State of Andhra Pradesh and commenced commercial operations on 25th July, 2022 and is in the process of expanding the existing capacity .

The Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 19th May, 2023.

### 2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiaries. Control is achieved when the Group:

- Has power over the investee,
- Is exposed to or has 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 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**

**Ultramarine Fine 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 Subsidiaries and/or Holding Company 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 policies have 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.

#### 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

Any asset or liability is satisfied as current if it satisfies any of the following conditions:

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

- i. Asset / Liability is expected to be realized / settled in the Group's normal operating cycle.
- ii. Asset is intended for sale or consumption.
- iii. Asset / Liability is held primarily for the purpose of trading.
- iv. Asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date.
- v. In case of a Liability, the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

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 and Provisions

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

Expected credit losses of the Group are based on an evaluation of the collect ability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current credit worthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counter parties with which the Group contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

Irrecoverable trade receivables are written off when management judges them as not collectible

#### 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 March 31, 2023 is included in the following notes:

- Notes 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;

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3. Significant Accounting Policies

#### 3.1. Property, Plant, and Equipment: [PPE]

##### Initial Recognition

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 an item of property, plant and equipment includes its purchase price (after deducting trade discounts and rebates), import duties, 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.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Group and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

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 Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and expenditure meet the recognition criteria.

##### 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:

During the year, the company has reviewed the useful life of certain plant and equipment i.e., Kiln Equipment and Burner for Kilns based on changes in technology, usage of fuel and revised the useful life from 10 - 40 years to 5 -10 years. The company has changed the estimated useful life of these assets effective from 1st April, 2022 and adopted depreciating those assets based on the revised useful life.

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Equipment	12 – 40	5 –20
Computer Equipment	3 – 6	3 – 4
R&D Lab Equipment	10	2 – 10

In the case of improvements on Leasehold premises, amortization 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, with the effect of changes in estimate of useful life of those assets being accounted on prospective basis 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.

The impact on account of change in estimated useful life of above mentioned assets resulted in increase in depreciation by ₹ 10.41 Lakhs and the profit for the year, reserves and surplus and property, Plant and Equipment are lower by a similar amount. The impact of the above change on the future years for the existing assets ( not considering the future procurement of assets) is by a similar amount.

##### Derecognition

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognized in the profit or loss in the year the asset is derecognized.

#### 3.2. Intangible Assets

##### Initial Recognition

Intangible assets acquired separately are initially measured at cost. Intangible assets are recognized if and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Cost of separately acquired intangible assets includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to preparing the asset for its intended use.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Subsequent measurement and Amortisation

- (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 upto ₹ 25,000/-is amortised out in the year of acquisition.
  - b) Other Software acquired is amortised over its estimated useful life of 3 years;
  - c) 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 derecognised 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. Such reversal is recognized in the statement of profit or loss.

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

#### Translation:

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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

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) (FVTOCI – debt investment);
- Fair value through other comprehensive income (FVTOCI) – 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 FVTOCI 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 FVTOCI – 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 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 FVTOCI 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 the Statement of profit and 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 FVTOCI	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.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

Equity investments at FVTOCI	<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>
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### 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 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. Fair Value Measurements

Group follows the following mentioned underneath hierarchy for determining fair values of its financial instruments:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs. If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### 3.8. 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.

### 3.9. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into 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.

### 3.10. 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 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 realization of such assets.

Credit for Minimum Alternative Tax (MAT) if any is recognized as a part of deferred tax assets.

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.

### 3.11. Share Capital

Equity Shares are classified as equity.

### 3.12. 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

Revenue is measured based on the transaction price after netting trade discounts, volume discounts, sales returns and goods and service tax, excluding the estimates of variable consideration that is allocated to that performance obligation.

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 or Taxes on Export Products (RoDTEP), 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.

### Other Income

#### 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.

## 3.13. 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

- 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 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.

### 3.14. 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 but disclosed in the consolidated financial statements, when an inflow of economic benefits is probable.

### 3.15. 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, 2023

### 3.16. Leases

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

#### Group as a lessee

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.

At the date of commencement of the lease, the Group 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 Group 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 Group 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.

#### Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income from operating leases is recognized in the statement of profit and loss income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.17. 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.

### 3.18. 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.

### 3.19. 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

Unallocated income and expenses includes general corporate income and expense items which are not allocated to any segment.

### 3.20. 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 an expense 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.

### 3.21. 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.

### 3.22. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Standalone Financial Statements.

Non Adjusting events after the Balance Sheet date which are material in size or nature are disclosed separately in the Standalone Financial Statements.

### 3.23 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 1, 2023, as below:

#### (i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

#### (ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

#### (iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2023**
**4 Property Plant and Equipment**

₹ in Lakhs

Particulars	Freehold Land (Note ii & iii)	Leasehold Land	Buildings (Note i & iii)	Plant & Machinery	Computer Equipments	Furniture & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Lab Equipment and Other Assets (Used for R&D)	Total	Capital Work- in progress
<b>Deemed cost:</b>												
Balance as at 31-03-2021	1,037.43	-	2,570.95	9,476.11	359.37	289.63	1.25	195.81	128.55	182.57	14,241.67	2,981.66
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	-
Balance as at 31-03-2022	2,009.67	-	2,827.89	11,988.27	427.80	319.86	-	209.07	199.58	240.16	18,222.30	6,934.63
Additions	-	-	2,505.23	6,917.03	117.84	115.81	20.90	26.47	13.52	10.34	9,727.14	-
Disposals / Adjustments	-	-	-	62.17	12.54	3.91	-	8.50	3.59	3.03	93.74	-
<b>Balance as at 31-03-2023</b>	<b>2,009.67</b>	<b>-</b>	<b>5,333.12</b>	<b>18,843.13</b>	<b>533.10</b>	<b>431.76</b>	<b>20.90</b>	<b>227.04</b>	<b>209.51</b>	<b>247.47</b>	<b>27,855.70</b>	<b>2,941.97</b>
<b>Accumulated depreciation:</b>												
Balance as at 31-03-2021	-	-	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	-
Balance as at 31-03-2022	-	-	332.96	2,596.07	320.06	130.84	-	135.79	66.86	76.12	3,658.70	-
Charge for the year	-	-	188.81	1,137.40	50.78	46.88	0.86	30.64	23.64	15.06	1,494.07	-
Other Adjustments	-	-	-	30.46	8.95	3.81	-	7.94	3.11	1.50	55.77	-
<b>Balance as at 31-03-2023</b>	<b>-</b>	<b>-</b>	<b>521.77</b>	<b>3,703.01</b>	<b>361.89</b>	<b>173.91</b>	<b>0.86</b>	<b>158.49</b>	<b>87.39</b>	<b>89.68</b>	<b>5,097.00</b>	<b>-</b>
<b>Net carrying amount:</b>												
As at 31-03-2022	2,009.67	-	2,494.93	9,392.20	107.74	189.02	-	73.28	132.72	164.04	14,563.60	-
<b>As at 31-03-2023</b>	<b>2,009.67</b>	<b>-</b>	<b>4,811.35</b>	<b>15,140.12</b>	<b>171.21</b>	<b>257.85</b>	<b>20.04</b>	<b>68.55</b>	<b>122.12</b>	<b>157.79</b>	<b>22,758.70</b>	<b>-</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 of ₹ 897.90 Lakhs 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) 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, 2023**

(iv) Break-up of Capital Work-in-Progress

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31st March 2023	As at 31st March 2022
Buildings	653.43	1,165.29
Plant & Machinery	2,212.40	5,456.57
Furniture & fittings	7.51	-
<b>In Tangible Assets acquired</b>	-	-
<b>Project Expenditure - Direct</b>		
Statutory Fee	3.83	6.67
Salaries and Wages	-	83.93
Professional & Consultancy Charges	4.50	69.28
Travelling Expenses	-	11.65
Other Direct Expenses	27.37	109.01
Finance Costs	32.93	32.23
<b>Total</b>	<b>2,941.97</b>	<b>6,934.63</b>

(v) Depreciation capitalised during the year NIL (previous year ₹ 0.72 Lakhs)

**4.1 CWIP ageing schedule as at 31.03.2023**

₹ 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	2,723.57	218.40	-	-	2,941.97
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,723.57</b>	<b>218.40</b>	<b>-</b>	<b>-</b>	<b>2,941.97</b>

**4.2 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>

**4.3 CWIP, whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2023**

₹ in Lakhs

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.4 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	
Saphire 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>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**5 Right of use asset - Building**

₹ in Lakhs

Particulars	Leased Premises
<b>Deemed cost:</b>	
Balance as at 31-03-2021	346.56
Additions	445.31
Disposals / Adjustments*	29.42
Balance as at 31-03-2022	762.45
Additions	948.60
Disposals / Adjustments*	484.61
<b>Balance as at 31-03-2023</b>	<b>1,226.44</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2021	92.77
Charge for the year	113.35
Other Adjustments	23.13
Balance as at 31-03-2022	182.99
Charge for the year	166.89
Other Adjustments	85.48
<b>Balance as at 31-03-2023</b>	<b>264.40</b>
<b>Net carrying amount:</b>	
As at 31-03-2022	579.46
<b>As at 31-03-2023</b>	<b>962.04</b>

\* adjustment is on account of pre-closure of certain lease agreements during the year ended 31st March, 2023 &amp; 2022

**6 Other Intangible assets**

₹ in Lakhs

Particulars	Licensed Computer Software
<b>Deemed cost:</b>	
Balance as at 31-03-2021	100.56
Additions	80.24
Disposals / Adjustments	-
Balance as at 31-03-2022	180.80
Additions	3.25
Disposals / Adjustments	13.32
<b>Balance as at 31-03-2023</b>	<b>170.73</b>
<b>Accumulated depreciation:</b>	
Balance as at 31-03-2021	87.76
Charge for the year	29.31
Other Adjustments	-
Balance as at 31-03-2022	117.07
Charge for the year	29.41
Other Adjustments	11.36
<b>Balance as at 31-03-2023</b>	<b>135.12</b>
<b>Net carrying amount:</b>	
As at 31-03-2022	63.73
<b>As at 31-03-2023</b>	<b>35.61</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**7 Non-current Investment**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<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, 2022 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	35,136.14	54,401.71
<b>Investment at fair value through Other Profit or Loss (FVTPL)</b>		
<b>Quoted Bonds</b>		
5 (31 March 2022: 5) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000 each	50.64	52.65
<b>Unquoted - Investment in Alternative Investment Fund</b>		
(i) 79,312 (31 March 2022: 1,76,168) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	67.63	177.59
(ii) 66 (31 March 2022: 33) Kae Capital Fund III Units	68.99	33.00
(iii) 67 (31 March 2022: 34) Kae Capital Opportunity Fund Units	65.00	34.00
<b>Total</b>	<b>35,388.40</b>	<b>54,698.95</b>
<b>Notes:</b>		
(a) Aggregate amount of Quoted Investments and market value thereof.	35,186.78	54,454.36
(b) Aggregate amount of unquoted investments-Mutual funds & Bonds	201.62	244.59

**8 Non-current Loans**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deposits with Corporates</b>		
- Considered good - Unsecured	805.00	700.00
<b>Total</b>	<b>805.00</b>	<b>700.00</b>

**9 Non-current Other Financial Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Security Deposits	178.89	110.92
<b>Deposits with Banks</b>		
- Term Deposit with maturity of more than 12 months	310.00	-
- Term Deposit *	100.00	100.00
Employees advances	8.53	1.05
<b>Total</b>	<b>597.42</b>	<b>211.97</b>

\* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings

**10 Other Non - Current Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, Considered Good</b>		
Capital Advances	204.37	78.48
Income taxes (Net)*	732.27	721.06
Deposits for the leased premises	108.19	77.44
Prepaid expenses	44.55	61.04
<b>Total</b>	<b>1,089.38</b>	<b>938.02</b>

\*Net of Provision for tax ₹ 5756.85 lakhs (March 31, 2022 : ₹ 5,973.15 lakhs)

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**11 Inventories**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Raw materials and components	2,079.42	2,101.22
Raw materials and other materials in Transit	1,528.60	2,005.30
Work in progress	2,433.76	1,526.32
Finished goods	1,899.08	922.59
Finished goods in Transit	469.84	284.97
Packing materials	170.71	148.18
Fuel	28.85	45.49
Stores and spares	239.63	133.52
<b>Total</b>	<b>8,849.89</b>	<b>7,167.59</b>

**12 Investments**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Investment at fair value through Profit and Loss (FVTPL)</b>		
<b>Unquoted units of Mutual Funds</b>		
7400 (31 March 2022: Nil) units of Axis Liquid Fund	185.06	-
5659 (31 March 2022: Nil) units of TATA Liquid Fund	200.98	-
3,75,610 (31 March 2021: Nil) units of Nippon India Overnight Fund	452.10	-
29688 (31 March 2021: 35,624) units of Axis Overnight Fund Direct Plan	351.97	400.35
1,05,827 (31 March 2021: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	-	314.5
<b>Total</b>	<b>1,190.11</b>	<b>431.80</b>

**13 Trade Receivables**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
- Considered good - secured	-	-
- Considered good - Unsecured	4,420.68	3,943.17
- Having significant increase in Credit Risk	310.63	-
- Credit impaired	-	-
	<b>4,731.31</b>	<b>3,943.17</b>
Less: Provision for doubtful receivables	(310.63)	-
Less: Provision for Expected Credit Loss	(1.34)	(2.17)
<b>Total</b>	<b>4,419.34</b>	<b>3,941.00</b>

Notes :

- (a) Trade Receivable includes receivables from Related party - NIL ( 31st March 2022 - ₹ 0.12 lakhs)
- (b) 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 aging of the receivables that are due and rates used in provision matrix.

**13.1 Trade Receivables ageing schedule as at 31.03.2023**

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date 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	3,623.62	1,103.84	3.60	0.25	-	-	4,731.31
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>3,623.62</b>	<b>1,103.84</b>	<b>3.60</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>4,731.31</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**13.2 Trade Receivables ageing schedule as at 31.03.2022**

₹ in Lakhs

Particulars	Not due for payment	Outstanding for following periods from due date 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>

**14 Cash & cash equivalent**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Cash and cash equivalent</b>		
(i) Cash on hand	0.29	0.51
(ii) Balances with banks		
In current account	1,532.29	1,550.43
In Deposit Accounts with original maturity of less than 3 months	26.52	200.00
In Deposit Accounts with original maturity of more than 3 months and less than 12 months	1,629.00	1,225.54
<b>Total</b>	<b>3,188.10</b>	<b>2,976.48</b>

**15 Bank balances other than cash and cash equivalents**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Margin money with banks	8.44	0.76
Un-claimed dividend accounts*	61.16	66.14
<b>Total</b>	<b>69.60</b>	<b>66.90</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)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deposits with Corporates</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	3,199.95	3,792.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Loans &amp; Advances to Employees</b>		
- Considered good - secured	-	-
- Considered good - Unsecured	5.67	8.93
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
<b>Other Deposits</b>		
- Considered good - unsecured	36.92	36.92
<b>Total</b>	<b>3,242.54</b>	<b>3,837.85</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**17 Other Financial Assets - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Advances recoverable in cash	33.89	14.64
Unbilled revenue	3.18	4.10
Balance with Gratuity Fund	3.36	-
Other deposits receivable	1.06	25.29
Interest accrued on Deposits	180.37	86.26
Other amounts receivable*	-	112.30
<b>Total</b>	<b>221.86</b>	<b>242.59</b>

\* Refund of fee waived receivable from Andhra Pradesh Industrial Infrastructure Corporation (APIIC).

**18 Other Current Assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Advances other than capital advances:</b>		
Advance to suppliers	206.16	98.43
Balance with GST, customs, central excise & sales tax	1,895.89	1,816.92
Less: Provision for service tax refund claim	(40.76)	-
Prepaid Expenses	199.42	173.46
Export incentives receivable - duty free scrips	95.23	67.25
<b>Total</b>	<b>2,355.94</b>	<b>2,156.06</b>

**19 Share capital**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised Shares</b>		
5,00,00,000 (March 31, 2022: 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, 2022: 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>

**19.1 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, 2021	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2022	5,00,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2023</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid up share capital:</b>	
Balance as at 1st April, 2021	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2022	2,92,00,000
Add / (Less): Changes during the year	-
<b>Balance as at 31st March, 2023</b>	<b>2,92,00,000</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**19.2 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 19th May 2023 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2023 and the proposal is subject to approval of shareholders at their meeting to be held on 21st July, 2023, 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.

**19.3 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, 2023	40,55,000
As at 31st March, 2022	39,56,730

**19.4 Details of shareholding of promoters**

S.No.	Promoter Name	Equity Shares held by promoters at the end of the year		As at 31st March 2023		As at 31st March 2022		% 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	40,55,000	13.89	39,56,730	13.55		0.34	
2	Sridhar Sundararajan	-	-	-	-	-	-	
3	Indira Sundararajan	10,71,855	3.67	10,71,855	3.67		-	
4	Bhooma Parthasarathy	7,305	0.03	9,85,052	3.37		(3.34)	
5	Bhooma Parthasarathy Family Trust	9,77,747	3.35	-	-		3.35	
6	Jayalakshmi Venkataraman	-	-	-	-		-	
7	R. Sampath	-	-	-	-		-	
8	Sampath Family Trust	12,75,293	4.37	12,75,293	4.37		-	
9	Parthasarathy Rangaswamy	-	-	9,77,747	3.35		(3.35)	
10	Rangaswamy Parthasarathy Family Trust	9,77,747	3.35	-	-		3.35	
11	Sujata Sampath	-	-	-	-		-	
12	Sujata Sampath Family Trust	12,75,294	4.37	12,75,294	4.37		-	
13	Daya Sridhar	96,000	0.33	3,72,974	1.28		(0.95)	
14	Kala Sundaravedha	-	-	-	-		-	
15	Sridhar Sundararajan - HUF	-	-	-	-		-	
16	Deepa Ajay	3,56,000	1.22	6,37,044	2.18		(0.96)	
17	Geetha.S	-	-	-	-		-	
18	Pravin Rangachari	1,80,030	0.62	1,80,030	0.62		-	
19	S. Varadarajan	7,82,019	2.68	7,86,685	2.69		(0.01)	
20	Srinath Sridhar	-	-	-	-		-	
21	S. Vidhya	1,07,515	0.37	1,07,515	0.37		-	
22	S. Narayan	5,52,639	1.89	5,83,894	2.00		(0.11)	
23	Ramya Bharathram	63,460	0.22	63,460	0.22		-	
24	V. Bharathram	41,050	0.14	41,050	0.14		-	
25	Meera Parthasarathy	2,38,222	0.82	2,38,222	0.82		-	
26	Tara Parthasarathy	2,04,074	0.70	2,04,074	0.70		-	
27	Aditya Rajan	17,200	0.06	17,200	0.06		-	
28	Kavya Narayan	16,000	0.05	16,000	0.05		-	
29	Uttara. B	16,000	0.05	16,000	0.05		-	
30	V. S. Sundararajan	4,108	0.01	4,108	0.01		-	
31	Bina Rajan	4,000	0.01	4,000	0.01		-	
32	Varadarajan Santhanam	114	-	114	-		-	
33	Jasmine Limited	53,620	0.18	53,620	0.18		-	
	<b>Total</b>	<b>1,23,72,292</b>	<b>42.38</b>	<b>1,28,67,961</b>	<b>44.06</b>		<b>(1.68)</b>	



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**20 Other Equity**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
General Reserve	4,105.00	4,105.00
Retained Earnings	35,082.34	29,622.39
Other Comprehensive Income - Fair value of investment	33,814.59	51,687.82
Other Comprehensive Income - Remeasurements of defined benefit plans	(23.58)	(46.22)
<b>Total</b>	<b>72,978.35</b>	<b>85,368.99</b>

**21 Borrowings - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Secured</b>		
Term Loan from Banks (refer note below)	6,345.00	4,755.10
Less current maturity of long term loan (refer note 27)	(866.04)	(600.29)
<b>Unsecured</b>		
Term Loan from Others	-	-
<b>Total</b>	<b>5,478.96</b>	<b>4,154.81</b>

Notes:

- (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 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, carrying interest rate in the range of 6.10% to 8.73%.
- (b) Additional loan of ₹ 837 Lakhs availed with a moratorium period of 2 years and payable in 48 months instalments. The repayment of the loan will commence from 30th June, 2024 at a interest of 8.16% p.a.
- (c) The subsidiary company availed term loan of ₹ 1125 Lakhs during the year out of sanctioned term loan of ₹ 2250 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 installments beginning from October, 2023.
- (d) The subsidiary has availed additional term loan from HSBC bank for ₹ 277 Lakhs with 2 years period of moratorium and payable in 48 monthly instalments and repayment will commence from 30th June 2024 carrying interest rate of 8.16% p.a.

**22 Lease liabilities - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities (refer note 48)	763.26	463.91
<b>Total</b>	<b>763.26</b>	<b>463.91</b>

**23 Other Financial liabilities - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Retention money payable	6.83	66.12
<b>Total</b>	<b>6.83</b>	<b>66.12</b>

**24 Provisions - Non-current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Provision for employee benefits :</b>		
Provision for compensated absences	155.59	160.41
<b>Total</b>	<b>155.59</b>	<b>160.41</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**25 Deferred tax liabilities (net)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Deferred tax liability:</b>		
On account of timing difference in Depreciation and amortisation	1,309.47	1,022.21
Right of Use Assets - Leased premises	-	-
Fair value adjustments of Investments	0.73	1,395.18
	<b>1,310.20</b>	<b>2,417.39</b>
<b>Deferred tax assets:</b>		
Liabilities allowable on payment basis	80.67	73.65
Lease Liabilities - Leased premises	7.65	3.69
Expected credit loss	0.34	0.55
Provision for doubtful receivables & service tax refund claim	88.00	-
Unabsorbed Business Loss/Depreciation	84.14	-
	<b>260.80</b>	<b>77.89</b>
<b>Total</b>	<b>1,049.40</b>	<b>2,339.50</b>

**26 Deferred Income**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Government Grant ( Refer Note below)	24.91	28.33
<b>Total</b>	<b>24.91</b>	<b>28.33</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.

**27 Borrowings - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Current maturity of long term borrowing (refer note 21)	866.04	600.29
Working Capital Loan	229.87	-
<b>Total</b>	<b>1,095.91</b>	<b>600.29</b>

**28 Financial Liabilities - Lease - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities (refer note 48)	182.08	120.01
<b>Total</b>	<b>182.08</b>	<b>120.01</b>

**29 Trade Payables**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Trade payables :		
- Total outstanding dues of micro enterprises and small enterprises	185.23	225.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note below)	4,008.64	3,747.19
<b>Total</b>	<b>4,193.87</b>	<b>3,972.34</b>

\* Includes Trade payables to related parties ₹ 3.52 Lakhs (March 31, 2022: ₹ 4.31 Lakhs)

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**29.1 Trade payables due for payment**

Trade payables ageing schedule as at 31.03.2023

₹ 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	118.16	67.07	-	-	-	185.23
(ii) Others	2,104.68	1,903.51	-	0.45	-	4,008.64
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,222.84</b>	<b>1,970.58</b>	<b>-</b>	<b>0.45</b>	<b>-</b>	<b>4,193.87</b>

**29.2 Trade payables due for payment**

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	13749	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>

**30 Other financial liabilities - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Interest payable on Term Loan	0.95	7.10
Unpaid dividends (Refer note below(i))	61.16	66.14
Employee dues	382.97	282.84
Dues to Directors - Commission payable	297.65	263.21
Creditors for capital goods	183.01	363.84
Deposit from Dealers	7.88	7.88
Retention money payable	116.11	-
<b>Total</b>	<b>1,049.73</b>	<b>991.01</b>

Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.

**31 Other current liabilities**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	233.49	124.36
Revenue received in advance	191.46	267.27
Exchange Loss on on remeasurement of forward contracts	1.23	-
Other Liabilities	23.61	153.23
<b>Total</b>	<b>449.80</b>	<b>544.86</b>

**32 Provisions - Current**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>For Employee benefits</b>		
Provision for gratuity	47.93	69.96
Provision for compensated absences	43.77	20.06
<b>For Others</b>		
Provision for tax*	8.09	22.61
<b>Total</b>	<b>99.79</b>	<b>112.63</b>

\* Net of advance tax and tax deducted at source of ₹ 2068.83 Lakhs (March 31, 2022: ₹ 1761.08 Lakhs)

**33 Deferred Income - Government**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
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, 2023**
**34 Revenue From Operations**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>a) Sale of Products</b>		
Manufactured Goods	49,021.39	45,097.17
Sale of Materials	979.27	299.61
Sale of Power from Wind turbine generators	40.20	41.30
<b>Total Sale of Products</b>	<b>50,040.86</b>	<b>45,438.08</b>
<b>b) Sale of Services</b>		
Income from Processing	364.21	15.20
Income from IT enabled Services	5,012.70	3,407.76
<b>Total Sale of Services</b>	<b>5,376.91</b>	<b>3,422.96</b>
<b>c) Other Operating Revenues</b>		
Export Incentives	242.52	180.33
<b>Revenue from Operations (a+b+c)</b>	<b>55,660.29</b>	<b>49,041.37</b>
<b>Disaggregate Revenue Information:</b>		
<b>(i) Manufactured goods</b>		
Pigments	17,175.74	12,871.72
Detergents	997.56	674.98
Sulphonation	30,848.09	31,550.47
	<b>49,021.39</b>	<b>45,097.17</b>
<b>(ii) Revenue from IT Enabled Service</b>		
Revenue by contract type		
Fixed price	4,805.93	3,260.40
Other contract	206.77	147.36
	<b>5,012.70</b>	<b>3,407.76</b>

**35 Other Income**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>a) Interest Income</b>		
<b>Interest income earned on financial assets that are not designated as at FVTPL:</b>		
Bank deposits	79.92	130.80
Deposits with Companies	280.06	188.12
Interest on Financial Assets carried at amortized cost	5.91	5.41
Others	13.93	6.40
<b>b) Income earned on financial assets that are designated as at FVTPL:</b>	<b>19.60</b>	<b>25.47</b>
Interest/Income earned on financial assets measured at FVTPL		
Net gains/(loss) arising on financial assets measured at FVTPL	<b>(6.59)</b>	<b>4.25</b>
<b>c) Dividend Income on Equity securities designated at FVOCI</b>	<b>511.29</b>	<b>449.94</b>
<b>d) Other non-operating Income (Net of expenses directly attributable to such income)</b>		
Rental income	5.51	3.56
Credit balances and excess provision written back	16.88	3.26
Sundry receipts	14.11	22.54
Bad debts recovered	-	5.33
Gain on Termination of lease	19.24	1.67
<b>e) Other gains and losses</b>		
Net gains on sale of Investments	31.65	29.70
Net gains on foreign currency transactions and translation	152.53	26.99
<b>f) Government grant</b>	<b>3.42</b>	<b>3.42</b>
<b>Total</b>	<b>1,147.46</b>	<b>906.86</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

Note: Government grants are related to investments of the Company in Property, Plant and Equipments 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**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Opening Stock of Raw Materials	2,049.87	1,160.13
Add : Purchase of Materials	29,535.07	29,522.17
	<b>31,584.94</b>	<b>30,682.30</b>
Less : Closing Stock of Raw Materials	2,079.42	2,049.87
<b>Total</b>	<b>29,505.52</b>	<b>28,632.43</b>

**37 Changes in Inventories of Finished Goods, and Work-In-Progress**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Inventories at the end of the year</b>		
Work-in-progress	2,433.76	1,526.32
Finished goods	2,368.92	1,207.56
<b>Total</b>	<b>4,802.68</b>	<b>2,733.88</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress (Refer Note below)	1,638.27	1,088.31
Finished goods	1,207.56	753.25
<b>Total</b>	<b>2,845.83</b>	<b>1,841.56</b>
<b>Net (Increase)/ Decrease in Stocks</b>	<b>(1,956.85)</b>	<b>(892.32)</b>
Note:- Includes Rs. 111.95 Lakhs being the value of products produced during the period of test and trial production of subsidiary company		
<b>(Increase)/ Decrease in work in progress</b>		
Pigments	(680.48)	(330.77)
Detergents	(5.28)	(1.23)
Sulphonation	(109.73)	(106.01)
<b>Total</b>	<b>(795.49)</b>	<b>(438.01)</b>
<b>(Increase)/decrease in finished goods (Inclusive of finished goods in transit)</b>		
Pigments	(1,036.14)	(328.02)
Detergents	(5.71)	(7.88)
Sulphonation	(119.51)	(118.41)
<b>Total</b>	<b>(1,161.36)</b>	<b>(454.31)</b>

**38 Employee Benefit Expense**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries, Wages, Bonus and other benefits	4,715.96	3,462.41
Directors' Remuneration	563.19	465.74
Contribution to Provident Fund and other funds	326.99	243.91
Gratuity	95.14	66.91
Staff Welfare and amenities	449.69	224.57
Payment to Contractors	962.49	659.39
<b>Total</b>	<b>7,113.46</b>	<b>5,122.93</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**39 Finance Costs**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Interest on Term Loan	468.30	298.26
Interest on lease liabilities	46.00	20.27
Interest Others	16.15	13.36
Interest on income tax payments	0.05	0.12
	<b>530.50</b>	<b>332.01</b>
Less: Interest on term loan transferred to Capital Work-in-Progress	<b>(80.90)</b>	<b>(36.30)</b>
<b>Total</b>	<b>449.60</b>	<b>295.71</b>

**40 Other Expenses**

₹ in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Consumption of Stores and Spares	356.94	213.69
Packing Expenses and materials consumed	700.44	561.39
Repairs and Maintenance:		
Machinery	476.68	328.23
Buildings	176.67	120.43
Others	91.13	69.24
Data Processing Charges	240.45	297.98
Laboratory Expenses	76.89	72.80
Freight and Forwarding expenses	1,727.96	1,697.79
Insurance	112.25	103.27
Commission on sales	27.02	13.47
Advertisement and Sales Promotion expenses	264.93	159.39
Security Expenses	128.98	104.98
Software License Expenses	33.66	32.33
Water Charges	19.34	9.16
Rent	2.89	1.86
Rates & Taxes	115.91	139.11
Travelling & Conveyance expenses	232.76	124.37
Communication expenses	89.07	84.80
Printing and Stationery expenses	28.07	18.71
Legal and Professional Fees	210.78	153.00
Sitting fees to Directors	29.60	37.60
Commission to Non Executive Directors	97.65	83.21
Donation	2.30	2.25
Corporate Social Responsibility Expenditure	186.46	223.55
Assets Scrapped / Loss on Sale of Assets ( net )	35.67	19.93
Bad Debts written off	-	4.40
Provision for expected credit Loss (Refer Note No. 451.A)	(0.83)	(0.76)
Provision for doubtful receivables	310.63	-
Provision for service tax refund claim	40.76	-
Bank Charges	56.55	68.19
Sundry balances written off	33.03	7.97
Miscellaneous expenses	334.42	268.88
<b>Total</b>	<b>6,239.06</b>	<b>5,021.22</b>

Note:-

**40.1 Power and Fuel is net of wind power generated and utilised**

336.64

279.26

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**41 Contingent liabilities and commitments (to the extent not provided for)**
**[A] Contingent Liabilities**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Claims against the Group/disputed liabilities not acknowledged as debts in respect of :		
Disputed Vendor Claims *	558.49	558.49
Disputed Industrial Development Charges claimed by SIPCOT	-	11.35
Labour disputes	-	1.50
(ii) Bank Guarantees issued and outstanding	14.00	14.00
(iii) Letter of Credit issued and outstanding	1,151.75	654.88

\*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.**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(i) By the Income tax authorities [ ₹ 726.60 Lakhs (31st March, 2022 ₹ 723.88 Lakhs) deposited with tax authorities]	813.33	787.21
(ii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iii) Custom duty matters *	170.67	-

\* the company is in process of filing its reply for the demand cum show cause notice received

**[C] Commitments**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Commitments towards</b>		
(i) Property, Plant & Equipment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	876.62	784.50
Against which advance paid	167.22	78.48
(ii) Commitment towards investment in Alternate Investment Funds	200.00	200.00
Amount invested so far	133.00	67.00
(iii) Commitments under non-cancellable period of lease agreements	249.40	141.53
(iv) Other Commitment - for natural gas procurement	372.85	-

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 fulfill export obligation / commitment as on 31.03.2023 amounting to ₹ 1422.86 lakh (Previous Year ₹1476.80 lakh). In this regard, export obligations/ commitments amounting to ₹ 624.89 lakh have already been completed.

The Group is yet to fulfil the balance export obligations/commitments as on 31.03.2023 amounting to ₹ 797.97 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 ₹ 1422.86 Lakh (Previous year ₹ 1476.80 lakh).

**[D] Pending Proceedings**

The Groups's 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.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

42 The holding company has availed credit facilities (both fund based and non-fund based) from two banks (HSBC Bank - ₹ 7 Crores & Axis Bank - ₹ 11 Crores) are secured by hypothecation of stocks (raw materials and finished goods) and book debts of the holding company at Ranipet and Naidupet Plant. However, no amount is outstanding (fund based) as on 31st March, 2023.

The subsidiary company has availed credit facilities (both fund based and non-fund based) from two Banks (HSBC Bank - ₹ 5 Crores & Axis Bank - ₹ 1 Crore) and are secured by first charge on hypothecation of stocks (raw materials and finished goods) and book debts of the subsidiary company. Amount outstanding for fund based as on 31st March, 2023 is ₹ 2.30 Crores.

### 43 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.

The Company has recognised the following amounts in the Statement of Profit and Loss:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Contribution to Employees Provident Fund*	272.95	197.21
b. Superannuation Fund*	52.83	45.08
	<b>325.78</b>	<b>242.29</b>

\*Includes contribution of ₹ 40.23 lakhs (31st March, 2022 ₹ 32.02 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

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Defined benefit obligation at the beginning of the year	762.84	652.65
b. Interest Cost	50.63	40.80
c. Current Service Cost	92.94	69.64
d. Benefits payments Due but unpaid as at 31/03/2021	-	-
e. Past services cost	-	-
f. Benefits Paid directly by employer	-	-
g. Benefits Paid from fund	(38.65)	(50.00)
h. Remeasurements - Financial assumptions and Experience adjustments	(33.70)	49.75
i. Defined benefit obligation at the end of the year	<b>834.06</b>	<b>762.84</b>

#### 2. Reconciliation of opening and closing balances of fair value of plan assets

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Fair Value of Plan Assets at the Beginning of the year	692.87	645.65
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	45.20	43.53
d. Contribution by the Employer	87.31	53.84
e. Benefits Paid from the funds	(38.65)	(50.00)
f. Remeasurements - Return on Assets	3.39	(0.15)
g. Fair Value of Plan Assets at the end of the year	<b>790.12</b>	<b>692.87</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Current Service Cost	92.94	69.64
b. Benefit Payments due but unpaid	-	-
c. Past service cost	0.51	-
d. Interest Cost	50.63	40.80
e. Expected return on plan assets	(45.20)	(43.53)
f. Net Actuarial (Gain)/Loss	(36.97)	49.91
g. Total Expenses recognised in Statement of Profit and Loss	61.91	116.82

**4. Amount recognised in the Balance Sheet**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Present value of Benefit Obligation at the end of the year	(834.06)	(762.84)
b. Fair Value of Plan Assets at the End of the year	790.12	692.87
c. Funded Status Surplus / (Deficit)	(47.95)	(69.97)
d. Net (Liability) / Asset Recognised in the Balance sheet	(47.95)	(69.97)

**5. Other Comprehensive Income (OCI)**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Remeasurements - Financial assumptions and Experience adjustments	(33.70)	49.75
Remeasurements - Return on Assets	(3.39)	0.15
Total actuarial (Gain)/Loss recognised in OCI	(37.09)	49.90

**6. Description of plan assets**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	790.12	692.87
e. Total	790.12	692.87

**7. Actuarial assumptions**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
a. Discount Rate	7.51% - 7.53%	6.81%
b. Salary Escalation Rate	8.5% - 9.25%	8.50%
c. Turnover Rate	8% - 9%	10.00%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**8. Expected future cash flows as on:**

₹ in Lakhs

Maturity Profile of Defined Benefit Obligations	As at 31st March 2023	As at 31st March 2022
Projected benefits payable in future years from the date of reporting		
1st following year	81.01	123.19
2nd following year	85.35	76.42
3rd following year	111.37	80.43
4th following year	94.88	109.03
5th following year	103.07	78.78
Years 6 to 11+	1,150.36	313.23

**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)	(52.43)	59.55	56.76	(52.85)
Variation in %	-6.34%	7.23%	6.90%	-6.25%

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.

**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.

**44 Tax Expense**
**(a) Amounts recognised in statement of profit and loss**

₹ in Lakhs

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current year	(2,068.85)	(1,796.26)
Short/Excess provision for earlier years	-	(9.86)
<b>Current tax expense (A)</b>	<b>(2,068.85)</b>	<b>(1,806.12)</b>
Origination and reversal of temporary differences	(102.23)	(124.47)
<b>Deferred tax expense (B)</b>	<b>(102.23)</b>	<b>(124.47)</b>
<b>Tax expense recognised in the current statement (A) + (B)</b>	<b>(2,171.08)</b>	<b>(1,930.59)</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 31st March, 2020.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**(b) Amounts recognised in other comprehensive income**

₹ in Lakhs

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	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	30.27	(7.64)	22.63	(49.91)	12.56	(37.35)
Equity Instruments through Other Comprehensive Income	(19,265.57)	1,392.34	(17,873.23)	36,905.21	(1,392.34)	35,512.87
	<b>(19,235.30)</b>	<b>1,384.70</b>	<b>(17,850.60)</b>	<b>36,855.30</b>	<b>(1,379.78)</b>	<b>35,475.52</b>

**(c) Reconciliation of effective tax rate**

₹ in Lakhs

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022	
	% Standalone	% USCL	Amount	%	Amount
<b>Profit before tax - Standalone</b>			<b>8,753.69</b>		<b>7,762.94</b>
<b>Profit before tax - USCL</b>			<b>365.24</b>		
Tax using the Holding Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	25.17%	17.16%	2,265.80	25.17%	1,953.78
Increase in tax rate					
<b>Tax effect of:</b>					
Non-deductible tax expenses					
Exempt income	-1.47%		(128.68)	-1.29%	(113.24)
Permanent Differences - Corporate Social Responsibility Expenditure	0.54%		47.51	0.64%	56.26
Permanent Differences - Others	-0.05%		(4.13)	0.01%	0.57
Other adjustments	-0.11%	0.44%	(9.42)	0.26%	22.82
Tax relating to earlier years	0.00%		-	0.11%	9.86
Rate difference	0.00%		-	0.01%	0.54
	<b>24.08%</b>	<b>17.60%</b>	<b>2,171.08</b>	<b>24.91%</b>	<b>1,930.59</b>

**(d) Movement in deferred tax balances**

₹ in Lakhs

Particulars	Year ended 31st March, 2023					
	Net balance 1 April 2022	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,022.21)	(203.11)		(1,225.33)	(1,309.47)	84.14
Liabilities allowable on payment basis	73.65	7.02	(7.64)	80.67		80.67
Fair value of investments	(1,395.18)	2.11	1,392.34	(0.73)	(0.73)	
Expected credit loss	0.55	(0.21)		0.34		0.34
Doubtful receivables & service tax refund claim	-	88.00		88.00		88.00
Leased Liabilities	3.69	3.96		7.65		7.65
Tax assets (Liabilities) (Net)	<b>(2,339.50)</b>	<b>(102.24)</b>	<b>1,384.70</b>	<b>(1,049.40)</b>	<b>(1,310.20)</b>	<b>260.80</b>

**(e) Movement in deferred tax balances**

₹ in Lakhs

Particulars	Year ended 31st March, 2022					
	Net balance 1 April 2022	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax liability	Deferred tax asset
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(877.20)	(145.01)		(1,022.21)	(1,022.21)	
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
Tax assets (Liabilities)	(827.21)	(123.65)	(1,379.78)	(2,343.19)	(2,417.39)	74.20
Leased Liabilities *	4.52	(0.83)		3.69		3.69
Tax assets (Liabilities) (Net)	<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 Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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:

- 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 31st March 2023		As at 31st March 2022	
	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	805.00	805.00	700.00	700.00
Other Financial Assets	597.42	597.42	211.97	211.97
<b>Current financial Assets</b>				
Trade receivables	4,419.34	4,419.34	3,941.00	3,941.00
Cash and cash equivalents	3,188.10	3,188.10	2,976.48	2,976.48
Other bank balances	69.60	69.60	66.90	66.90
Loans	3,242.54	3,242.54	3,837.85	3,837.85
Other Financial Assets	221.86	221.86	242.59	242.59
<b>Total Financial Assets at Amortized Cost (B)</b>	<b>12,543.86</b>	<b>12,543.86</b>	<b>11,976.79</b>	<b>11,976.79</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	35,136.14	35,136.14	54,401.71	54,401.71
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>35,136.14</b>	<b>35,136.14</b>	<b>54,401.71</b>	<b>54,401.71</b>
<b>Financial assets measured at fair value through profit and loss</b>				
<b>Non - current Investments</b>				
Investments in unquoted instruments at FVTPL	201.62	201.62	244.59	244.59
Investment in Bonds	50.64	50.64	52.65	52.65
<b>Current Investments</b>				
Investments in quoted instruments (Mutual Funds) at FVTPL	1,190.11	1,190.11	431.80	431.80
<b>Total financial assets at fair value through profit and loss (D)</b>	<b>1,442.37</b>	<b>1,442.37</b>	<b>729.04</b>	<b>729.04</b>
<b>Total financial assets (A+B+C+D)</b>	<b>49,122.37</b>	<b>49,122.37</b>	<b>67,107.54</b>	<b>67,107.54</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**Financial liabilities held at amortised cost:**
**Non - Current financial liabilities**

₹ in Lakhs

Particulars	As at 31st March 2023		As at 31st March 2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Borrowings	5,478.96	5,478.96	4,154.81	4,154.81
Lease liabilities	763.26	763.26	463.91	463.91
Other Financial liabilities	6.83	6.83	66.12	66.12
<b>Current financial liabilities</b>				
Borrowings	1,095.91	1,095.91	600.29	600.29
<b>Lease Liabilities</b>	182.08	182.08	120.01	120.01
Trade payables	4,193.87	4,193.87	3,972.34	3,972.34
Other financial liabilities	1,049.73	1,049.73	991.01	991.01
<b>Total financial liabilities carried at amortised cost</b>	<b>12,770.64</b>	<b>12,770.64</b>	<b>10,368.49</b>	<b>10,368.49</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:

- 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
	31.03.2023	31.03.2022		
Investments in quoted equity instruments at FVTOCI	35,136.14	54,401.71	Level 1	Quoted bid price in an active market (*)
Investment in Bonds	50.64	52.65	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	201.62	244.59	Level 2	Fair valuation based on Market Observable inputs
Investments in quoted instruments (Mutual Funds) at FVTPL	1,190.11	431.80	Level 1	Measured at Quoted price or NAV.
Borrowings at Amortized Cost	6,574.87	4,755.10	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, 2023

### 45.1 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	As at
	31st March 2023	31st March 2022
Not due	3,446.63	2,965.73
0-3 months	958.82	903.01
3-6 months	321.94	23.98
6 months to 12 months	3.60	26.23
beyond 12 months	0.25	31.32
Allowance for doubtful trade receivables	(310.63)	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	(1.34)	(2.17)
<b>Total</b>	<b>4,419.27</b>	<b>3,948.10</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)

₹ in Lakhs

Particulars	As at	As at
	31st March 2023	31st March 2022
Opening provision	2.17	6.29
Add: Additional provision made	(0.83)	(4.12)
<b>Closing provision</b>	<b>1.34</b>	<b>2.17</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).

#### 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

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 31st March 2023	As at 31st March 2022
No of Customers who owed more than 10% of the Total receivables	0	0
Contribution of Customers in owing more than 10% of Total receivables	0.00%	0.00%

### Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 3188.09 Lakhs (₹ 2976.48 Lakhs as at 31st March 2022) as at 31st March, 2023. 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 31st March 2023		As at 31st March 2022	
	Carrying amount - Contractual cash flows		Carrying amount - Contractual cash flows	
	Upto 1 year	More than 1 year	Upto 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Borrowings	866.04	5,478.96	600.29	4,154.81
Lease Liabilities	182.08	763.26	120.01	463.91
Trade and other payables	4,193.87	-	3,972.34	-
Other financial liabilities	1,049.73	-	991.01	-
<b>Total non-derivative financial liabilities</b>	<b>6,291.72</b>	<b>6,242.22</b>	<b>5,683.65</b>	<b>4,618.72</b>

## 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.



**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

The following table analyzes foreign currency risk from financial instruments as of 31st March 2023:

<b>Exposure to liquidity risk</b>					Amount in Lakhs
<b>Particulars</b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>SGD</b>	
<b>Accounts Receivable</b>					
As at :					
<b>31st March 2023</b>	<b>15.85</b>	<b>0.08</b>	0.03	0.08	
31st March 2022	8.04	0.12	0.02	0.05	
<b>Accounts Payable</b>					
As at :					
<b>31st March 2023</b>	<b>14.92</b>	-	-	-	
31st March 2022	8.75	-	-	-	
<b>Cash &amp; Cash Equivalents</b>					
As at :					
<b>31st March 2023</b>	<b>10.70</b>	-	-	-	
31st March 2022	8.98	-	-	-	

**Foreign currency sensitivity analysis**

The Group is mainly exposed to the currency : 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.

<b>Particulars</b>	<b>Amount in Lakhs</b>			<b>Average Exchange rate</b>		
	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>INR/USD</b>	<b>INR/EURO</b>	<b>INR/GBP</b>
<b>Export Transactions</b>						
As at :						
<b>31st March 2023</b>	<b>208.11</b>	<b>1.09</b>	<b>0.45</b>	<b>79.42</b>	<b>80.69</b>	<b>96.51</b>
31st March 2022	161.57	1.26	0.46	73.70	86.31	100.90
<b>Import Transactions</b>						
As at :						
<b>31st March 2023</b>	<b>79.41</b>	<b>0.77</b>	-	<b>78.87</b>	<b>87.54</b>	-
31st March 2022	201.25	2.78	-	74.08	89.06	-

**Impact on profit or loss and total equity**

Amount in Lakhs

<b>Particulars</b>	<b>USD impact</b>		<b>EURO impact</b>		<b>Other Currencies</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
Increase in exchange rate by 5%	<b>4710</b>	30.85	<b>0.34</b>	0.03	<b>0.41</b>	0.72
Decrease in exchange rate by 5%	<b>(4710)</b>	(30.85)	<b>(0.34)</b>	(0.03)	<b>(0.41)</b>	(0.72)

**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.

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

The following are the outstanding Forward Exchange Contracts entered into by the Company.

Amount in Lakhs

Outstanding contracts	As at	Foreign currency	Carrying amount
<b>Derivative instruments</b>			
Accounts Receivables (USD)	31st March 2023	-	-
	31st March 2022	-	-
Other Receivables (USD)	31st March 2023	-	-
	31st March 2022	-	-
Accounts Payables(USD)	31st March 2023	6.07	500.72
	31st March 2022	-	-

**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	31st March 2023	31st March 2022
<b>Fixed-rate instruments</b>		
Financial Assets/Liabilities - measured at amortised cost		
a) Investment in Bonds	50.64	52.65
b) Deposits with Corporates	4,004.95	4,492.00
<b>Floating-rate instruments</b>		
a) Borrowings	6,345.00	4,755.10

**46 Segmentwise Revenue, Results and Capital Employed for the year ended 31st March, 2023**

₹ in Lakhs

Sl.No.	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>1</b>	<b>SEGMENT REVENUE</b>		
a	Laundry & Allied Products	50,607.40	45,592.45
b	IT Enabled Services	5,012.70	3,407.76
c	Windmill	376.84	320.39
	<b>TOTAL</b>	<b>55,996.94</b>	<b>49,320.60</b>
	Less : Inter Segment Revenue	(336.64)	(279.27)
	<b>SALES/INCOME FROM OPERATIONS</b>	<b>55,660.30</b>	<b>49,041.33</b>
<b>2</b>	<b>SEGMENT RESULTS</b>		
a	Laundry & Allied Products	7,259.15	6,546.51
b	IT Enabled Services	1,524.49	1,057.00
c	Windmill	162.80	160.41
	<b>TOTAL</b>	<b>8,946.44</b>	<b>7,763.92</b>
	Less: Interest and Finance Charges	(301.22)	(295.68)
	Less: Unallocated Expenditure (Net-off)	445.81	292.78
	Exceptional Item	-	-
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>9,091.03</b>	<b>7,761.02</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ in Lakhs

SI.No.	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>3</b>	<b>Segment Assets</b>		
a	Laundry & Allied Products	33,151.37	29,574.66
b	IT Enabled Services	2,370.12	1,680.64
c	Windmill	1,303.75	1,315.49
d	Unallocated / Corporate *	51,290.32	66,940.23
		<b>88,115.56</b>	<b>99,511.02</b>
<b>4</b>	<b>Segment Liabilities</b>		
a	Laundry & Allied Products	11,980.46	9,872.54
b	IT Enabled Services	1,238.94	933.35
c	Windmill	1147	14.99
d	Unallocated / Corporate *	1,322.33	2,737.15
		<b>14,553.20</b>	<b>13,558.03</b>
<b>TOTAL CAPITAL EMPLOYED IN THE COMPANY</b>		<b>73,562.35</b>	<b>85,952.99</b>

\* including unrealised gain on investments through Other Comprehensive Income (OCI) ₹ 33814.59 Lakhs (previous year ₹ 51687.82 Lakhs)

**47 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	Managing Director	Executive
	Mr. V. Bharathram	Managing Director	Executive
	Mr. R. Senthil Kumar	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	
Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.	Thirumalai Chemicals Limited		
	TCL Global B.V		
	TCL Intermediates Pvt. Limited		
	Vedavalli Vidyalaya School (a Unit of Akshaya Vidya Trust )		
	Thirumalai Mission hospital		
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President	
	Ms. Vidya Sampath	Vice President	

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**2 Transactions carried out with related parties referred in 1 above, in ordinary course of business**

₹ in Lakhs

Nature of transactions	Related parties	
	2022-23	2021-22
<b>Sales</b>		
<b>Goods, Materials and Services</b>		
Thirumalai Chemicals Limited	110	3.54
<b>Purchase</b>		
<b>Goods, Materials and Services</b>		
Thirumalai Chemicals Limited	725	-
Remuneration to Key Managerial Personnel		
Mr. V. Bharathram	266.67	218.41
Ms. Tara Parthasarathy	212.15	166.70
Mr. R. Senthilkumar	104.64	80.63
Mr. Ramanan	53.75	53.56
Mr. Kishore	23.02	20.68
Sitting fees & commission to Independent & Non-executive Directors	127.25	120.81
<b>Remuneration paid to relatives of Key Managerial Personnel</b>		
Ms. Meera Parthasarathy	110.17	96.36
Mrs. Vidya Sampath	68.75	64.13
<b>Rendering of Services to</b>		
Thirumalai Chemicals Limited	17.63	12.94
Thirumalai Charity Trust ( Thirumalai Mission Hospital)	1.12	0.16
Vedvalli vidyalaya	0.24	-
<b>Rent Received</b>		
TCL Intermediates Pvt. Limited	0.84	0.28
<b>Rent Paid to</b>		
Thirumalai Chemicals Limited	42.60	37.78
Ms. Vidya Sampath	2.38	2.23
<b>Receiving of services from</b>		
Thirumalai Chemicals Limited	1.24	1.71
Thirumalai Charity Trust (Thirumalai Mission Hospital)	5.65	1.40
Mr. R Sampath	46.80	28.80
<b>Reimbursement of Expenses</b>		
TCL Global BV	23.32	51.44
Thirumalai Charity Trust (Thirumalai Mission Hospital)	15.96	-
Outstanding payables		
Thirumalai Chemicals Limited	3.32	3.93
Thirumalai Charity Trust (Thirumalai Mission Hospital)	-	0.18
Ms. Vidya Sampath	0.20	0.20
<b>Directors Remuneration Payables</b>		
Mr. V.Bharathram	100.00	80.00
Ms. Tara Parthasarathy	100.00	80.00
Mr. R. Senthilkumar	32.48	20.00
Non executive Directors commission	97.65	83.18
<b>Outstanding receivables</b>		
Thirumalai Chemicals Limited	-	0.12
Thirumalai Charity Trust (Thirumalai Mission Hospital)	-	-
TCL Intermediates Pvt. Limited	0.07	0.28
<b>Outstanding deposits receivables</b>		
Ms. Vidya Sampath	0.99	0.70
Thirumalai Chemicals Limited	14.00	14.00
<b>Donations paid</b>		
Thirumalai Charity Trust	160.00	160.00

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**48 Leases**

The following is the movement in lease liabilities during the year ended March 31, 2023:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the year	583.92	259.53
Lease liabilities recognised on initial application of Ind-AS 116	906.31	436.30
Finance cost accrued during the period	46.00	20.27
Payment of lease liabilities	(180.78)	(124.72)
Gain recognised on reassessment of Lease	-	-
Gain recognised on termination of Lease	(19.24)	(1.67)
Reversal of Liability on Pre-Closure of Leases	(390.86)	(5.79)
Balance at the end of the year	945.34	583.92
Lease Liability - Current	182.08	120.01
Lease Liability - Non-Current	763.26	463.91

Interest on lease liabilities is ₹ 46 Lakhs (March 31, 2022 ₹ 20.27 Lakhs) for the year ended March 31, 2023.

The total cash outflow for leases is ₹ 180.78 Lakhs (March 31, 2022 - ₹ 124.72 Lakhs) for the year ended March 31, 2023. 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.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Payable</b>		
Within one year	206.52	153.52
After one year but not more than five years	604.32	332.30
More than five years	447.17	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 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.

**i. Profit attributable to Equity holders of Company**

₹ in Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per share	6,919.95	5,830.32

**ii. Weighted average number of ordinary shares**

Particulars	As at 31st March 2023	As at 31st March 2022
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
Basic earnings per share (₹)	23.70	19.97

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

50 Effective April 1st, 2021, the Group successfully implemented an ERP System. The implementation covered various modules, including financial modules, and the issues identified during the process have been resolved. As of March 31st, 2023, all modules are stable and functioning satisfactorily. No significant issues requiring modifications or changes to the ERP system have been identified for relying on the system's data in preparing the financial statements for the year ending March 31st, 2023.

The Group is currently in the process of automating certain modules and aligning and revising the existing Internal Control over financial reporting, as necessary, to match the controls and processes established in the new ERP System. During the year ending March 31st, 2023, there were no significant observations or deviations noticed in the ERP System that would impact the financial data. The financial information statements prepared are consistent with the Books of Accounts maintained.

### 51 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.

### 52 Capital Management

#### Net Debt Reconciliation

₹ in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash equivalents	3,188.09	2,976.48
Current Borrowings	229.87	-
Non- Current borrowings including Current Maturities	6,345.00	4,755.10
Other Financial Liabilities - Interest Payable	0.95	7.10
	<b>6,575.82</b>	<b>4,762.20</b>
<b>Net debt</b>	<b>3,387.73</b>	<b>1,785.72</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		
Net debt as at 31st March 2021	7,020.57	3,571.29	-	(3,449.28)	
Cash flows	(4,041.05)	1,184.55	-	5,225.60	
Foreign exchange adjustments	(3.04)	-	-	3.04	
Interest expenses (Includes Interest capitalized ₹ 181.99 lakhs)	-	295.66	-	295.66	
Interest paid	-	(289.30)	-	(289.30)	
Other non-cash movements					
Acquisitions/disposals	-	-	-	-	
Fair value adjustments	-	-	-	-	
Net debt as at 31st March 2022	2,976.48	4,762.20	-	1,785.72	
Cash flows	213.22	1,589.90	229.87	1,606.56	
Foreign exchange adjustments	(1.60)	-	-	1.60	
Interest expenses (Includes Interest capitalized ₹ 4.07 lakhs)	-	270.01	-	270.01	
Interest paid	-	(276.16)	-	(276.16)	
Other non-cash movements					
Acquisitions/disposals	-	-	-	-	
Fair value adjustments	-	-	-	-	
<b>Net debt as at 31st March 2023</b>	<b>3,188.10</b>	<b>6,345.95</b>	<b>229.87</b>	<b>3,387.73</b>	

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**
**53 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 benam
- ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Group has 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 has 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 willful 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:

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
HEMLATA INVESTMENT PRIVATE LIMITED	Shares held by struck off company	₹ 0.01 Lakhs (726 Shares)	Shareholder
VAISHAK SHARES LIMITED	Shares held by struck off company	₹ 0.00 Lakhs (5 Shares)	Shareholder

**54 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 31st March 2023		Year Ended 31st March 2023		Year Ended 31st March 2023		Year Ended 31st March 2023	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Holding Company</b>								
Ultramarine & Pigments Limited	95.03%	69,908.71	95.66%	6,619.30	100.00%	(17,850.53)	102.75%	(11,231.23)
<b>Indian Subsidiary</b>								
Ultramarine Specialty Chemicals Limited	4.97%	3,652.89	4.35%	300.90	0.00%	(0.07)	-2.75%	300.83
Ultramarine Fine Chemicals Limited	0.00%	0.75	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
<b>Total</b>	<b>100.00%</b>	<b>73,562.35</b>	<b>100.00%</b>	<b>6,919.95</b>	<b>100.00%</b>	<b>(17,850.60)</b>	<b>100.00%</b>	<b>(10,930.65)</b>

**Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023**

₹ 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 31st March 2022		Year Ended 31st March 2022		Year Ended 31st March 2022		Year Ended 31st 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%	-
Ultramarine Fine Chemicals Limited	0.00%	-	0.00%	-	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>

55 Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For Brahmaya & Co**

 Chartered Accountants  
Firm Regn. No. 000511S

**R.NAGENDRA PRASAD**

 Partner  
Membership No.203377

Place : Chennai

Date : 19th May 2023

**For and on behalf of Board of Directors**
**TARA PARTHASARATHY**  
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**  
Managing Director  
DIN :08444583

**KISHORE KUMAR SAHOO**  
Company Secretary





**Thirumalai Charity Trust (TCT)** Thirumalai Charity Trust (TCT) was started in 1970, by our founders to deliver social responsibility. TCT has been working vigorously to build sustainable health and educational institutions, and changing with times to stay relevant.

TCT focuses on accessible, affordable quality healthcare in the Thirumalai Mission Hospital (TMH). The Community Health Services unit of TCT offers caring services at the doorstep of 35,000 families in the 315 villages of Vellore and Ranipet Districts of Tamilnadu. It draws support from TMH for its continuing programmes for the community in non-communicable diseases, woman and child health, services for differently abled persons, deaddiction, adolescent health, mental wellness. The N.R. Swamy Rehab and Wellness Centre offers treatment and counseling for alcoholics and tobacco users, counseling for adolescents and adults, and extends education and counseling to children in a few schools. The Thirumalai Mission Health and Medical Research Unit conducts epidemiological and community health studies.

The TMH has been steadily expanding its services and has departments of Emergency & Intensive Medical Care, General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, E.N.T., Cardiology, Nephrology, Radiology, Dentistry and Occupational Health. It provides dialysis and physiotherapy. It gives reliable results in its laboratory and diagnostic services. It is operating with 50 beds in a well-built structure spanning four floors with more than 30,000 sq.ft.

The TMH-Health Centre was started in the heart of Ranipet, close to the bus terminus to have a better reach. It has a C.T. scan, Ultrasound, Echo Cardiogram and Treadmill, and offers OP services and health check-ups. The TMH-HC also serves as an Occupational Health Centre for the local industries



**The highlights of the year include the following:**

- A total of 50298 were treated as outpatients and 1282 as inpatients
- Health checks were done for 1401 persons
- In camps, 17596 patients were treated; 1511 received follow-up care at the hospital
- Cataract and other procedures were done for 921 patients at Aravind Eye Hospital, Chennai following their camps held at our hospital.
- Dialysis service were provided to 80 patients in 6989 sessions
- A total of 916 patients with diabetes, 336 with hypertension and 4896 with osteoporosis received comprehensive care; people screened for the first time for diabetes and hypertension were 12510, and for osteoporosis were 1185
- Patients numbering 56 were identified with mental health problems and are on treatment
- Our studies in women's cancer screening and oral cancer screening were published
- More than 100 rural girls from 6-10 years received coaching in football throughout the year
- Many education programmes for different groups such as women, school children, adolescents, family care volunteers, community-based organizations were conducted and in these programmes, more than 67000 people participated.

We are working on a building project to add 100 beds that would cater to critical and advanced surgical interventions that are affordable. We have started to offer a Comprehensive Wellness Project for rural women, children and adolescents. More programmes are on the anvil.

We thank our funding and programme partners for their involvement with us. We are much hopeful of adding more partners to make these plans realise faster and better. We invite you to visit us to see us in action.







## **The Akshaya Vidya Trust**

### **Overall Report [2022-23] of Vedavalli Vidyalaya Schools**

The inherent talent of students at Vedavalli Vidyalaya Schools is nurtured through a wide range of activities integrated into the school curriculum. Throughout the year, students engage in various co-curricular activities that enhance their cognitive abilities and foster their development into confident individuals.

In today's highly competitive world, academic excellence alone is insufficient for students to become responsible citizens. At Vedavalli Vidyalaya, we place equal importance on academics, arts, and sports. We enthusiastically observe Yoga Day to promote awareness of this ancient practice and encourage its incorporation into students' daily lives. Fitness Week is celebrated with aerobic and squat exercises, while programs on administering first aid raise awareness about its importance. Students showcase their talents through dramas, PowerPoint presentations, and quizzes. We organize an Investiture Ceremony to welcome newly appointed student council members, and Sports Day is celebrated with great enthusiasm, featuring drills, March Past, and various competitions.

Our students actively participate in a wide range of sports and athletic matches throughout the year, including clusters, friendly matches, and inter-school sports meets. Many of our students have excelled in sports at the zonal, district, divisional, and state levels.

To foster cultural appreciation and promote social awareness beyond textbooks, our schools observe various festivals and national days. We provide opportunities for students to bond and work as a team through special days such as Women's Day, National Science Day, UNO Day, World Justice Day, World Folktales Day, World Population Day, Pets' Day, Red Day, Blue Day, and Tiger Day. We also observe Sharing Day, Helper's Day, Grandparents' Day, and Mathru Puja to instill values such as gratitude, appreciation, and understanding the dignity of labor.

Our students frequently interact with individuals from various fields and actively engage in community outreach programs in collaboration with the Thirumalai Charity Trust.

As students progress into Class XI, they choose their streams. To provide them with a glimpse of the work environment and the tasks they will undertake, we arrange internships at prestigious organizations such as Ultramarine & Pigments Ltd., Thirumalai Chemicals, SNAP Alginates, Thirumalai Mission Hospital, Lapiz Digital, and Bob Associates. This internship program offers valuable learning experiences for Class XI students.

In our pursuit of skills development, we conduct a program called "Joy of Doing" where students actively participate in clubs of their choice, such as the Eco Club, Literary Club, Quiz Club, Heritage Club, Consumer Club, and Library Club, among others.



## The Akshaya Vidya Trust

Students in classes 6 to 8 prepare seminars on topics beyond their textbooks, which they present to parents and teachers through the Computer Supplementary Program. Similarly, students in classes 3 to 5 deliver presentations using charts and other props. These programs enable students to explore information beyond their textbooks, develop presentation skills, and gain confidence in facing an audience.

To encourage students' love and proficiency in languages, we organize programs like Kahani Diwas and Tamil Ilakiya Varam. Students also visit book fairs in Chennai and Walajapet, and we have a mobile library to promote reading.

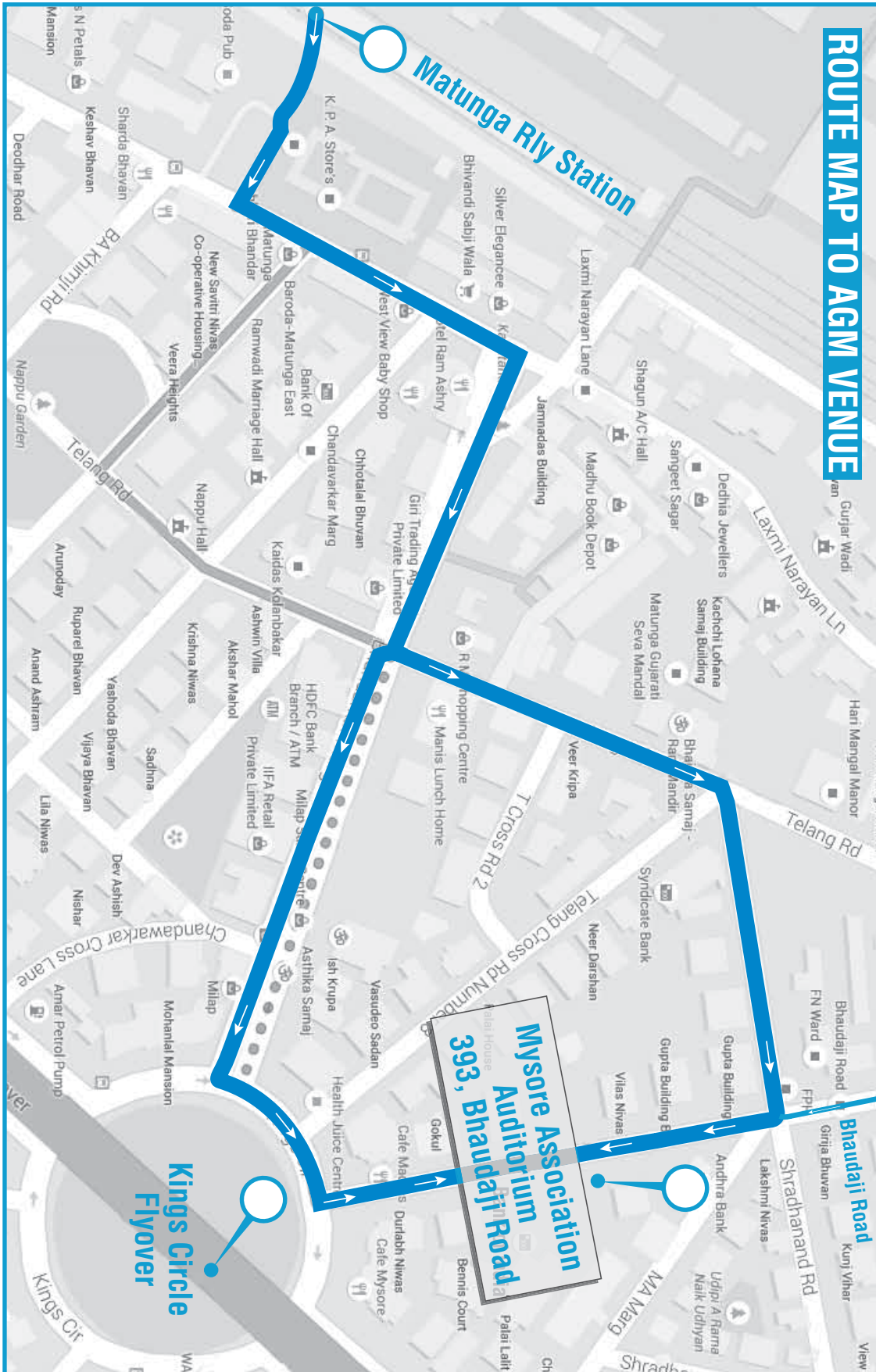
Starting from kindergarten, our teachers take students on field trips. Learning through observation and real-life experiences proves to be highly engaging for them. These exposure trips include visits to agricultural fields, brick kilns, beaches, places of worship, forts, factories, and many more.

We take immense pride and excitement in the overwhelming response received during the alumni meeting. Our alumni passionately shared their experiences and eagerly explored the changes on the school campus. Our management continuously endeavors to support teachers in expanding their knowledge and skills by organizing orientation programs, seminars, and workshops with external resources.

As we strive to maintain a joyful and encouraging learning environment, we extend our heartfelt gratitude to our parents, alumni, and well-wishers for their unwavering support. We also invite volunteers who are interested in interacting with children to join us in our mission.









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