

17th June, 2021

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

Dear Sirs,

Sub: Annual General Meeting, Annual Report and Book Closure

Scrip Code: 506685

The Sixtieth Annual General Meeting (“AGM”) of the Company will be held on Monday, 12th July, 2021 at 4.00 p.m. IST through Video Conferencing / Other Audio Visual Means.

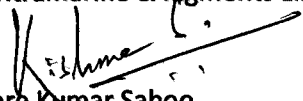
Pursuant to Regulation 34(1) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020 -2021 which 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, 9th July, 2021 to Monday, 12th July, 2021** (Both days inclusive) for the purpose of Dividend and 60th AGM to be held on Monday, 12th July, 2021.

The 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).

Kindly take on record the same.

Thanking you
For Ultramarine & Pigments Limited

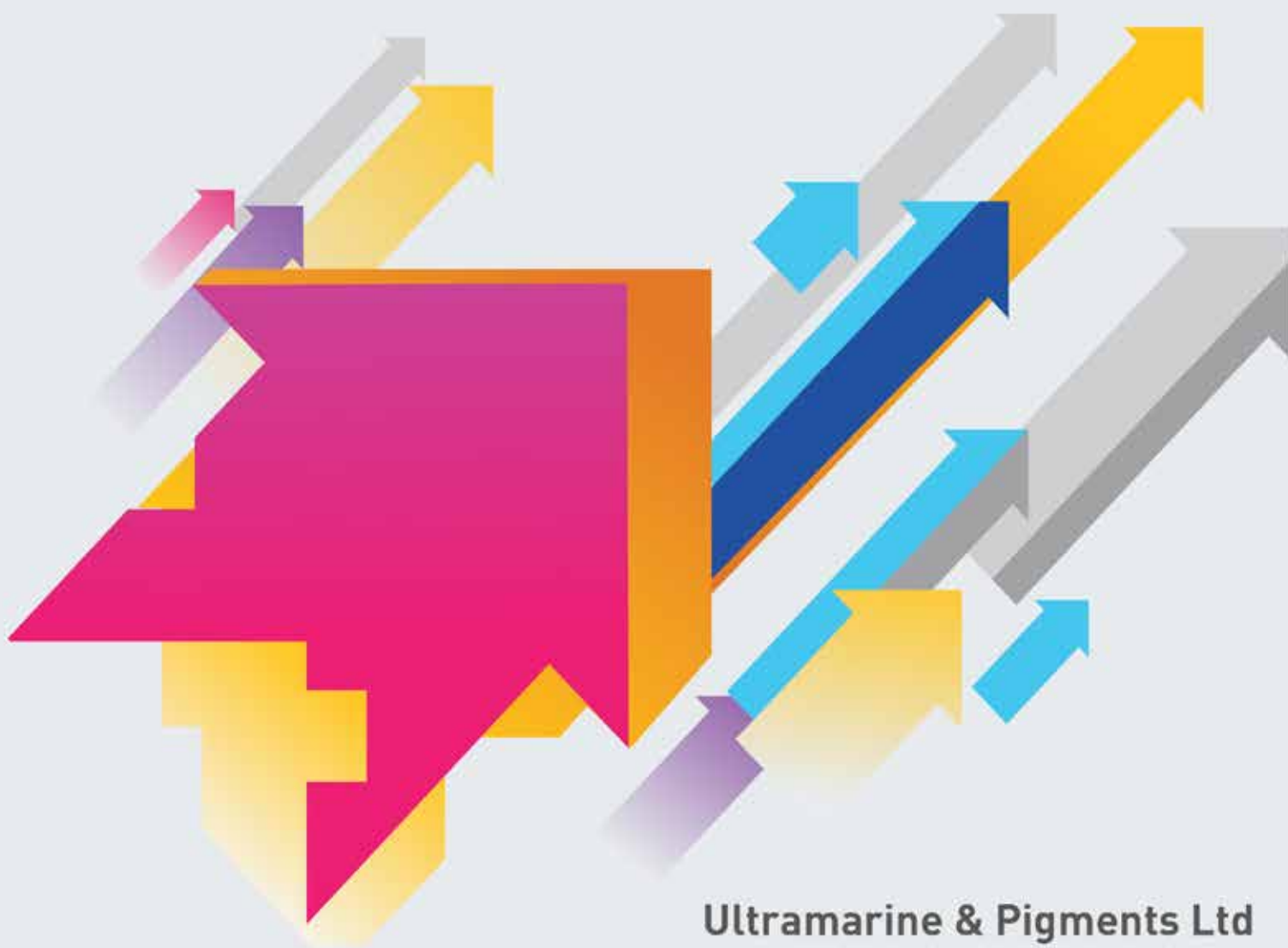


Kishore Kumar Sahoo
Company Secretary



60th ANNUAL REPORT

2020 – 2021



Ultramarine & Pigments Ltd

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Board of Directors

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

Independent Directors

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

Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Stakeholders Relationship Committee

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

Chief Financial Officer

Mr. S. Ramanan

Company Secretary

Mr. Kishore Kumar Sahoo

Auditors

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

Factory

Ambattur

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

Ranipet

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

Naidupeta

59A, 60 & 61, APIIC Industrial Park
Block C, Road No. 13,
Naidupeta, SPSR Nellore,
Andhra Pradesh

Bankers

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

Registered Office

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

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Subramanian Building, 1, Club House Road,
Anna Salai, Chennai - 600002,
Ph : +91-44-28460390
Fax : +91-44-28460129
E-mail: investor@cameoindia.com

General Information

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

60th Annual General Meeting

Date & Time

12th July, 2021 at 4.00 p.m.

Venue

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

Dividend declared

250% (₹ 5.00 per share)

Book closure

09th July, 2021 to 12th July, 2021
(both days inclusive)



Board of Directors



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



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



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



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



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

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



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



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



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

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



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



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

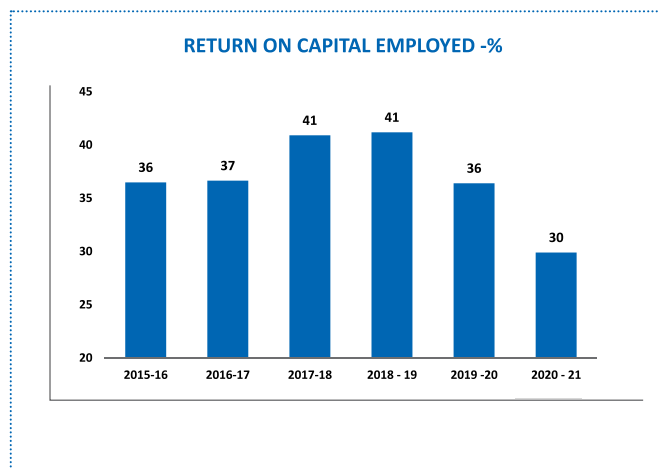
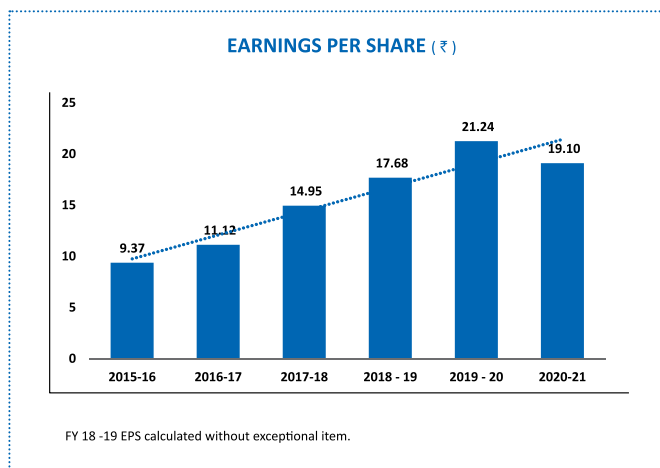
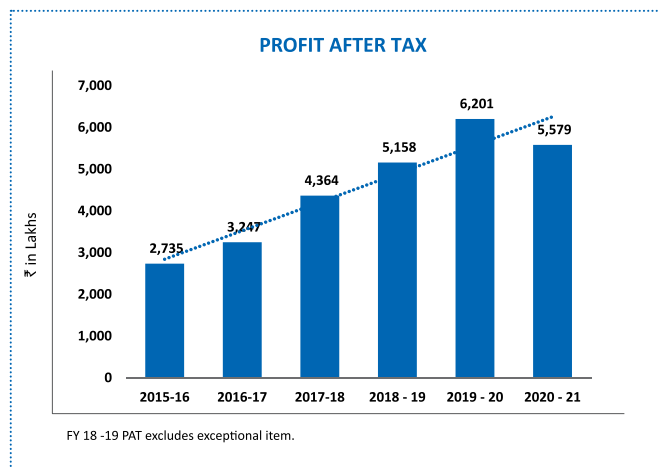
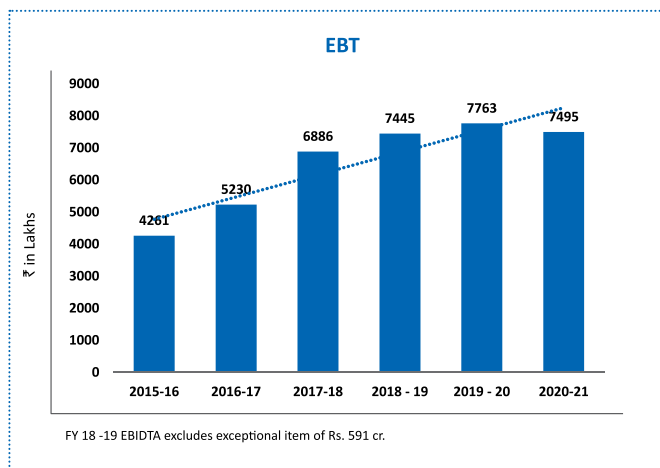
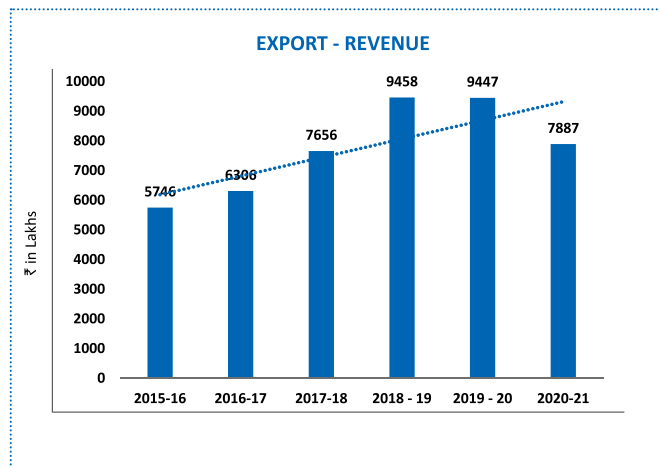
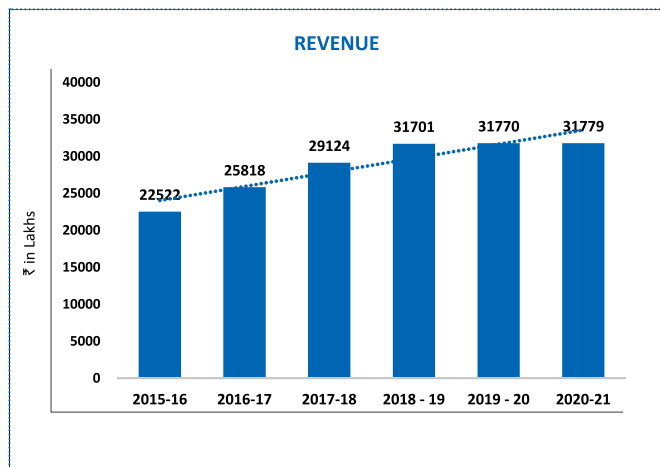


Mr. Harsh R Gandhi is a Science graduate from Purdue University, USA, completed Owner / President Management program with Harvard Business School, Boston, USA. He is the Joint Managing Director of GRP Limited. GRP Limited is a manufacturer of sustainable materials, focused on upgrading end-of-life tyre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

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



Financial Snapshot





FINANCIAL HIGHLIGHTS for 10 YEARS

₹ in Lakhs

Sl. No.	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
		IndAS					IGAAP				
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Other Equity / Reserves & surplus	45,524	29,664	37,905	50,524	30,771	10,869	9,364	8,633	8,048	7,604
3	Net Worth	46,108	30,248	38,489	51,108	31,355	11,453	9,948	9,217	8,632	8,188
4	Fixed Assets (Net)	14,154	12,673	8,110	7,082	6,054	5,454	3,969	4,215	4,296	4,526
5	Sales/ Other Income*	31,779	31,770	31,701	28,607	25,818	22,522	17,389	15,328	14,394	13,825
6	Profit before Tax **	7,495	7,763	8,037	6,342	4,818	3,904	2,752	2,159	1,737	1,827
7	Tax Expenses	(1,917)	(1,562)	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)	(524)	(457)
8	Net Profit after Tax	5,579	6,201	5,648	4,364	3,247	2,735	1,875	1,440	1,213	1,370
9	Dividend (incl. Dividend Tax)	1,460 [#]	1,760	1,582	1,494	1,406	1,230	1,054	854	769	1,018
10	Dividend (%)	250	250	225	212.50	200.00	175.00	150.00	125.00	112.50	150.00
11	Earnings Per share (₹)	19.10	21.24	19.34	14.95	11.12	9.37	6.42	4.93	4.15	4.69

* 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.

Proposed dividend



NOTICE

NOTICE is hereby given that the SIXTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held on Monday, the 12th day of July 2021 at 4.00 p.m. IST through video conferencing ("VC") / Other Audio - Visual Mechanism ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. V. Bharathram (DIN: 08444583), 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 an Ordinary Resolution:

"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), 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, 2022, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised 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,
Website: www.ultramarinepigments.net
Date: 20th May, 2021

By the Order of the Board

For **Ultramarine & Pigments Limited**,

[Kishore Kumar Sahoo]
Company Secretary

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.



3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/authorisation, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/authorisation shall be sent to the Scrutiniser by email through its registered email address to rmimani@csrma.in/mmimani@csrma.in with a copy marked to evoting@cDSLindia.com.
5. The Company has fixed Thursday, July 8, 2021 as the Record Date for determining entitlement of members to the dividend for the financial year ended March 31, 2021, if approved at the AGM.
6. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made
 - i) To all beneficial Owners of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services India Limited (“CDSL”) collectively “ Depositories” as of the close of business hours on Thursday, July 8, 2021.
 - ii) To all members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, July 8, 2021.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 9th July, 2021 to 12th July, 2021(both days inclusive) for the purpose of Annual General Meeting of the Company.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company’s Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.
8. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Cameo Corporate Services Limited in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.



11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Cameo Corporate Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members desiring any clarification on accounts are requested to write to the Company at an early date through email to cs@ultramarinepigments.net so as to enable the Company to keep the information ready.
14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
29,361 shares were transferred to IEPF on 14.10.2020.
The details are posted on the Company's website: www.ultramarinepigments.net / investors column for the information of the shareholders.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.ultramarinepigments.net, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL : <https://www.evotingindia.com>.
16. At the fifty-eighth AGM held on July 29, 2019, the Members approved appointment of Brahmayya & Co., Chartered Accountants (Firm Registration No. 000511S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the sixty-third AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Sixtieth AGM.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the AGM are as follows:
 - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.



- b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.ultramarinepigments.net/investorrelations. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- e) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and Circular no. 02/2021 January 13, 2021.
- f) In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA Circular no. 02/2021 dated January 13, 2021.

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

- (i) The voting period begins on July 8, 2021 at 9.00 am. and ends on July 11, 2021 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of July 5, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

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

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



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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp



	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- 1) The shareholders should log on to the e-voting website: www.evotingindia.com
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.



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

	For Shareholders holding shares in Demat Form other than Individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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).

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



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser 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 authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; mmimani@csrma.in; cs@ultramarinepigments.net (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@ultramarinepigments.net. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@ultramarinepigments.net. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM/EGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM/EGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



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

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

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

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

Other Instructions

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website 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 listed.

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

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, 2022 as per the following details;

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

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

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. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

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. 4 of the Notice.

Regd. Office:

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

Date:20th May, 2021

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



.II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING FIXED ON 12TH JULY, 2021 AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN HEREUNDER

Name of the Director	Mr. V. Bharathram
DIN	08444583
Date of Birth	24.11.1966
Qualification	Graduate Degree in Computer Science and Masters in Business Administration
Expertise in specific functional areas	Over 25 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	Ultramarine Specialty Chemicals Limited, [a wholly owned subsidiary of Ultramarine & Pigments Limited]
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil
No. of shares held in the Company	41,050
Relationship between Director inter se	Nil

By the Order of the Board

For **Ultramarine & Pigments Limited**,

[Kishore Kumar Sahoo]
Company Secretary

Regd. Office:

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

Date:20th May, 2021



DIRECTORS' REPORT, MANAGEMENT'S DISCUSSION & ANALYSIS

To

Dear Members,

Your Directors have the pleasure of presenting the 60th Annual Report and the audited financial statements of the Company for financial year ended March 31, 2021.

FINANCIAL RESULTS

A summary of the Company's Financial Results for the financial year 2020 -21 is as under:

Particulars	₹ Lakhs	
	Financial Year 2020-21	Financial Year 2019-20
Revenue from operations	30,819	30,618
Profit before tax	7,495	7,763
Tax Expenses (Including Deferred Tax)	1,917	1,562
Profit after Tax	5,578	6,201

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, 2021 [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 declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 20th July, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OPERATIONS AND FINANCIAL PERFORMANCE

The revenue for the year from operations stood at ₹ 308 Crores in 2020-21, the same as the previous year. This is in spite of the severe impact on our operations due to lockdown & supply chain bottlenecks. There is a dip of 3% in profit before tax. A larger negative impact on margins was curtailed due to various timely measures taken by the management. Total export sales for the year was ₹ 79 Crores, as against ₹ 94 Crores in the previous financial year. The Company was able to maintain the manufacturing division's exports at the same level but ITES division's revenue declined.

There were many difficulties in mobilising labour / contractors during and after the first lockdown. Overcoming those, the Company has successfully commissioned the Sulphonation plant at Naidupeta, Andhra Pradesh in the beginning of the fourth quarter, thereby expanding our total capacity for surfactants.

Detailed analysis of division-wise performance is given below.

PIGMENT DIVISION

Revenue from Pigments division dropped by 7% as compared to previous year, due to severe lock down measures & curbs imposed during the first quarter. Your Company faced supply chain bottlenecks and logistical challenges, which slowed our export shipments. Steep increase in freight cost & non-availability of containers added to these woes. The division was able to ramp up the production in subsequent quarters, maintaining all the Covid-19 protocols.



It also averted major erosion in margins by focusing on value-added / premium grade Pigments.

The Pigments division achieved a net revenue of ₹ 92 crores in this financial year as compared to ₹ 98 crores in the previous financial year.

SURFACTANTS DIVISION

As reported in earlier annual reports, this division continues to achieve 100% capacity utilisation at our Ranipet Plant. Sales grew by 14% in volume and by 12% in value, mainly due to a flexible product mix & the efficient operation of the plant. The division improved margins through better working capital management & reported an all-time high in contribution. This has, to a large extent, compensated for the profit erosion of other divisions. This division reported a revenue of ₹ 184 crores as against ₹ 164 crores for the previous year.

The Company had announced earlier that the project at Naidupeta, Andhra Pradesh will be commencing operations in the 4th quarter of FY 2020-21. The project team has achieved this in spite of the problems created by the pandemic, subsequent lockdowns and extreme weather conditions. The Naidupeta plant was commissioned on 8th January, 2021. This is Ultramarine & Pigments, first plant outside Tamil Nadu, and strengthens its commitment to growth and expansion. This is a state-of-the-art plant capable of producing multiple sulphonated products, with a quick turnaround.

Implementation of a green field project to manufacture premium grade Pigments through a 100% subsidiary at Naidupeta has gathered momentum. This project involves a capital outlay of ₹ 67 Crores. Upon implementation, this facility will help meet the market demand for fine grade pigments, reduce the Pigments division's operation cycle and contribute to a better profit margin. It is likely to commence operation in the third quarter of this year.

WIND MILL GENERATION

Your company currently owns and operates 8 Wind Turbine Generators (WTG), with a capacity of 4.3 MW, all in the state of Tamil Nadu. Out of these 4 are more than 25 years old. In accordance with the Tamil Nadu State Government policy, your Company is in the process of replacing them with new and higher efficiency machines, in a phased manner. In the first phase, it will be replacing 750KW capacity during the current financial year.

Windmills have generated 52.11 lakhs units in 2020-21 as against 53.34 lakhs units in the previous year. The marginal drop is due to seasonal wind variations. Captive consumption from the wind mills is 39.61 lakh units, a decline of 1.46 lakh units over the previous year.

ITeS DIVISION

During the year under review, this division reported an income of ₹ 32 crores which was lower by 27% when compared to previous year figure of ₹ 44 crores. This is mainly due to the drop in revenue from domestic BPO business. The division continues to diversify its service offerings to ensure sustainability and profitability.

EARNINGS PER SHARE (EPS)

Earnings Per Share (EPS) is at ₹ 19.10 as compared to ₹ 21.24 for the previous year. The decline is on account of lock down impact in the first quarter of the year under review.

INTERNAL FINANCIAL CONTROL

Your 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 prevention of data leakage. Your company has an effective ERP system which is customised to suit the company-specific requirements. The majority of approvals and work-flows are routed through the system.

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



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

Your company has well-defined, updated Standard Operating Procedures (SOP) for each and every function of the company. A suitable risk mitigation plan for each pre-defined SOP has also been developed, and it 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. Audit committee ensures that appropriate actions to correct deviations, if any, are taken up immediately by the management.

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

PERSONNEL

Industrial Relations continued to be harmonious throughout the year under review. Your Company's manufacturing division(s) currently employs 393 people. We finished the year with 45 women employees (11.45%), as compared to 46 in the previous year.

Throughout the year, the HR team executed virtual training programs wherever possible, with specialist trainers from both within and outside the organisation. Employees were encouraged to discuss their concerns and share their experiences with the Directors through monthly virtual town hall meetings.

Your company has prioritised employee health during this Pandemic. All employees who were infected by the SARS COV-2 virus were provided additional leave, and were covered by medical insurance in case of hospitalisation. Masks, hand sanitiser, hand wash and OTC meds for infected employees and their families were provided at no cost. Vaccination was arranged in Chennai and Ranipet, and many employees took advantage of this to get themselves and their family members vaccinated.

Your company's employees have displayed a remarkable commitment to the company during this extraordinary year. The directors appreciate all the contributions they have made to achieve this year's performance, and their contributions to the future of the organisation.

RISKS AND CONCERNS

A continued Pandemic with unpredictable lockdowns, and uncertain global and domestic economic forecast creates a great deal of uncertainty for both the ITES and the manufacturing business. This is a risk that is difficult to control, for obvious reasons. Where possible, the company will continue to mandate work-from-home for non-essential personnel. Additionally, both the manufacturing business units will try to diversify raw material sources, to ensure supply constraints are minimised.

In order to ensure profit margins are not adversely impacted, the company will continue to focus on value added grades in the pigments business, reducing the exposure to the unpredictable retail market. The surfactants business will be focused on ensuring optimal capacity utilisation of the Naidupeta plant, fully utilising the Ranipet plant, and creating a product mix that will take advantage of both market access and raw material availability.

The Company does expect a minor reduction of the profit margin in the surfactants business over the next financial year, as the market stabilises post crisis shock.

PROSPECTS & OUTLOOK

With the phased commissioning of new capacity in our 100% subsidiary company for the Pigments business in Naidupeta over the next year, the Company expects to have a shorter operations cycle, and higher proportion of value-added products.



With a focus on improving yield of high-value grades of pigments, the company is investing in R&D in all stages of the production process, from Raw Material procurement and processing to the final stages of value addition. The Pigments plants currently process 30% more of the high-value grades than they did last year (by volume) and 150% more than they did in 2016-17, entirely due to internal innovation.

New products are being introduced in both the surfactants and the pigments divisions in a forward-looking manner, and have been seeded in the domestic and exports market to better understand customer needs and applications. The company anticipates that they will become commercially viable over the next two years.

The company is increasing its investment in research, adding both human resources and infrastructure. It is confident that this will improve both the offering to the market in the short term, and the capacity to innovate in the long term.

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 31st March, 2021 was ₹ 5.84 crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

DIRECTORS

Director retiring by rotation and re-appointment

As per the provisions of Companies Act, 2013, Mr. V. Bharathram (DIN.08444583), 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 had furnished to the Company a declaration under section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

MEETINGS

During the year, Six Board meetings and four Audit Committee meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

BOARD EVALUATION

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

The performance of 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 corporate governance practices, etc.

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

The Independent Directors have assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

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 evaluation process was conducted through a format of questionnaire with provision for rating on a scale from 1 to 5 (5 being the highest and 1 being the lowest).

The evaluation forms were submitted to the Lead Independent Director, the Chairman of the Nomination and Remuneration Committee.

The Lead Independent Director prepared the summary report and discussion was held at the Independent Directors meeting. A summary of discussion held at the independent directors meeting was circulated to 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 has 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, etc., are available on our Company's website: 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 selection, appointment of and remuneration to Key Managerial Personnel, Directors and Senior Management Personnel. The said policy is given as Annexure – 1 to the Director's Report.

RISK MANAGEMENT POLICY

A Risk Management Policy was framed and approved by the Board. The objective of this policy is to minimise the adverse impact of various risks on business goals and objectives and enhancement of the value of stakeholders. A Risk Management Committee has been constituted to assess the risk and mitigation.

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The vigil mechanism of the Company incorporates a whistle blower policy in terms of listing agreement (now SEBI Listing Regulations) with Stock Exchange. Through this policy it aims to provide an avenue for employees to raise their concerns on any violation of legal or regulatory requirements, fraud, malfeasance, 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. 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 off during the year 2020-21.

No. of complaints received: Nil, No. of complaints disposed off: 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, 2021 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, 2021 and of the profit of the company for the year ended that date.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a "going concern" basis.
- v. that proper internal financial controls are laid down and are adequate and operating effectively.
- vi. that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

SUBSIDIARY COMPANY

The Company has a wholly owned subsidiary namely, Ultramarine Specialty Chemicals Limited, which is implementing a greenfield project to manufacture pigments at APIIC Industrial Park, Naidupet, Nellore district in the state of Andhra Pradesh (AP).

Project details:

Sl no.	Details
1.	Project Cost: ₹ 6,650 Lakhs
2.	Funding: mix of equity, preference shares; (Investment by Holding Company, Ultramarine & Pigments Limited) And debt: Term loan from Banks / Financial Institutions
3.	Proposed capacity: 1500 MT
4.	Capacity is to be added in a phased manner starting from September, 2021.



PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

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

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 Bombay Stock Exchange 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 to the Board's Report.

STATEMENT SHOWING UNCLAIMED DIVIDEND AS ON MARCH 31, 2021

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 unpaid dividend/ unclaimed account 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 is mentioned below:

Sl. No.	Year	Nature	Dividend Amount per Share (in ₹)	Amount of unclaimed dividend as on March 31, 2021 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2013-14	Final	2.50	743,400	17/10/2021
2	2014-15	Final	3.00	933,465	17/10/2022
3	2015-16	Interim	3.50	1,207,818	02/06/2023
4	2016 -17	Final	4.00	1,392,308	22/10/2024
5	2017 -18	Final	4.25	1,060,804	12/09/2025
6	2018 -19	Final	4.50	676,408	07/09/2026
7	2019 -20	Interim	5.00	877,285	05/05/2027



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

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

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

29,361 shares were transferred to IEPF on 14.10.2020.

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

DETAILS RELATING TO DEMATERIALIZED UNCLAIMED SUSPENSE ACCOUNT

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	No. of shares transferred to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares
11	57,600	Nil	Nil	24,800	8	32,800

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

STATUTORY AUDITORS

M/s. Brahmayya & Co, Chartered Accountants (Firm registration no.000511S) were re-appointed as statutory auditors at the AGM held on 29th July, 2019 to hold office for a period of five years from the conclusion of the meeting till the conclusion of Annual General Meeting to be held in the year, 2024.

COST AUDITORS

Our Company falls under the applicability of maintenance of cost records and their audit. GSVK & Co., Cost Accountants (Firm Regn. No. 002371) have been appointed as Cost auditor for the financial year 2020-21.

INTERNAL AUDITORS

The Internal Auditors 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 -2 to this report.

WEB LINK OF ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) and 134 (3) (a) of the Companies Act, 2013, extract of the Annual Return (Form MGT-9) for the year ended March 31, 2021 will be placed on the website of the Company at [www.ultramarinepigments.net / investors / investors information](http://www.ultramarinepigments.net/investors/investors%20information).

**PARTICULARS OF EMPLOYEES**

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

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

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

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

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

BUSINESS RESPONSIBILITY REPORT

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

Your Company is in top 1,000 listed entities as on 31st March, 2021. The Company has presented its Business Responsibility report for the financial year 2020 -21, which is given as Annexure – 7 to this report.

ACKNOWLEDGEMENT

Your Directors thank the various 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**,

Place: Chennai
Date : 20th May, 2021

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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

**ANNEXURE - DIRECTOR'S REPORT****Annexure - 1****Nomination and Remuneration Policy****Objectives**

The Key Objectives of the Committee and the Policy:

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

Remuneration Policy**Managing Director (s), Whole-time Director, Non - Executive and Independent Directors**

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

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

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

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

CEO, COO, CFO, CS and Senior Management Personnel

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

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

**R M MIMANI & ASSOCIATES LLP**

Company Secretaries

A-101, Excellency, Old Raviraj Complex, Jessal Park, Bhayander (East), Thane - 401105

Ph. No. 022-69999914, Email:rmimani222@gmail.com

Form No. MR.3**Secretarial Audit Report for the financial year ended on March 31, 2021**

[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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 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, 2021 according to the provisions of

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- VI. The Management has Identified and confirmed the following laws as specifically applicable to the Company;
 - (a) Explosive Act, 1974
 - (b) Hazardous Wastes (Management and Handling) Rules 2016
 - (c) The Chemical Weapons Convention Act, 2000
 - (d) Information Technology Act, 2000 and the rules made there under
 - (e) Copyrights Act, 1957
 - (f) The Trade Marks Act, 1999
 - (g) Factories Act, 1948 and the rules made there-under
 - (h) Legal Metrology Act, 2009
 - (i) Legal Metrology (Packaged Commodities) Rules, 2011



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

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

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

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

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

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

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

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

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

For **R M MIMANI & ASSOCIATES LLP**

[COMPANY SECRETARIES]

[Firm Registration No. L2015MH008300]

RANJANA MIMANI

(PARTNER)

FCS No: 6271

CP No : 4234

PR No.1065/2021

UDIN : F006271C000351319

Place : Mumbai

Dated : 20th May, 2021

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



Annexure A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events, etc.;
5. The compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 20th May, 2021

FCS No: 6271
CP No : 4234
PR No.1065/2021
UDIN : F006271C000351319



Annexure – 3

Statement of disclosure of remuneration under section 197 of Companies Act, 2013 and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2020- 21,

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Tara Parthasarathy	Joint Managing Director	39:1
2	V. Bharathram	Whole-time Director	58:1
3	R. Senthil Kumar	Whole-time Director	20:1

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2020-21

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Tara Parthasarathy	Joint Managing Director	08.65
2.	V. Bharathram	Whole-time Director	55.02
3.	R. Senthil Kumar	Whole-time Director	03.90
4.	S. Ramanan	Chief Financial Officer	-
5.	Kishore Kumar Sahoo	Company Secretary	13.00

- iii) The percentage increase in the median remuneration of Employees in the financial year is 21.44%.
- iv) The Company has 756 permanent employees on the rolls of Company as on 31st March, 2021.
- v) Relationship between average increase in remuneration and Company's performance:
The profit before tax for the financial year ended 31st March, 2021 decreased by 3% whereas the decrease in remuneration was 19%.
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

₹ in Lakhs

Sl. No.	Particulars	Year (2020 – 21)	Year (2019 – 20)	Percentage of increase/ decrease
1	Sales	30,819	30,618	1
2	Profit before tax	7,495	7,763	-3
3	Remuneration of the KMP	426	346	23

- vii) Average percentage increase in the salaries of employees other than the managerial personnel in the financial year is 16% whereas the increase in the managerial remuneration was 26%.

viii) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.

Sl. No.	Name of Key Managerial Personnel	Designation	Percentage increase in Remuneration	Percentage of increase in performance
1	Tara Parthasarathy	Joint Managing Director	8.65	0.66
2	V. Bharathram	Whole-time Director	55.02	0.66
3	R. Senthil Kumar	Whole-time Director	3.90	0.66
4	S. Ramanan	Chief Financial Officer	-	0.66
5	Kishore Kumar Sahoo	Company Secretary	13.00	0.66

ix) Market capitalisation and price-earnings ratio details are as under:

Particulars	As on 31.03.2021	As on 31.03.2020	Increase / (Decrease) (%)
Price Earnings Ratio	15.30	6.66	130
Market Capitalisation (₹ in Crore)	853.52	413.03	106

The Company has not made any public issue of shares.

- x). 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.
- xi) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Nil
- xii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



Annexure – 4

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

Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Remuneration (₹)	Percentage of equity shares held in the Company	Date of commencement of employment	Last Employment held
1.	Ms. Tara Parthasarathy	35	B Tech, Master of Environmental Management (MEM) Over 9 years of experience	Joint Managing Director	1,15,81,160	0.69	16.03.2015	World Resources Institute, Bangalore
2.	Mr. V. Bharathram	55	Graduate Degree in Computer Science and Masters in Business Administration Over 25 years of experience	Whole-time Director	1,64,54,900	0.12	01.07.2005	Bajaj Auto Finance Limited
3.	Mr. R. Senthil Kumar	54	Science Graduate, Masters in Business Administration Over 28 years of experience	Whole-time Director	70,26,413	--	28.07.1988	NA
4.	Ms. Meera Parthasarathy	38	Bachelors' in Engineering, Post graduate diploma in Business management Over 14 years of experience	Vice President	64,42,888	0.81	24.03.2008	Infosys Technologies Limited

Notes:

- 1) Remuneration includes Company's contribution to Provident Fund, Medical Benefits, Leave Travel Allowance, and Payable (Commission / Variable pay), etc.
- 2) Nature of employment: Contractual (Based on the recommendation of Nomination and Remuneration Committee, approval of the Audit Committee, Board of Directors and Shareholders).
- 3) Ms. Tara Parthasarathy and Ms. Meera Parthasarathy are related.

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

Place: Chennai
Date : 20th May, 2021

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure - 5

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

I CONSERVATION OF ENERGY

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

FUEL CONSUMPTION (POWER & FUEL)

	PARTICULARS	UNITS	YEAR ENDING 31.03.2021	YEAR ENDING 31.03.2020
1	ELECTRICITY			
(a)	Electricity units purchased	KWH	74,16,062	68,19,205
	Electricity amount	₹	5,46,32,587	5,08,61,757
	Rate per unit		7.37	7.46
(b)	Own Generation		-	-
	Through Windmill	KWH	52,11,526	53,34,489
	Through Solar	KWH	3,44,160	3,87,698
	Through DG	KWH	1,53,592	1,60,892
	Diesel consumption	in Litres	46,378	48,786
	Diesel cost	₹	35,01,011	34,51,773
	Unit/ Litre of Diesel oil	KWH	3.31	3.30
	Fuel Cost per Kwh	₹	22.79	21.45
2	COAL & COKE		-	-
	Coal & Coke - value (₹)	₹	79,14,251	2,62,37,434
	Coal & Coke - quantity in tons	Tons	359	1,217
	Average rate per ton	₹/Ton.	22,029	21,556
3	FURNACE OIL/DIESEL/SKO ETC		-	-
	Furnace oil / Diesel /SKO - value (₹)	₹	2,97,97,163	5,43,18,637
	Furnace oil / Diesel/SKO - KL	KL	879	1,285
	Average rate per KL	₹/KL	33,899	42,274
4	LPG		-	-
	Liquified Petroleum Gas -value (₹)	₹	4,06,96,042	1,44,89,436
	Liquified Petroleum Gas-KGS	KGS	6,99,690	2,45,340
	Average rate per KGS	₹/KGS	58	59
5	LNG			
	Liquified Natural Gas -value (₹)	₹	1,33,52,741	1,02,04,718
	Liquified Natural Gas-KG	KG	2,89,886	1,75,050
	Average rate per KG	₹/KG	46	58
6.	RESEARCH & DEVELOPMENT EXPENDITURE			
	i) Capital	₹	7,99,074	12,00,460
	ii) Recurring	₹	1,54,54,340	1,35,06,939
	iii) Total	₹	1,62,53,414	1,47,07,399
	iv) Total R&D Expenditure as a percentage of total turnover		0.52%	0.48%

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 modernisation 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.

On Behalf of the Board

For Ultramarine & Pigments Limited,

Tara Parthasarathy
 Joint Managing Director
 [DIN: 07121058]

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

Place: Chennai
 Date : 20th May, 2021



Annexure - 6

Annual Report on Corporate Social Responsibility (CSR) Activities, 2020-21

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

Corporate Social Responsibility (CSR) Philosophy:

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

2. Composition of CSR Committee:

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

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

www.ultramarinepigments.net/investors/policies

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

Not Applicable

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

₹ 31.36 Lakhs

6. Average net profit of the Company as per Section 135(5): ₹ 6,788 Lakhs

7.	a.	Two percent of average net profit of the Company as per Section 135(5)	₹ 135.77 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	₹ 31.36 Lakhs
	d.	Total CSR obligation for the financial year (7a+7b-7c)	₹ 104.41 Lakhs



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

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,42,05,000	Nil	Nil	Nil	Nil	Nil

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

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

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

1	2	3	4	5		6	7	8	
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area Yes/ No	Location of the project		Amount spent in the current financial year (In ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency	
				State	District			Name	CSR Regn. No.
1	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i) Promoting health care including preventive health care	Yes	Tamil Nadu	Ranipet	1,10,00,000	No	Implementing agency – "Thirumalai Charity Trust", Vellore, Tamil Nadu CSR 00000287	
2	Health care: Covid -19 Pandemic	Clause (i) Promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	10,00,000	No	Contribution to Tamil Nadu Chief Ministers Public Relief Fund	
3	Health Care [Supportive care for the Child's Cancer treatment]	Clause (i) Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	5,00,000	No	Access Life Assistance Foundation , Mumbai	
4	Health Care: [Ailing poor cancer victims]	Clause (i) Promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	4,00,000	No	Sri. Matha Trust, Chennai	
5	Renovation work – Adhishankarar Temple at Ranipet managed by Veda Bhavan Trust	Clause (v) Restoration of buildings and sites of historical importance and works of art	Yes	Tamil Nadu	Ranipet	3,87,000	Yes	-	
6	Health Care: [Preparation of a Covid Care facility at Ranipet : SIAR Club, Ranipet]	Clause (i), Promoting health care including preventive health care	Yes	Tamil Nadu	Ranipet	2,85,000	Yes	-	
7	Health and sanitation development in rural India	Clause (i) Promoting health care including preventive health care	No	Tamil Nadu	Tirupattur	2,00,000	No	South Central India Network for Development Alternatives, Chennai	
8	School renovation : Panchayat Union Middle School	Clause (ii) Promotion of Education	Yes	Tamil Nadu	Ranipet	1,73,000	Yes	-	
9	Supply of Food to the Poorer during Covid-19 Pandemic	Clause(i) Eradication of extreme hunger and poverty	Yes	Andhra Pradesh	Naidupet	1,60,000	Yes	-	
10	School renovation: Vidya Vanam, Anaikaty, Coimbatore The School for Tribal Children	Clause (ii) Promotion of Education	No	Tamil Nadu	Coimbatore	1,00,000	No	Bhuvana Foundation, Chennai	
	Total					1,42,05,000			



- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment: Not Applicable
- (f) Total amount spent for financial year: ₹ 142.05Lakhs
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

SI No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,35,77,000
(ii)	Total amount spent for the financial year	1,42,05,000
(iii)	Excess amount spent for the financial year[(ii-i)]	6,28,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	-
(v)	Amount available for set off in succeeding financial years [(iii-iv)]	6,28,000

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

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

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

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

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

- (a) Date of creation or acquisition of the capital asset(s)
- (b) Amount of CSR spent for creation or acquisition of capital asset

On Behalf of the Board
For Ultramarine & Pigments Limited,

Place: Chennai
Date : 20th May, 2021

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure -7

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24224MH1960PLC011856
2	Name of the Company	Ultramarine & Pigments Limited
3	Registered Address	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
4	Website	www.ultramarinepigments.net
5	E-mail id	pigments@ultramarinepigments.net syndet@ultramarinepigments.net
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	202, 201, 620
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Pigments Surfactants ITES (Please refer to Company's website for complete list of its products)
9	Total number of locations where business activity is undertaken by the Company: a. Number of International Locations – b. Number of National Locations	5 Nil i. Registered office at Mumbai ii. Factory at Ambattur, Chennai, Tamil Nadu iii. Factory at SIPCOT, Ranipet, Tamil Nadu iv. Factory at APIIC Industrial Park, Naidupet, Andhra Pradesh v. ITES division at Chennai, Tamil Nadu
10	Markets served by the Company – Local/ State/National/International:	Over the past Six decades, the Company has expanded to 75 products. Export its products to 35 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR):	₹ 5,84,00,000
2.	Total Turnover (INR):	₹ 308,19,47,731
3.	Total profit after taxes (INR):	₹ 55,78,67,267
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	₹ 1,42,05,000 2.55%
5.	List of activities in which expenditure in 4 above has been incurred:-	a. Healthcare b. Education

**SECTION C: OTHER DETAILS**

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has one wholly owned subsidiary as on 31.03.2021.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes.
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers and vendors are provided awareness on environmental and social issues. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

b. Details of the BR head

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



- c. Principle-wise (as per NVGs) BR Policy/policies
i. Details of compliance (Reply in Y/N)

No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company are in compliance with national /international standards wherever applicable. Company is a Halal & Kosher Certified, ISO 9001, ISO 14001 & OHSAS 18001 compliant, and a Responsible Care Company.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Mandatory policies viz., The Code of Conduct and Ethics, Policy on Vigil Mechanism, CSR Policy, Code of Conduct for Prevention of Insider Trading, etc., have been adopted by the board and other operational internal policies are approved by the management.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation and adherence to the code of conduct for employees is administered by the HR/ Personnel Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The Joint Managing Director and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.								
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the Company's website at the following link http://www.ultramarinepigments.net/investors/Policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal policies have been communicated to all stakeholders and the same are available on the Company's intranet.								
8	Does the company have in-house structure to implement the policy/ policies?	The Company has established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The whistle blower mechanism provides employees to report any concern or grievances pertaining to any potential or actual violation of the Company's Code of Conduct, which covers all aspects of BRR.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments.								

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



- d. Governance related to BR
- i. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**
- The Joint Managing Director, Whole-time Directors and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.
- ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
- The BR report is available as part of the Annual Report.
- Link to View the report: www.ultramarinepigments.net

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

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

Yes.

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

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

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

Principle 2: Product Life Cycle Sustainability

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

- Pigments
- Surfactants
- ITES

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

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

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

Pigments: The water consumption reduced to 7.4 KL from 17.6 KL per MT of pigment production. Fossil fuels were replaced with Liquid Natural Gas (LNG) in Ranipet and conversion is underway in Ambattur. The energy cost expected to reduce by 25%. The yield of the product has improved by 3% hence reduction in usage of Raw materials.

Surfactant: The plant is operated with ZLD, the entire water used for cleaning is treated and recycled back to the process for dilution. Considerable reduction in energy by 12% over the past 4 years.



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

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

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

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

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

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

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

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

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

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

Principle 3: Employee Wellbeing

1.	Total number of employees.		756		
2.	Total number of employees hired on temporary/contractual/casual basis.		150		
3.	Number of permanent women employees.		206		
4.	Number of permanent employees with disabilities		Nil		
5.	Employee association that is recognised by management?		Nil		
6.	Percentage of permanent employees who are members of this recognised employee association?		Nil		
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
		1	Child labour/forced labour/involuntary labour	NIL	NIL
		2	Sexual harassment	NIL	NIL
		3	Discriminatory employment	NIL	NIL
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a. Permanent Employees b. Permanent Women Employees c. Casual/Temporary/Contractual Employees d. Employees with Disabilities			97%	
				26%	
				19%	
				Nil	



Principle 4: Stakeholder Engagement

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

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

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

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

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

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

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

Principle 5: Human rights

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

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

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

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

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

Principle 6: Environmental

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

The Company is a Halal & Kosher Certified, ISO 9001, ISO 14001 & OHSAS 18001 compliant, and a Responsible Care Company.

The Company is promoting the certification of all its key stakeholders- suppliers, dealers and contractors.

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

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



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

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

Yes. The Company is certified under ISO 14001: 2015 standard and has laid down procedure for Risk identification, assessment and mitigation.

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

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

Our emissions are fully treated and clean. They are continuously monitored and reported to the state regulator and the public in real time. Our dramatic reductions in energy and input-use have resulted in exceptional air emission performance.

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

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

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

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

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

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

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

NIL

Principle 7: Policy Advocacy

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

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

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

NA

Principle 8: Inclusive Growth

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

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



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

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

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

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

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

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

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

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

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

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

Principle 9: Customer value

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

Nil

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

Yes

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

No

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

Yes

Chennai
20th May 2021

For and on behalf of the Board of Directors

Tara Parthasarathy
Joint Managing Director
DIN. 07121058



PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE NORMS

[See Regulation 34(2)(f)]

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

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

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

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

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

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



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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

1. Businesses should utilise natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialisation of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.



6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. Businesses should proactively persuade and support its value chain to adopt this principle.

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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



CORPORATE GOVERNANCE REPORT, 2021

[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 recognises 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 31.03.2021

Category	No. of Directors
Executive Directors	3
Non-Executive and Non-Independent Directors including Chairman	2
Non-Executive and Independent Directors	6

The Company has an optimum combination of Executive and Non-Executive Directors with 6 Independent Directors on the Board. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he 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	Joint Managing Director
4	Mr. R. Senthil Kumar	Whole-time Director
5	Mr. V. Bharathram	Whole-time Director
6	Mr. Nimish U. Patel	Non-Executive Independent
7	Mr. Navin M. Ram	Non-Executive Independent
8	Mr. Rajeev M. Pandia	Non-Executive Independent
9	Mr. C.R. Chandra Bob	Non-Executive Independent
10	Mrs. P. Arunasree	Non-Executive Independent
11	Mr. Harsh R. Gandhi	Non-Executive Independent

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



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

Name of the Director	No. of Directorship in other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub – Committees (Audit Committee and Stakeholders Relationship Committee)	
				Membership	Chairmanship
R. Sampath	2	Listed 1. Thirumalai Chemicals Limited	Non – Executive	2	–
		Others 1. Ultramarine Specialty Chemicals Limited	Non – Executive	–	–
Indira Sundararajan	–	–	–	–	–
Tara Parthasarathy	1	Listed –	–	–	–
		Others 1. Ultramarine Specialty Chemicals Limited	Executive	–	–
R. Senthil Kumar	–	–	–	–	–
V. Bharathram	1	Listed –	–	–	–
		Others 1. Ultramarine Specialty Chemicals Limited	Executive	–	–
Nimish U Patel	8	Listed 1. Shri Dinesh Mills Limited	Executive	–	–
		2. Transpek Industry Limited	Independent	1	1
		Others 1. Dinesh Remedies Limited	Executive	–	–
		2. Pankakamilini Investment Private Limited	Executive	–	–
		3. Fernway Technologies Limited	Executive	–	–
		4. Fernway Textiles Limited	Executive	–	–
		5. Stellent Chemicals Private Limited	Executive	–	–
6. Stellent Chemicals Industries Private Limited	Executive	–	–		
Navin M Ram	4	Listed –	–	–	–
		Others 1. Pipe Hangers & Supports Private Limited	Executive	–	–
		2. Originwave Techsoft Private Limited	Executive	–	–
		3. Blue Bay Personal Care Private Limited	Executive	–	–
		4. Cauvery Farms and Services Private Limited	Executive	–	–



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

c) Skills / Expertise/ Competencies of Board of Directors

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

Business operations and Management	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.
Global Business	Knowledge of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Guiding and leading management team to make strategic decisions and planning.
Governance	Experience in developing governance practices, maintaining Board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.



Name of Directors	Years of experience >	Business operations and Management	Global Business	Strategy and Planning	Governance
Mr. R. Sampath	50	✓	✓	✓	✓
Mrs. Indira Sundararajan	40	✓	✓	✓	✓
Ms. Tara Parthasarathy	10	✓	✓	✓	✓
Mr. V. Bharathram	27	✓	✓	✓	✓
Mr. R. Senthil Kumar	30	✓	✓	✓	✓
Mr. Nimish U Patel	30	✓	✓	✓	✓
Mr. Navin M Ram	18	✓	✓	✓	✓
Mr. Rajeev M. Pandia	45	✓	✓	✓	✓
Mr. C.R. Chandra Bob	30	✓	--	--	✓
Mrs. P. Arunasree	17	--	--	--	✓
Mr. Harsh Gandhi	18	✓	✓	✓	✓

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 2020 - 2021

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

01/06/2020	22/07/2020	12/08/2020	10/11/2020	11/02/2021	18/03/2021
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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 -2).

**(g) Attendance of Directors at Board meetings and Annual General Meeting through Video Conferencing**

Name of the Directors	Attendance at Board meeting held on						Attendance at the AGM held on July 22, 2020
	June 01,2020	July 22,2020	August 12,2020	November 10,2020	February 11,2021	March 18,2021	
Mr. R. Sampath	✓	✓	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	✓	✓	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	✓	✓	✓	✓	✓	✓
Mr. R. Senthil Kumar	✓	✓	✓	✓	✓	✓	✓
Mr. V. Bharathram	✓	✓	✓	✓	✓	✓	✓
Mr. Nimish U. Patel	✓	✓	✓	✓	✓	✓	✓
Mr. Navin M Ram	✓	✓	✓	✓	✓	✓	✓
Mr. Rajeev M. Pandia	✓	✓	✓	✓	✓	✓	✓
Mr. C.R. Chandra Bob	✓	✓	✓	✓	✓	✓	✓
Mrs. P. Arunasree	✓	✓	✓	✓	✓	✓	✓
Mr. Harsh Gandhi	✓	✓	✓	✓	✓	✓	✓

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

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31-03-2021.

(Amount in Rupees)

Name	Salary	Perquisites	Contribution to PF and other Funds	Commission/variable pay (Payable)	Total	No. of shares held
1. Ms. Tara Parthasarathy Joint MD	25,83,000	10,50,090	9,48,470	70,00,000	1,15,81,160	2,02,760
2. Mr. V. Bharathram, WTD	40,50,000	43,25,400	10,79,500	70,00,000	1,64,54,900	41,050
3. Mr. R. Senthil Kumar, WTD	24,00,000	27,48,053	8,78,360	10,00,000	70,26,413	500

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 Directors for attending the Board / Committee meetings. The sitting fee paid to the Non-Executive Directors (2020 -2021) is as under:

Name	Amount (₹)
Mr. R. Sampath	4,00,000
Mrs. Indira Sundararajan	4,00,000
Mr. Nimish Patel	4,40,000
Mr. Navin M Ram	5,60,000
Mr. Rajeev M. Pandia	4,00,000
Mr. C.R. Chandra Bob	4,80,000
Mrs. P. Arunasree	2,80,000
Mr. Harsh R. Gandhi	3,20,000
Total	32,80,000



- Sitting fees paid to the Non-Executive Directors depending on the number of meetings attended by them.
- 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 2019 -2020 is as follows:

Name	Commission amount (₹)
Mr. R. Sampath	19,55,405
Mrs. Indira Sundararajan	19,55,405
Mr. Nimish Patel	7,82,162
Mr. T.R. Madhavan (up to 29.07.2019)	3,47,628
Mr. Vinod G Nehemiah (up to 29.07.2019)	1,73,814
Mr. Navin M Ram	4,34,534
Mr. S. Ragothaman (up to 13.02.2020)	5,21,441
Mr. Rajeev M. Pandia	3,47,628
Mr. C.R. Chandra Bob	6,08,348
Mrs. P. Arunasree	4,34,534
Mr. Harsh R. Gandhi	2,60,721
Total	78,21,620

Shareholdings of Directors

Details of shares held by Non-Executive Directors as on 31/03/2021

Name	No. of Shares held
Mr. R. Sampath	12,75,294
Mrs. Indira Sundararajan	10,71,855
Mr. Nimish Patel	76,384
Mr. Navin M Ram	1,050
Mr. Rajeev M. Pandia	500
Mr. C.R. Chandra Bob	1000
Mrs. P. Arunasree	650

Board Committees

Audit Committee

Composition of Audit Committee

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 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.

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

01/06/2020	12/08/2020	10/11/2020	11/02/2021.
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Members of the Committee, Chief Financial Officer as well as the Statutory Auditors, and internal auditors are present at all the meetings.

The Company Secretary acts as Secretary to the Audit Committee.

**Attendance record of Audit Committee**

SI No.	Name of Members	01.06.2020	12.08.2020	10.11.2020	11.02.2021
1.	C. R. Chandra Bob	✓	✓	✓	✓
2.	Nimish U. Patel	✓	✓	✓	✓
3.	Indira Sundararajan	✓	✓	✓	✓
4.	Navin M Ram	✓	✓	✓	✓

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

Nomination and Remuneration Committee

Composition of the Committee:

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

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

30/05/2020	09/11/2020.
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Attendance record of Nomination and Remuneration Committee

SI No.	Name of Members	30.05.2020	09.11.2020
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:

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

The Stakeholder Relationship Committee deals with the following matter:

- Monitoring redressal of investor grievance received from Stock Exchange, SEBI, ROC, etc.
- Monitoring redressal of shareholders queries/complaints relating to share transfers, transmission, transposition, dematerialisation, 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. 2 complaints were received from Shareholders during 2020- 2021 relating to non-receipt of annual report and Status of Shares. The same was redressed immediately.

SI No.	Nature of Complaint	Complaint received on	Complaint resolved on
1.	Non-receipt of Annual report 2019-20	04-08-2020	04-08-2020
2.	Status of Share Certificate	18-09-2020	18-09-2020

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

The process of share transmission/transposition is delegated to a Registrar and Share Transfer Agent and is done once a fortnight (depending on documents 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 30/05/2020.

Attendance record of Stakeholders Relationship Committee

SI No.	Name of Members	30.05.2020
1.	Mr. Navin M. Ram	✓
2.	Mrs. Indira Sundararajan	✓
3.	Mr. C.R. Chandra Bob	✓

Corporate Social Responsibility (CSR) Committee

Composition of the Committee:

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

The CSR Committee monitors the CSR activities, 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 30/05/2020.

**Attendance record of Corporate Social Responsibility Committee**

SI No.	Name of Members	30.05.2020
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:

SI 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

During the year, one meeting of the Committee was held on 10/08/2020.

Attendance record of Risk Management Committee

SI No.	Name	10.08.2020
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	✓

Business Review Committee

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

The role of business review Committee:

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



During the year, one meeting of the Committee was held on 29/10/2020.

Sl No.	Name of Members	29/10/2020
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 9th February, 2021, 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.

Familiarisation programme for Independent Directors

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

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

Brief details of General Body Meetings

The Sixtieth Annual General Meeting of the Company for the financial year 2020- 2021 would be held on Monday, the 12th Day of July, 2021 at 4.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2019 - 2020	22/07/2020	3.00 PM	Through Video Conferencing ("VC")
2018 - 2019	29/07/2019	3.00 PM	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.
2017 - 2018	06/08/2018	3.00 PM	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.

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

Year	No. of Special resolutions passed
2019 -2020	Nil
2018 - 2019	4
2017 - 2018	Nil



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

Sl no.	Resolution details
1	Alteration of Articles of Association of the Company
2	Re-appointment of Mr. Nimish U. Patel (DIN. 00039549) as an Independent Director for the 2 nd term of 5 consecutive years.
3.	Re-appointment of Mr. Navin M. Ram (DIN. 02410242) as an Independent Director for the 2 nd term of 5 consecutive years .
4	Continuation of Mr. R. Sampath (DIN.00092144) as a Non – Executive Director.

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

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, 2021. The Joint Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

Prevention 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.

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

(₹ Lakhs)

Type of Service	FY 2021	FY 2020
Audit Fees	12.50	10.50
Tax Audit Fees	2.00	2.00
GST Audit Fee	1.45	1.52
Certification	8.00	5.50
Reimbursement of Expenses	--	0.06
Total	23.95	19.58



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 / Company policies.

(viii) Risk Management

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

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

Affirmation

The provisions of Regulation 18 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.

(x) 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 reported to the Audit Company.

(xi) 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.

(xii) 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 on the Company's website at www.ultramarinepigments.net.

(xiii) 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.

(xiv) Subsidiary Company

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

(xv) Management Discussion and Analysis

This annual report has a detailed chapter on management discussion and analysis.

(xvi) General Shareholders Information

1	Date, time and venue of 60 th AGM	Monday , the 12 th July, 2021 at 4.00 pm. through video conferencing ("VC") / other Audio Visual Means ("OAVM")
2	Financial Year	1 st April to 31 st March
3	Date of Book Closure	9 th July , 2021 to 12 th July, 2021 (both days Inclusive)
4	Listing on Stock Exchanges	Bombay Stock Exchange Ltd
5	Listing Fees	Paid as per the listing agreement
6	ISIN No.	INE405A01021
7	BSE Stock Code	506685
8	Registered Office	Thirumalai House, Road No.29, Sion-East, Mumbai- 400 022 Phone: +91-22-24017834/41/61/69 Fax : +91-22-24011699 E. Mail : cs@ultramarinepigments.net



9	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 : investor@cameoindia.com
10	Compliance Officer	Mr. Kishore Kumar Sahoo, Company Secretary Ultramarine & Pigments Ltd., Thirumalai House, Road No.29, Sion (East), Mumbai – 400 022. Phone:+91-22-24017841/ 2401 7853 Fax : +91-22-2401 1699 E.Mail : cs@ultramarinepigments.net
11	Share Transfer System	The Company's shares are traded in the Stock Exchanges compulsorily in de-materialised mode. Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of Completed and validly executed documents.
12	Financial Calendar	Annual Results : 20 th May, 2021 Results for the Quarter ending June 30, 2021 : By 14 th August, 2021 September 30, 2021 : By 14 th November, 2021 December 31, 2021 : By 14 th February, 2022 March 31, 2022 : By 30 th May, 2022
13	Mailing of Annual Reports	3 rd week of June, 2021
14	Dividend Payment dates	On or before 20 th July, 2021
15	Dematerialisation of Shares	As on 31/03/2021, 98.15% of the Company's shares representing 2,86,60,404 shares were held in the de-materialised form. Shares with NSDL – 2,52,46,247 Shares with CDSL – 34,14,157
16.	Plant location	<p>Ambattur No.556, Vanagaram Road, Ambattur, Chennai – 600 053, Tamilnadu. Tel: +91-44 – 26136700 - 26136704 Fax: +91- 44- 26821201</p> <p>Ranipet SIPCOT Industrial Complex, Ranipet – 632 403, Tamil Nadu. Tel: +91- 4172- 664401 / 402 / 403 / 404 / 405 Fax: +91- 4172- 664400 E.mail:syndet@ultramarinepigments.net</p> <p>Naidupet 59A, 60 & 61, APIIC Industrial Park Block C, Road No.13, Naidupet SPSR Nellore, Andhra Pradesh</p> <p>Lapiz Digital Services RR Tower – IV , Super A - 16 &17 T V K Industrial Estate, Guindy, Chennai – 600032 Tel: +91-44- 42901300 Fax:+91-44- 42901310 E-mail : info@lapizdigital.com</p>



17) Categories of Shareholders as on 31.03.2021

Categories	No. of Shares	% to the total paid up capital
Promoters / Promoter group	14,200,276	48.63
General Public and HUF	13,147,021	45.02
Companies / Bodies Corporate	663,451	2.27
NRI	682,777	2.34
Foreign Portfolio Investor	226,590	0.78
Investor Education & Protection Fund (IEPF)	178,808	0.61
Clearing Member	61,109	0.21
Financial Institutions / Banks	39,968	0.14
Total	29,200,000	100.00

18) Distribution of Shareholding as on 31.03.2021

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	14713	94.54	4393885	15.05
5001- 10000	422	2.71	1541404	5.28
10001-20000	219	1.41	1664163	5.70
20001-30000	63	0.40	785815	2.69
30001-40000	32	0.20	568701	1.95
40001-50000	15	0.10	341732	1.17
50001-100000	46	0.30	1548174	5.30
Over 100000	53	0.34	18356126	62.86
TOTAL	15563	100.00	29,200,000	100.00

19) Stock Market price data and BSE Sensex for the year 2020 – 2021

Month	Market share at BSE Ltd			BSE Sensex	
	High	Low	No. of Shares traded	High	Low
April -2020	175.95	136.00	221,932	33887.25	27500.79
May-2020	169.00	147.15	108,065	32845.48	29968.45
June-2020	210.90	158.45	751,510	35706.55	32348.10
July-2020	263.90	176.15	1,021,004	38617.03	34927.20
August-2020	299.00	229.10	1,208,382	40010.17	36911.23
September-2020	277.40	226.00	721,172	39359.51	36495.98
October-2020	268.00	229.20	368,028	41048.05	38410.20
November-2020	240.00	219.00	462,144	44825.37	39334.92
December-2020	258.00	217.00	1,249,789	47896.97	44118.10
January-2021	340.00	237.10	1,301,011	50184.01	46160.46
February-2021	379.95	265.00	1,161,853	52516.76	46433.65
March-2021	330.00	277.20	800,669	51821.84	48236.35

**20) 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. The Company has also promulgated Code of Conduct to be followed by Directors and Management which is also available on the Company’s website.

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy
Joint Managing Director
DIN: 07121058

Place : Chennai
Date : 20th May, 2021

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, 2021.

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy
Joint Managing Director
DIN: 07121058

Place : Chennai
Date : 20th May, 2021



CEO / CFO Certification

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

To,
The Board of Directors
Ultramarine & Pigments Limited

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

1. We have reviewed financial statements and the cash flow statement of Ultramarine & Pigments Limited for the year ended 31st March, 2021 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 into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that there are no :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year; and
 - (iii) instances of significant fraud of which we have become aware.

For **Ultramarine & Pigments Limited**,

Place: Chennai
Date : 20th May, 2021

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

S. Ramanan
Chief Financial Officer



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

the Members of Ultramarine & Pigments Limited.

1. We, Brahmaya & Co, Chartered Accountants, the Statutory Auditors of Ultramarine and Pigments Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2021, 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 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of

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

R Nagendra Prasad
Partner

Place: Chennai
Date: 20th May, 2021

Membership No.: 203377
UDIN : 21203377AAAADV8247

**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) as considered necessary and explanations furnished to us by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 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	Full Name	Designation	Date of Appointment
00092144	Mr. Rangaswamy Sampath	Director	01/08/2007
00092203	Mrs. Indira Sundararajan	Director	01/08/2004
07121058	Ms. Tara Parthasarathy	Managing Director	16/03/2015
07506927	Mr. Ramachandra Senthil Kumar	Whole-time Director	08/08/2016
00039549	Mr. Nimishbhai Upendrabhai Patel	Director	28/10/2003
02410242	Mr. Navin Muthu Ram	Director	10/11/2014
00021730	Mr. Rajeev Mahendra Pandia	Director	12/11/2018
07384175	Mr. Calidas Ramchandrar Chandra Bob	Director	12/11/2018
01351504	Mrs. Arunasree Piduri	Director	01/04/2019
00133091	Mr. Harsh Rajendra Gandhi	Director	01/08/2019
08444583	Mr. Bharathram Vijayaraghavan	Director	01/08/2019

Ensuring the eligibility 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)

Place : Mumbai
Dated : May 20, 2021

FCS No: 6271
CP No : 4234
PR No.: 1065/2021
UDIN: F006271C000351321



INDEPENDENT AUDITOR'S REPORT

To

The Members of Ultramarine & Pigments Limited

Report on the Standalone Financial Statements

1. Opinion

- 1.1 We have audited the standalone financial statements of **Ultramarine & Pigments Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone financial statements, including a Summary of Significant Accounting Policies and other explanatory information ("the standalone financial statements").
- 1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and Profit, changes in equity and its cash flows for the year ended on that date.

2 Basis for Opinion

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

3 Key Audit Matters

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

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

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



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

- 5.1 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 5.2 In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

- 6.1 Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
- 6.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 6.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 6.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7 Report on Other Legal and Regulatory Requirements

- 7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 7.2 As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and



- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31st March, 2021 on its financial position in Note 39 to the standalone financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Chennai
Date: 20th May, 2021

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 21203377AAAADT1732

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the company has a program of verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable. Pursuant to the program, the management carried out the physical verification of the fixed 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 in one case wherein a portion of land costing ₹ 28,750/- for which the title of property in the name of the company as per revenue records and in occupation of a third party claiming the title and the company has taken steps to protect its title and the case is pending disposal.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. The discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
 - (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year;
 - (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 in a subsidiary. 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 2021, 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 Dues	Amount in ₹ Lakhs	Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.51	Financial Year 2005-06	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	62.82	Financial Year 2009-10, 2010-11 and 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	12.60	Financial Year 2012-13, 2013-14 and 2015-16	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	8.41	Financial Year 2013-14 & 2014-15	Joint Commissioner of Commercial Taxes, Chennai
Central Excise Act, 1944	Excise Duty	27.62	Financial Year from 2004-05 to 2016-17	Appel is being preferred before Commissioner of Central Excise (Appeals)

Disputed taxes paid under protest and not charged to Statement of Profit and Loss has not been included above. [Refer Note 39 to the standalone financial statements].

- (viii) According to the information and explanations given to us, the company has availed term loan from a bank during the year and repayment of term loan is not 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;
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The company has availed a term loan from a bank during the year and utilised term loan for the purpose for which they were raised;
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or on the company by its officers or employees has been noticed or reported during the year under report;
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- (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) of the Order is 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) 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 fully or partly convertible debentures during the year;
- (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. Accordingly, paragraph 3(xv) of the Order is not applicable;
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

R. Nagendra Prasad
Partner

Place: Chennai
Date: 20th May, 2021

Membership No.: 203377
UDIN : 21203377AAAADT1732



ANNEXURE - "B" TO AUDITORS' REPORT

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

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets



of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 21203377AAAADT1732

Place: Chennai
Date: 20th May,2021

Standalone Balance Sheet as at 31st March, 2021

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 March 2021	As at 31 March 2020
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		4	11,618.04	8,454.38
(b) Right of use asset		5	253.79	665.72
(c) Capital work in progress		4	2,269.33	3,538.52
(d) Intangible assets		6	12.80	14.85
(e) Financial Assets				
(i) Investments		7	17,885.30	7,637.78
(ii) Loans			-	-
(iii) Other financial assets		8	1,301.72	100.00
(f) Other non-current assets		9	970.55	1,287.95
			<u>34,311.53</u>	<u>21,699.20</u>
(2) Current assets				
(a) Inventories		10	3,694.05	3,383.35
(b) Financial Assets				
(i) Investments		11	1,513.72	2,888.11
(ii) Trade receivables		12	4,383.87	3,924.24
(iii) Cash and cash equivalents		13	6,939.35	1,968.40
(iv) Bank balances other than cash and cash equivalents		14	69.64	67.90
(v) Loans		15	3,069.41	3,428.05
(vi) Other financial assets		16	326.15	361.67
(c) Current Tax Assets (Net)			-	-
(d) Other current assets		17	777.57	423.46
(e) Asset held for sale		18	922.40	-
			<u>21,696.16</u>	<u>16,445.18</u>
	Total Assets		<u>56,007.69</u>	<u>38,144.38</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		19	584.00	584.00
(b) Other Equity		20	45,523.75	29,663.97
			<u>46,107.75</u>	<u>30,247.97</u>
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		21	3,475.55	2,025.00
(ii) Lease liabilities		22	107.79	619.91
(b) Provisions		23	120.29	97.18
(c) Deferred tax liabilities (net)		24	822.69	723.73
(e) Deferred Income		25	31.75	35.16
			<u>4,558.07</u>	<u>3,500.98</u>
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables		26		
Total outstanding dues of micro enterprises and small enterprises			163.16	120.15
Total outstanding dues of creditors other than micro enterprises and small enterprises			3,449.00	2,808.97
(ii) Lease liabilities		27	151.74	212.74
(iii) Other financial liabilities		28	1,230.83	862.96
(b) Other current liabilities		29	286.81	365.38
(c) Provisions		30	56.91	21.81
(d) Deferred Income		31	3.42	3.42
			<u>5,341.87</u>	<u>4,395.43</u>
	Total Equity and Liabilities		<u>56,007.69</u>	<u>38,144.38</u>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 20th May,2021

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Standalone Statement of profit and loss for the year ended 31st March, 2021

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue From Operations	32	30,819.47	30,618.07
II	Other Income	33	959.99	1,151.53
III	Total Income (I+II)		31,779.46	31,769.60
IV	EXPENSES			
	Cost of materials consumed	34	14,715.41	13,414.59
	Changes in Inventories of Finished goods and work-in-progress	35	(248.79)	(106.50)
	Employee benefits expense	36	4,208.27	4,819.22
	Finance costs	37	107.69	110.14
	Depreciation and amortisation expense	4-6	878.26	861.82
	Other expenses	38	4,623.32	4,907.27
	Total expenses (IV)		24,284.16	24,006.54
V	Profit before exceptional items (III-IV)		7,495.30	7,763.06
VI	Exceptional items		-	-
VII	Profit before tax (V+VI)		7,495.30	7,763.06
VIII	Tax expense			
	(1) Current tax		(1,817.68)	(1,887.70)
	(2) Deferred tax		(98.96)	320.46
	(3) Excess/(Short) provision of earlier year		-	5.50
IX	Profit for the period (VII-VIII)		5,578.66	6,201.32
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		32.81	(13.27)
	- Equity instruments through other comprehensive income		10,256.56	(10,931.49)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(8.25)	3.34
	- Equity instruments through other comprehensive income		-	-
	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	Total other comprehensive income (A (i - ii) + B(i - ii))		10,281.12	(10,941.42)
XII	Total comprehensive income for the period (IX + XI)		15,859.78	(4,740.10)
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		19.10	21.24
	(2) Diluted		19.10	21.24

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai

Date : 20th May,2021

Standalone Statement of cash flows for the year ended 31st March, 2021

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Profit before tax	7,495.30	7,763.06
Adjustments for:		
Finance Cost	107.69	110.14
Depreciation and amortisation expenses	878.26	861.82
Interest Income	(462.41)	(325.87)
Dividend Income	-	(409.04)
Gain on Reassessment / Termination of Lease	(227.38)	-
Provision for Leave Encashment	27.80	(23.66)
Bad Debts and Provision for expected credit loss	(0.20)	12.87
Net gains on disposal of property, plant and equipment	32.34	15.29
Remeasurement of defined benefit liabilities	32.81	(13.27)
Receipt of government grant	(3.42)	(3.43)
Net gains on sale of Investments	(98.36)	(227.10)
Net gains arising on financial assets designated at FVTPL	(19.10)	(49.91)
Net gains on foreign currency transactions and translation	(5.35)	2.04
Operating profit before working capital changes	7,757.98	7,712.94
Movements in working capital		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(310.70)	(665.87)
Trade receivables	(420.49)	(649.74)
Current financial loans and advances	34.36	(60.69)
Other current assets	(354.12)	(227.66)
Non-current financial loans and advances	(1.72)	(99.30)
Other Non-current assets	106.25	(1.22)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	652.06	763.70
Other current financial liabilities	114.34	(148.79)
Other current liabilities	(71.57)	19.99
Cash generated from operations	7,506.39	6,643.36
Direct taxes paid (net)	(1,797.64)	(1,885.51)
Net cash generated from operating activities (A)	5,708.75	4,757.85



₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
B Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(3,150.94)	(4,187.95)
Payment for intangible assets (including Intangible assets under development)	(7.48)	(26.28)
Proceeds from disposals of PPE	5.25	8.35
Purchase of non current investments	(83.00)	(200.00)
Investments in Subsidiary	(1,200.00)	(1.00)
Redemption of non current investments	101.76	131.38
Purchase of current investments	(4,399.82)	(9,795.00)
Redemption of current investments	5,881.96	11,884.78
(Increase)/ decrease in deposit with companies	356.96	(2,365.73)
Interest received	455.48	268.63
Dividend received	-	409.04
Net cash (used in) investing activities (B)	(2,039.83)	(3,873.78)
C Cash flow from financing activities		
Proceeds from Borrowings	1,545.55	2,025.00
Payment of Lease Liabilities	(190.61)	(289.71)
Interest paid (net of Interest Capitalised ₹ 181.99 Lakhs(₹ 33.51 Lakhs))	(54.29)	(17.56)
Dividend paid	-	(3,344.20)
Net cash from/ (used in) financing activities (C)	1,300.65	(1,626.47)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	4,969.57	(742.40)
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit accounts	1,331.60	536.70
Cash on hand	1.80	1.09
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	635.00	2,181.00
CASH AND CASH EQUIVALENTS AS PER NOTE. 13	1,968.40	2,718.79
F Effect of exchange differences on translation of foreign currency cash & cash equivalents	1.38	(7.99)
G CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit accounts	1,484.71	1,331.60
Cash on hand	0.88	1.80
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
CASH AND CASH EQUIVALENTS AS PER NOTE. 13 [(D)+(E) + (F)]	6,939.35	1,968.40

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai
Date : 20th May,2021

Standalone Statement of changes in equity for the year ended 31st March, 2021

I Equity Share Capital	₹ in Lakhs
	Amount
Balance as at 31 st March 2019	584.00
Changes in equity share capital during the year	-
Balance as at 1st April, 2020	584.00
Changes in equity share capital during the year	-
Balance as at 31st March 2021	584.00

II Other Equity

Particulars	Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31st March 2019	4,105.00	16,949.86	16,849.88	37,904.74
Adjustment for ROU Asset Transitional impact of Ind AS 116 (net of taxes)		(156.46)		(156.46)
	4,105.00	16,793.40	16,849.88	37,748.28
Profit for the year ending 31 st March, 2020	-	6,201.32	-	6,201.32
Other Comprehensive Income				
- Recognition of Investments at fair value			(10,931.49)	(10,931.49)
- Remeasurement of Defined benefit plans (Net of Taxes)		(9.93)		(9.93)
Other comprehensive income for the Period (Net of Tax)	-	(9.93)	(10,931.49)	(10,941.42)
Total comprehensive income for the Period	-	6,191.39	(10,931.49)	(4,740.10)
Appropriation				
Final dividend - 2018-19		(1,314.00)	-	(1,314.00)
Tax on Final dividend		(270.10)	-	(270.10)
Interim dividend - 2019-20		(1,460.00)	-	(1,460.00)
Tax on Interim dividend		(300.11)	-	(300.11)
As at 31st March 2020	4,105.00	19,640.58	5,918.39	29,663.97
Profit for the year ending 31 st March, 2021	-	5,578.66	-	5,578.66
Other Comprehensive Income				
- Recognition of Investments at fair value			10,256.56	10,256.56
- Remeasurement of Defined benefit plans (Net of Taxes)		24.56		24.56
Other comprehensive income for the Period (Net of Tax)	-	24.56	10,256.56	10,281.12
Total comprehensive income for the Period		5,603.22	10,256.56	15,859.78
Appropriation	-	-	-	-
As at 31st March 2021	4,105.00	25,243.80	16,174.95	45,523.75

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Brahmayya & Co**
Chartered Accountants
Firm Regn. No. 0005115

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai
Date : 20th May,2021

**Notes to the standalone financial statements for the year ended March 31, 2021**

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

1. General Information

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

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 20th May, 2021.

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

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

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

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

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

B. Functional and presentation currency

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

C. Current and non-current classification:

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

D. Basis of measurement

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

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



Notes to the standalone financial statements for the year ended March 31, 2021

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 recognised 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 recognised in the standalone financial statements:

Property, plant and equipment and Intangible assets

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

Income taxes

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

Contingencies

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

Allowance for uncollected accounts receivable and advances

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2021 is included in the following notes:

- Notes 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – measurement of defined benefit obligations: key actuarial assumptions;

F. Estimation of Impact of COVID-19 Pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has assessed potential impact of Covid-19 on the carrying value of property, plant & equipment, trade receivable, inventories and other current assets. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these standalone financial statements has used internal and external sources of information and based on current estimates,

**Notes to the standalone financial statements for the year ended March 31, 2021**

expects to recover the carrying amounts of these assets. The management believes that no adjustments are required to be made for the financial results and carrying value of assets and liabilities as it does not have any impact on the current financial year ended 31st March, 2021. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally and the company will continue to closely monitor any material changes to future economic conditions.

3. Significant Accounting Policies**3.1. Property, Plant, and Equipment: (PPE)**

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

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

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

Subsequent expenditure:

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

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

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



Notes to the standalone financial statements for the year ended March 31, 2021

3.2. Intangible Assets:

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

The estimated useful life of the intangible assets and the amortisation 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 amortisation 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-recognised.

The company has elected to continue with the carrying value of all of its intangible assets as at 1st 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 recognised 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 amortised historical cost impaired earlier.

3.4. Non-current assets held for sale:

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

**Notes to the standalone financial statements for the year ended March 31, 2021**

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 amortised 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 recognised in the statement of profit and loss. The foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

Conversion:

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

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

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

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

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

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

The trade receivables are recognised 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 recognised when the Company becomes a party to the contractual provisions of the instrument.

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

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

- Amortised cost;
- Fair value through other comprehensive income (OCI) (FVOCI – debt investment);

Notes to the standalone financial statements for the year ended March 31, 2021

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

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

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Notes to the standalone financial statements for the year ended March 31, 2021**

Equity investments at FVOCI	<p>These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are not reclassified to profit or loss.</p> <p>The Company transfers amounts from OCI to retained earnings when the relevant equity securities are derecognised.</p>
Equity Investments at Cost	Investment in subsidiary is carried at Cost

Impairment

The Company recognises 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 recognised is recognised 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 amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition:**Financial assets:**

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

If the Company enters into transactions whereby it transfers assets recognised 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 derecognised.

Financial liabilities:

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

The Company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



Notes to the standalone financial statements for the year ended March 31, 2021

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 recognised in profit or loss.

3.7. Inventories:

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

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

3.8. 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.

3.9. Taxation:

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

Current Tax:

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

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

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax asset are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

**Notes to the standalone financial statements for the year ended March 31, 2021**

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.

Credit for Minimum Alternative Tax (MAT) if any is recognised 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.

3.10. 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, which is the fair value of the consideration received or receivable after netting trade discounts, volume discounts, sales returns and Goods and Services Tax. Revenue from sale of goods is recognised 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 recognised 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 recognised 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 Merchandise Exports from India Scheme (MEIS), Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

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

Dividend and Interest income:

Dividend income is recognised 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 the standalone financial statements for the year ended March 31, 2021

Sale of Scrap

Revenue from sale of scrap is recognised on sale.

3.11. Employee Benefits:

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds and approved superannuation schemes which are defined contribution plans are recognised 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 unrecognised 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 recognise 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., recognised 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 recognised Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

**Notes to the standalone financial statements for the year ended March 31, 2021**

- iv. Accumulated leave, which is expected to be utilised 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 recognised immediately in the statement of other comprehensive income.

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

Provisions are recognised 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 recognised 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 recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise 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 recognised in the standalone financial statements.



Notes to the standalone financial statements for the year ended March 31, 2021

3.13. Borrowing costs:

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

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

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

3.14. Leases:

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

The Company’s lease asset primarily consist of lease for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises 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 recognises 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 recognised 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 amortised 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

**Notes to the standalone financial statements for the year ended March 31, 2021**

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.

3.15. Earnings per share:

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

3.16. Cash Flow Statement

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the Company.

3.17. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented in the segment reporting. The accounting principles used in the preparation of the standalone financial statements are consistently applied to record revenue and expenditure in individual segments.

Based on the above, Business segments of the Company are primarily Laundry and allied products; IT-enabled services & BPO services and Wind Turbine Generator. The analysis of Geographic segments is based on the areas in which major operating divisions of the Company Operate.

The Company accounts for inter-segment revenues at current market prices.

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

3.18. Government Grants and Subsidies:

- i. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognised 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.



Notes to the standalone financial statements for the year ended March 31, 2021

- 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.

3.19. Dividend:

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.20. Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

There are no new standard or amendments to the existing standards notified by Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2021.



Notes to standalone financial statements for the year ended 31st March, 2021
4. Property Plant and Equipments

₹ in Lakhs

Particulars	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equipments	Furniture & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Lab Equipment (Used for R&D)	Total	Capital Work-in progress
Deemed cost:												
Balance as at 31-03-2019	1,327.66	-	977.82	6,014.49	290.96	173.01	48.01	122.19	118.47	162.58	9,235.19	247.88
Additions (Note ii)	632.17	-	66.41	335.17	76.58	59.57	-	52.08	29.29	12.00	1,263.27	
Disposals / Adjustments	-	-	-	9.45	13.16	0.10	3.33	2.16	21.32	-	49.52	
Balance as at 31-03-2020	1,959.83	-	1,044.23	6,340.21	354.38	232.48	44.68	172.11	126.44	174.58	10,448.94	3,538.52
Additions	-	-	1,526.72	3,164.09	20.01	69.17	-	26.81	8.47	7.99	4,823.26	
Disposals / Adjustments (Note iii)	922.40	-	-	28.19	15.39	12.15	43.43	3.11	6.36	-	1,031.03	
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	2,269.33
Accumulated depreciation:												
Balance as at 01-04-2019	-	-	96.68	940.18	165.89	49.34	23.33	48.86	41.05	27.95	1,393.28	
Charge for the year	-	-	51.45	419.99	60.81	31.33	6.76	30.97	14.89	14.84	631.04	
Other Adjustments	-	-	-	7.81	2.69	-	3.33	1.52	14.41	-	29.76	
Balance as at 31-03-2020	-	-	148.13	1,352.36	224.01	80.67	26.76	78.31	41.53	42.79	1,994.56	
Charge for the year	-	-	63.53	479.73	58.95	31.81	3.36	32.25	14.71	15.48	699.82	
Other Adjustments	-	-	-	14.84	12.34	7.02	30.12	2.89	4.04	-	71.25	
Balance as at 31-03-2021	-	-	211.66	1,817.25	270.62	105.46	0.00	107.67	52.20	58.27	2,623.13	
Net carrying amount:												
As at 31-03-2020	1,959.83	-	896.10	4,987.85	130.37	151.81	17.92	93.80	84.91	131.79	8,454.38	
As at 31-03-2021	1,037.43	-	2,359.29	7,658.86	88.38	184.04	1.25	88.14	76.35	124.30	11,618.04	

(i) Cost of Building includes ₹ 500/- paid for 5 Shares of ₹100/- each in Thirumalai House Office Unit Owners Condominium.

(ii) The company has paid full consideration for the land acquired in the Industrial Park, Naidupet, Andhra Pradesh and is in possession of land and registered the sale agreement for the said land. In terms of policy, the company is entitled to use the land and right to offer the land as security. The title to the said land shall be registered in the name of the company on commencement of commercial operations of the expansion project. The company initiated the process for registration of the land as the company has commenced commercial operations of Surfactants during the month January, 2021.

(iii) Part of the Land acquired in the Industrial Park, Naidupet, Andhra Pradesh which is proposed to be transferred to Subsidiary Company, Ultramarine Speciality Chemicals Limited, which is expected to be disposed of within the next twelve months is identified and transferred to Assets Held for Sale.



Notes to the standalone financial statements for the year ended March 31, 2021

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

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31 March 2021	As at 31 March 2020
Buildings	232.74	1,149.83
Plant & Machinery	1,893.72	1,763.59
Electrical Installation	6.33	259.13
Intangible Assets acquired	71.84	31.85
Project Expenditure - Direct		
Statutory Fee	9.96	17.77
Salaries and Wages	18.09	116.25
Professional & Consultancy Charges	2.06	51.99
Travelling Expenses	-	31.71
Other Direct Expenses	25.18	69.24
Finance Costs	9.41	47.16
	2,269.33	3,538.52

5 Right of use asset - Building

Particulars	Leased Premises
Deemed cost:	
Balance as at 31-03-2019	-
Additions	877.42
Disposals / Adjustments	-
Balance as at 31-03-2020	877.42
Additions	447.38
Disposals / Adjustments*	978.24
Balance as at 31-03-2021	346.56
Accumulated depreciation:	
Balance as at 31-03-2019	-
Charge for the year	211.70
Other Adjustments	-
Balance as at 31-03-2020	211.70
Charge for the year	181.00
Other Adjustments	299.93
Balance as at 31-03-2021	92.77
Net carrying amount:	
As at 31-03-2020	665.72
As at 31-03-2021	253.79

* adjustment is on account of pre-closure of certain lease agreements during the year ended 31st March, 2021



Notes to the standalone financial statements for the year ended March 31, 2021

6 Other Intangible assets

₹ in Lakhs

Particulars	Licensed Computer Software
Deemed cost:	
Balance as at 31-03-2019	72.14
Additions	26.28
Disposals / Adjustments	5.13
Balance as at 31-03-2020	93.29
Additions	7.48
Disposals / Adjustments	0.21
Balance as at 31-03-2021	100.56
Accumulated depreciation:	
Balance as at 31-03-2019	51.58
Charge for the year	28.12
Other Adjustments	1.26
Balance as at 31-03-2020	78.44
Charge for the year	9.32
Other Adjustments	-
Balance as at 31-03-2021	87.76
Net carrying amount:	
As at 31-03-2020	14.85
As at 31-03-2021	12.80

7 Non-current Investment

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Investment carried at cost (Unquoted)		
Investment in 100% Subsidiary		
10,000 equity shares of ₹ 10/- each (March 31, 2020 : 10,000 equity shares of ₹ 10/- each) fully paid up in Ultramarine Speciality Chemicals Limited.	1.00	1.00
Investment at fair value through Other comprehensive income (FVTOCI)		
Quoted Equity Shares		
2,04,51,770 equity shares of ₹ 1/- each (March 31, 2020 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	17,496.49	7,239.92
Investment at fair value through profit or loss (FVTPL)		
Quoted Debentures		
Nil (50 Fixed Interest bonds of ECL Finance Limited with face value of ₹1000/- maturing on 26 th April 2020.)	-	0.48
Quoted Bonds		
5 (31 March 2020: Nil) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000 each	52.10	-



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted - Investment in Alternative Investment Fund		
(i) 2,80,084 (31 March 2020: 2,80,084) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	276.37	272.60
(ii) 24,38,473 (31 March 2020: 1,22,93,423) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	26.34	123.78
(iii) 33 (31 March 2020: Nil) Kae Capital Fund III Units of ₹ 1,00,000 each	33.00	-
Total	17,885.30	7,637.78
Notes:		
(a) Aggregate amount of Quoted Investments and market value thereof:	17,548.59	7,240.40
(b) Aggregate amount of unquoted investments-Mutual funds	335.71	396.38
(c) Aggregate amount of unquoted investments-Equity shares	1.00	1.00
8. Non-Current Advances		
Unsecured, Considered Good		
Advance towards share application money to a subsidiary company	1,200.00	-
Deposits with a Bank		
- Term Deposit *	100.00	100.00
Employees advances	1.72	-
Total	1,301.72	100.00
* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings		
9. Other Non - Current Assets		
Unsecured, Considered Good		
Capital Advances	38.76	296.45
Income taxes (Net)*	724.03	728.90
Security Deposits	102.63	98.50
Deposits for the leased premises	80.04	128.94
Prepaid expenses	25.09	35.16
Total	970.55	1,287.95
*Net of Provision for tax ₹ 8,014.88 lakhs (March 31, 2020 : ₹ 6,130.51 lakhs)		
10. Inventories		
Raw materials and components	1,160.13	1,156.93
Raw materials in Transit	460.93	421.49
Work in progress	1,088.31	717.25
Finished goods	579.74	795.25
Finished goods in Transit	173.51	80.27
Packing materials	91.18	84.58
Fuel	33.79	47.37
Stores and spares	106.46	80.21
Total	3,694.05	3,383.35



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
11. Investments		
Investment at fair value through Profit and Loss (FVTPL)		
Unquoted units of Mutual Funds		
5,017 (31 March 2020: 22,704) units of Kotak Liquid Fund	208.66	911.53
Nil (31 March 2020: 65,660) units of ICICI Prudential Money Market Fund - Direct Plan	-	183.36
12,664 (31 March 2020: 4,095) units of L&T Liquid Fund	356.99	111.46
4,582 (31 March 2020: Nil) units of Axis Liquid Fund	104.68	-
Nil (31 March 2020: 6,382) units of TATA Liquid Fund	-	199.88
9,598 (31 March 2020: 35,104) units of SBI Liquid Fund	309.22	1,091.38
1,05,827 (31 March 2020: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	30.11	28.92
Nil (31 March 2020: 8,933) units of BOI AXA Overnight Fund	-	90.07
37,849 (31 March 2020: 50,388) units of Aditya Birla Sun Life Floating Rate Fund	100.61	135.62
Nil (31 March 2020: 4,481) units of Nippon India Money Market Fund-Growth Plan	-	135.89
3,53,231 (31 March 2020: Nil) units of Kotak Equity Arbitrage Fund	102.63	-
90,570 (31 March 2020: Nil) units of Nippon India Overnight Fund	100.06	-
2,62,637 (31 March 2020: Nil) units of HDFC Floating Rate Debt Fund-Direct	100.57	-
8,659 (31 March 2020: Nil) units of Kotak Floating Rate Fund-Direct	100.19	-
Total	1,513.72	2,888.11
12. Trade Receivables		
- Considered good - secured	-	-
- Considered good - Unsecured	4,386.80	3,930.53
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
	4,386.80	3,930.53
Less: Provision for Expected Credit Loss	(2.93)	(6.29)
Total	4,383.87	3,924.24
Notes :		
1. Trade Receivable includes receivables from Related party - ₹ 0.06 Lakhs (31st March 2020 - ₹ 4.83 lakhs)		
2. 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. Cash & cash equivalents		
(i) Cash on hand	0.88	1.80
(ii) Balances with banks		
In current account	1,058.96	930.25
In deposit accounts with original maturity of less than 3 months	425.75	401.36
In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
Total	6,939.35	1,968.40



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
14. Bank balances other than cash and cash equivalents		
Margin money with banks	0.72	0.68
Un-claimed dividend accounts*	68.92	67.22
Total	69.64	67.90
*These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities		
15. Loans (Unsecured, considered good, unless stated otherwise)		
Deposits with Corporates		
- Considered good - secured	-	-
- Considered good - Unsecured	3,025.00	3,382.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Loans & Advances to Employees		
- Considered good - secured	-	-
- Considered good - Unsecured	7.48	8.97
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Other Deposits		
- Considered good - unsecured	36.93	37.08
Total	3,069.41	3,428.05
16. Other Financial Assets		
Advances recoverable in cash *	65.08	168.41
Unbilled revenue	6.95	7.55
Export incentives receivable - duty free scrips	82.45	18.00
Balance with Gratuity Fund	-	28.33
Other deposits receivable	35.10	-
Interest accrued on Deposits	136.57	139.38
Total	326.15	361.67
* Includes amounts receivable from a subsidiary ₹ 48.41 Lakhs(₹ 0.50 Lakhs)		
17. Other Current Assets		
Advances other than capital advances:		
Advance to suppliers	79.35	35.20
Balance with GST, customs, central excise & sales tax	585.30	284.43
Prepaid Expenses	112.92	103.83
Total	777.57	423.46
18. Asset held for Sale		
Asset held for Sale*	922.40	-
Total	922.40	-

* Assets Held for Sale consists of Carrying amount of Land have been identified for transfer /disposal. The asset is expected to be disposed of within the next twelve months. Assets held for sale are measured at lower of its carrying amount and fair value less costs to sell.



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
19. Share capital		
Authorised Shares		
5,00,00,000 (March 31, 2020: 5,00,00,000) equity shares of ₹ 2/- each	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares		
2,92,00,000 (March 31, 2020: 2,92,00,000) Equity Shares of ₹ 2/- each fully paid up.	584.00	584.00
Total	584.00	584.00

19.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

	No. of shares
Authorised share capital:	
Balance as at 1st April, 2019	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 1st April, 2020	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2021	5,00,00,000
Issued, Subscribed and Paid-up share capital:	
Balance as at 1st April, 2019	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 1st April, 2020	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2021	2,92,00,000

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. The Board of Directors in their meeting held on 20th May 2021 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/- each for the financial year ended March 31, 2021 and the proposal is subject to approval of shareholders at their meeting to be held on 12th July, 2021.
- (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 shareholders.
- (d) There is no change in issued and paid-up share capital during the year.



Notes to the standalone financial statements for the year ended March 31, 2021

19.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid equity shares
Thirumalai Chemicals Limited	
As at 31 st March, 2020	3,956,730
As at 31st March, 2021	3,482,557

20. Other Equity

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	4,105.00	4,105.00
Retained Earnings	25,243.80	19,640.58
Other Comprehensive Income	16,174.95	5,918.39
Total	45,523.75	29,663.97

21. Borrowings**Secured**

Term Loan from a Bank (refer note below)	3,570.55	2,025.00
Less : Current maturity of long-term loan (refer Note 28)	95.00	-
Total	3,475.55	2,025.00

Note: Loan is secured by an exclusive charge on the Industrial Plot, charge on movable fixed assets and entire current assets of the company at the plant located at Minnakur Village, Naidupet Town. The term loan is repayable in 60 monthly instalments from the date of disbursement with an initial moratorium period of 2 years and the first instalment of repayment to commence in the month of December, 2021.

22. Other non-current liabilities

Lease Liabilities (refer note 46)	107.79	619.91
Total	107.79	619.91

23. Long-term provisions**Provision for employee benefits :**

Provision for compensated absences	120.29	97.18
Total	120.29	97.18



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
24. Deferred tax liabilities (net)		
Deferred tax liability:		
On account of timing difference in Depreciation and amortisation	877.20	840.55
Fair value adjustments of Investments	4.18	12.56
	881.38	853.11
Deferred tax assets:		
Liabilities allowable on payment basis	53.43	74.61
Lease Liabilities - Leased premises	4.52	53.18
Expected credit loss	0.74	1.59
	58.69	129.38
Total	822.69	723.73
25. Deferred Income		
Government Grant (Refer Note below)	31.75	35.16
Total	31.75	35.16
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. Trade Payables		
Trade payables :		
- Total outstanding dues of micro enterprises and small enterprise	163.16	120.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note below and Note 50)	3,449.00	2,808.97
Total	3,612.16	2,929.12
* Includes Trade payables to related parties ₹ 0.25 Lakhs (March 31, 2020: ₹ 10.74 Lakhs)		
27. Other Financial Liabilities - Lease		
Lease Liabilities (refer Note 46)	151.74	212.74
Total	151.74	212.74



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
28. Other Financial Liabilities		
Current maturity of long-term borrowing (refer Note 21)	95.00	-
Unpaid dividends (Refer note below(i))	68.91	67.22
Employee dues	294.50	260.87
Dues to Directors - Commission payable	218.71	138.00
Creditors for capital goods	541.06	384.97
Deposit from Dealers	11.91	11.90
Interest payable on Term Loan	0.74	-
Total	1230.83	862.96
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
29. Other current liabilities		
Statutory Dues	169.09	139.20
Revenue received in advance	58.83	16.27
Other Liabilities	58.89	209.91
Total	286.81	365.38
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
30. Short-term provisions		
For Employee benefits		
Provision for gratuity	6.99	-
Provision for compensated absences	21.76	17.08
For Others		
Provision for tax *	28.16	4.73
Total	56.91	21.81
* Net of advance tax and tax deducted at source of ₹ 1797.79 Lakhs (March 31, 2020: ₹ 1879.63 Lakhs).		
31. Deferred Income		
Government Grant	3.42	3.42
Total	3.42	3.42



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Year ended 31 March 2021	Year Ended 31 March 2020
32. Revenue From Operations		
a) Sale of Products		
Manufactured Goods	27,583.77	25,995.74
Sale of Power from Wind turbine generators	40.33	39.78
Total Sale of Products	27,624.10	26,035.52
b) Sale of Services		
Income from IT-enabled Services	2,737.46	4,030.29
Income from BPO activities	305.47	369.84
Total Sale of Services	3,042.93	4,400.13
c) Other Operating Revenues		
Export Incentives	152.44	182.42
Revenue from Operations	30,819.47	30,618.07
Disaggregate Revenue Information:		
(i) Manufactured goods		
Pigments	9,168.17	9,647.41
Detergents	579.72	474.21
Sulphonation	17,835.88	15,874.12
	27,583.77	25,995.74
(ii) Revenue from IT Enabled Service		
Revenue by contract type		
Fixed price	2,395.81	3,746.62
Other contract	341.65	283.67
	2,737.46	4,030.29
33. Other Income		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	197.84	129.19
Deposits with Companies	223.22	143.38
Bonds	27.98	36.05
Interest on Financial Assets carried at amortised cost	9.75	12.37
Others	3.62	4.88
b) Dividend Income on Equity securities designated at FVOCI	-	409.04
c) Other non-operating Income (Net of expenses directly attributable to such income)		
Rental income	2.49	2.40
Credit balances and excess provision written back	89.20	41.02
Sundry receipts	57.63	4.63
Bad debts recovered	-	16.55
Gain in Reassessment of lease	27.74	-
Gain on Termination of lease	199.64	-
Insurance Claims received	-	17.83



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
d) Other gains and losses		
Net gains arising on financial assets measured at FVTPL	19.10	49.91
Net gains on sale of Investments	98.36	227.10
Net gains on foreign currency transactions and translation	-	53.75
e) Government grant	3.42	3.43
Total	959.99	1,151.53
34. Cost of material consumed		
Opening Stock of Raw Materials	1,156.93	638.45
Add : Purchases	14,718.61	13,933.07
	15,875.54	14,571.52
Less : Closing Stock of Raw Materials	1,160.13	1,156.93
Total	14,715.41	13,414.59
35. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress		
Inventories at the end of the year		
Work-in-progress	1,088.31	717.25
Finished goods	753.25	875.52
Total	1,841.56	1,592.77
Inventories at the beginning of the year		
Work-in-progress	717.25	885.61
Finished goods	875.52	600.66
	1,592.77	1,486.27
Net (Increase)/ Decrease in Stocks	(248.79)	(106.50)
(Increase)/ Decrease in work in progress		
Pigments	(181.62)	37.70
Detergents	2.16	0.48
Sulphonation	(191.60)	130.18
Total	(371.06)	168.36
(Increase)/decrease in finished goods (Inclusive of finished goods in transit)		
Pigments	42.94	(300.41)
Detergents	(0.85)	(3.62)
Sulphonation	80.18	29.17
Total	122.27	(274.86)
36 Employee Benefit Expense		
Salaries, Wages, Bonus and other benefits	3,399.39	3,971.68
Directors' Remuneration	349.76	243.32
Contribution to Provident Fund and other funds	210.77	268.71
Gratuity	67.21	71.67
Staff Welfare and amenities	181.14	263.84
Total	4,208.27	4,819.22



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
37. Finance Cost		
Interest on income tax payments	0.19	0.22
Interest on Term Loan	232.40	33.51
Interest on lease liabilities	53.40	92.58
Interest Others	3.69	17.34
	289.68	143.65
Less: Interest on term loan transferred to CWIP	(181.99)	(33.51)
Total	107.69	110.14
38. Other Expenses		
Consumption of Stores and Spares	278.02	286.61
Power and Fuel (Note (i) below)	1,273.37	1,349.36
Repairs and Maintenance:		
Machinery	242.36	294.33
Buildings	48.14	124.78
Others	46.33	77.10
Packing Expenses and materials consumed	431.72	390.58
Data Processing Charges	273.74	222.80
Laboratory Expenses	22.78	43.33
Freight and Forwarding expenses	726.23	608.91
Insurance	77.00	81.34
Commission on sales	7.99	15.47
Advertisement and Sales Promotion expenses	167.70	130.32
Security Expenses	87.18	90.28
Software License Expenses	52.96	49.39
Water Charges	9.40	9.95
Rent	24.67	25.91
Rates & Taxes	55.06	82.23
Travelling & Conveyance expenses	56.57	238.65
Communication expenses	78.78	99.97
Legal and Professional Fees	82.95	131.31
Sitting fees to Directors	32.80	30.80
Commission to Non-Executive Directors	78.72	78.00
Donation	5.38	5.10
Corporate Social Responsibility Expenditure (refer Note No : 49)	142.06	150.50
Assets Scrapped / Loss on Sale of Assets (net)	32.34	15.29
Bad Debts written off	3.16	14.59
Provision for expected credit Loss	(3.36)	(1.72)
Loss on foreign currency transactions / translations (net)	19.50	-
Bank Charges	58.85	63.34
Sundry balances written off	-	0.65
Miscellaneous expenses (Note (ii) below)	210.92	198.10
Total	4,623.32	4,907.27



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Note:-		
1. Power and Fuel is net of wind power generated and utilised	260.66	270.55
2. Payment to Auditors (included in miscellaneous expenses)		
As Auditors:		
Audit Fees	12.50	10.50
Tax Audit Fees	2.00	2.00
GST Audit Fees	1.45	1.52
Certification	8.00	5.50
In other capacity:		
Reimbursement of Expenses	-	0.06
Total	23.95	19.58

39. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2021	As at 31 March 2020
[A] Contingent Liabilities		
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of		
Labour disputes	1.50	1.50
Disputed Vendor Claims*	558.49	-
Disputed Industrial Development Charges claimed by SIPCOT	11.35	-
(ii) Bank Guarantees issued and outstanding	30.72	26.72
(iii) Letter of Credit issued and outstanding	595.43	87.33

*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. Also, the company 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 Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous.

(i) By the Income tax authorities deposited with tax authorities[₹ 723.88 Lakhs deposited with tax authorities]	787.21	690.35
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	-	1.08
(iii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iv) (a) Excise duty matters	27.62	-
(b) Against which advances paid	-	-

[C] Commitments**Commitments towards**

(i) Property, Plant & Equipment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	653.59	1,030.65
Against which advance paid	38.76	296.45
(ii) Financial Commitment to Investment in a Subsidiary Company	4,400.00	-
Amount contributed so far	1,248.41	-
(iii) Commitment towards investment in Alternate Investment Funds	100.00	-
Amount invested so far	33.00	-
(iv) Commitments under non-cancellable period of lease agreements	364.20	89.04

**Notes to the standalone financial statements for the year ended March 31, 2021****[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 standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

40. The Company has availed credit facilities (both fund-based and non-fund based) from a bank is secured by hypothecation of stocks (raw materials and finished goods) and book debts of the company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31st March, 2021.

41. Employee benefits**[A] Defined contribution plans:**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the rules of the schemes.

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

Particulars	31 March 2021	31 March 2020
a. Contribution to Employees Provident Fund*	168.58	209.25
b. Superannuation Fund*	38.14	35.45
	206.72	244.70

*Includes contribution of ₹ 24.07 lakhs (31st March, 2020 ₹ 23.22 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

a. Defined benefit obligation at the beginning of the year	620.54	540.17
b. Interest Cost	40.65	38.59
c. Current Service Cost	63.35	71.52
d. Benefits payments Due but unpaid as at 31/03/2021	5.79	-
e. Past services cost	-	-
f. Benefits Paid from fund	(45.38)	(44.30)
g. Remeasurements - Financial assumptions and Experience adjustments	(32.30)	14.56
h. Defined benefit obligation at the end of the year	652.65	620.54

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

a. Fair Value of Plan Assets at the Beginning of the year	648.87	538.16
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	-	38.44



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

d. Contribution by the Employer	(0.92)	115.29
e. Benefits Paid from the funds	(45.38)	(44.30)
f. Remeasurements - Return on Assets	0.50	1.28
g. Fair Value of Plan Assets at the End of the year	645.65	648.87

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

Particulars	31 March 2021	31 March 2020
a. Current Service Cost	63.35	71.52
b. Benefit Payments due but unpaid	5.79	-
c. Past service cost	-	-
d. Interest Cost	40.65	38.59
e. Expected return on plan assets	(42.58)	(38.44)
f. Net Actuarial (Gain)/Loss	(32.81)	13.27
g. Total Expenses recognised in Statement of Profit and Loss	34.40	84.94

4. Amount recognised in the Balance Sheet

a. Present value of Benefit Obligation at the end of the year	(652.65)	(620.54)
b. Fair Value of Plan Assets at the End of the year	645.65	648.87
c. Funded Status Surplus / (Deficit)	(6.99)	28.33
d. Net (Liability) / Asset Recognised in the Balance sheet	(6.99)	28.33

5. Other Comprehensive Income (OCI)

Remeasurements - Financial assumptions and Experience adjustments	(32.30)	14.55
Remeasurements - Return on Assets	(0.51)	(1.28)
Total actuarial (Gain)/Loss recognised in OCI	(32.81)	13.27

6. Description of plan assets

a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	645.65	648.87
Total	645.65	648.87

7. Actuarial assumptions

a. Discount Rate	6.50%	6.80%
b. Salary Escalation Rate	8%	4%
c. Turnover Rate	10%	10%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

8. Expected future cash flows as on:

Particulars	31 March 2021	31 March 2020
Projected benefits payable in future years from the date of reporting		
1 st following year	5.79	2.85
2 nd following year	29.15	42.54
3 rd following year	14.58	7.73
4 th following year	24.29	13.05
5 th following year	49.44	22.67
Years 6 to 10	529.40	531.70

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.

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(42.41)	35.36	31.91	(40.34)
Variation in %	-5.66%	6.36%	5.83%	-5.34%

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.



Notes to the standalone financial statements for the year ended March 31, 2021

42. Tax Expense

₹ in Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) Amounts recognised in statement of profit and loss		
Current year	(1,817.68)	(1,887.70)
Short/Excess provision for earlier years	-	5.50
Current tax expense (A)	(1,817.68)	(1,882.20)
Origination and reversal of temporary differences	(98.96)	320.46
Deferred tax expense (B)	(98.96)	320.46
Tax expense recognised in the current statement (A) + (B)	(1,916.64)	(1,561.74)

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

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax(expense) benefit	Net of tax	Before tax	Tax(expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	32.81	(8.25)	24.56	(13.27)	3.34	(9.93)
Equity Instruments through Other Comprehensive Income	10,256.56	-	10,256.56	(10,931.49)	-	(10,931.49)
	10,289.37	(8.25)	10,281.12	(10,944.76)	3.34	(10,941.42)

(c) Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Amount	%	Amount
Profit before tax		7,495.30		7763.06
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	25.17%	1,886.42	25.17%	1,953.81
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses				
Exempt income	0.00%	-	-1.33%	(102.95)
Permanent Differences	0.54%	40.48	0.31%	24.30
Restatement of Opening Deferred tax Liabilities due to changes in Tax Rate	0.00%	-	-3.95%	(306.85)
Other adjustments	-0.14%	(10.26)	-0.01%	(0.76)
Tax relating to earlier years	0.00%	-	-0.07%	(5.50)
Rate difference	0.00%	-	0.00%	(0.31)
	25.57%	1,916.64	20.12%	1,561.74



Notes to the standalone financial statements for the year ended March 31, 2021

(d) Movement in deferred tax balances

₹ in lakhs

	Year ended 31 March 2021					
	Net balance 1 April 2020	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(840.55)	(36.65)	-	(877.20)	(877.20)	-
Employee benefits	-	-	-	-	-	-
Liabilities allowable on payment basis	74.61	(21.18)	-	53.43	-	53.43
Fair value of investments	(12.56)	8.38	-	(4.18)	(4.18)	
Expected credit loss	1.59	(0.85)	-	0.74	-	0.74
Leased Liabilities	53.18	(48.66)	-	4.52	-	4.52
Tax assets (Liabilities) (Net)	(723.73)	(98.96)	-	(822.69)	(881.38)	58.69

(e) Movement in deferred tax balances

	Year ended 31 March 2020					
	Net balance 1 April 2019	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,181.22)	340.67	-	(840.55)	(840.55)	-
Employee benefits	-	-	-	-	-	-
Liabilities allowable on payment basis	113.62	(39.01)	-	74.61	-	74.61
Fair value of investments	(32.02)	19.46	-	(12.56)	(12.56)	-
Expected credit loss	2.80	(1.21)	-	1.59	-	1.59
Tax assets (Liabilities)	(1,096.82)	319.91	-	(776.91)	(853.11)	76.20
Leased Liabilities *	52.63	0.55	-	53.18	-	53.18
Tax assets (Liabilities) (Net)	(1,044.19)	320.46	-	(723.73)	(853.11)	129.38

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.

* Opening balance of Deferred tax liabilities adjusted with deferred tax on lease liabilities of ₹ 52.63 Lakhs to give impact of transition to Ind AS 116 – Leases.



Notes to the standalone financial statements for the year ended March 31, 2021

43. Financial instruments**A Valuation:**

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- i) The fair value of investment in quoted Equity shares is measured at quoted price or NAV.
- ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date except advance received or paid.
- iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

B Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in lakhs

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at cost:				
Investment in Subsidiary	1.00	1.00	1.00	1.00
Total Financial Assets at Cost (A)	1.00	1.00	1.00	1.00
Financial assets at amortised cost:				
Non-current financial assets				
Other Financial Assets	1,301.72	1,301.72	100.00	100.00
Current financial assets				
Trade receivables	4,383.87	4,383.87	3,924.24	3,924.24
Cash and cash equivalents	6,939.35	6,939.35	1,968.40	1,968.40
Other bank balances	69.64	69.64	67.90	67.90
Loans	3,069.41	3,069.41	3,428.05	3,428.05
Other Financial Assets	326.15	326.15	361.67	361.67
Total Financial Assets at Amortised Cost (B)	16,090.14	16,090.14	9,850.26	9,850.26
Financial assets Measured at fair value through other comprehensive income				
Non - current Investments				
Investments in quoted equity instruments at FVTOCI	17,496.49	17,496.49	7,239.92	7,239.92
Total financial assets at fair value through other comprehensive income (C)	17,496.49	17,496.49	7,239.92	7,239.92
Financial assets measured at fair value through profit and loss				
Non Current Investments				
Investments in unquoted instruments at FVTPL	335.71	335.71	396.38	396.38
Investment in Bonds - quoted	52.10	52.10	-	-
Investment in Debentures	-	-	0.48	0.48
Current Investments				
Investments in quoted instruments (Mutual Funds) at FVTPL	1,513.72	1,513.72	2,888.11	2,888.11
Total financial assets at fair value through profit and loss (D)	1,901.53	1,901.53	3,284.97	3,284.97
Total financial assets (A+B+C+D)	35,489.16	35,489.16	20,376.15	20,376.15



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in lakhs

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial liabilities held at amortised cost:				
Non - Current financial liabilities				
Borrowings	3,475.55	3,475.55	2,025.00	2,025.00
Lease liabilities	107.79	107.79	619.91	619.91
Current financial liabilities				
Trade payables	3,612.16	3,612.16	2,929.12	2,929.12
Lease Liabilities	151.74	151.74	212.74	212.74
Other financial liabilities	1,230.83	1,230.83	862.96	862.96
Total financial liabilities carried at amortised cost	8,578.07	8,578.07	6,649.73	6,649.73

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.

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2021	31.03.2020		
Investments in quoted equity instruments at FVTOCI	17,496.49	7,239.92	Level 1	Quoted bid price in an active market (*)
Investment in Debentures	-	0.48	Level 1	Quoted bid price in an active market
Investment in Bonds	52.10	-	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	335.71	396.38	Level 2	Fair valuation based on Market Observable inputs
Investments in unquoted instruments (Mutual Funds) at FVTPL	1,513.72	2,888.11	Level 1	Measured at Quoted price or NAV.
Derivative instrument - Forward contract	-	-	Level 2	Fair valuation
Investments in unquoted Equity Instruments at Cost	1.00	1.00	Level 3	Valued at Cost
Investments in unquoted Instruments at FVTPL	-	-		Fair valuation
Investments in unquoted Instruments at OCI	-	-		Fair valuation
Borrowings at Amortised Cost	3,570.55	2,025.00	Level 2	Amortised Cost

There were no changes in the fair value hierarchy Levels in the above periods.



Notes to the standalone financial statements for the year ended March 31, 2021

(*) 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.

43.1 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.

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 credit worthiness 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	As at
	31 March 2021	31 March 2020
Not due	4,048.17	3,000.41
0-3 months	297.63	773.69
3-6 months	24.88	59.91
6 months to 12 months	11.68	37.55
beyond 12 months	4.44	58.98
Allowance for doubtful trade receivables (Expected credit loss allowance)	(2.93)	(6.29)
Total	4,383.87	3,924.25

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Notes to the standalone financial statements for the year ended March 31, 2021****Movement in provisions of doubtful debts**

Particulars	₹ in lakhs	
	As at 31 March 2021	As at 31 March 2020
Opening provision	6.29	8.01
Add: Additional provision made	(3.36)	(1.72)
Closing provision	2.93	6.29

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 concerned 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 31 March 2021	As at 31 March 2020
No of Customers who owed more than 10% of the Total receivables	2	2
Contribution of Customers in owing more than 10% of Total receivables	53.00%	45.00%

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 6939.35 Lakhs as at 31st March, 2021 (31st March, 2020: ₹ 1968.40 Lakhs). The cash and cash equivalents are held with banks.

Derivatives

The derivative contracts are entered into with scheduled banks and financial institutions which have good credit ratings.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows, maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.



Notes to the standalone financial statements for the year ended March 31, 2021

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	95.00	3,475.55	-	2,025.00
Trade and other payables	3,612.16	-	2,929.12	-
Lease Liabilities	151.74	107.79	212.74	619.91
Other financial liabilities	1,135.83	-	862.96	-
Total non-derivative financial liabilities	4,994.73	3,583.34	4,004.82	2,644.91

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 2021 and 31st March 2020:

Particulars	in Lakhs				
	USD	EURO	GBP	SGD	CAD
Accounts Receivable					
As at :					
31 March 2021	8.04	0.12	0.02	0.05	-
31 March 2020	9.40	0.01	0.06	-	0.03
Accounts Payable					
As at :					
31 March 2021	8.75	-	-	-	-
31 March 2020	8.45	0.09	-	-	-
Cash and Cash Equivalents					
As at :					
31 March 2021	6.16	-	-	-	-
31 March 2020	4.06	-	-	-	-

**Notes to the standalone financial statements for the year ended March 31, 2021****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	Average Exchange rate					
	USD	EURO	GBP	INR/USD	INR/EURO	INR/GBP
Export Transactions						
As at :						
31 March 2021	106.88	0.68	0.38	73.76	85.58	97.05
31 March 2020	132.68	0.74	0.71	70.75	78.75	89.68
Import Transactions						
As at :						
31 March 2021	61.20	0.77	-	74.33	87.45	-
31 March 2020	67.52	0.37	-	73.51	78.57	-

Impact on profit or loss and total equity

₹ in lakhs

Particulars	USD impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	166.72	221.16
Decrease in exchange rate by 5%	(166.72)	(221.16)
Particulars	EURO impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	0.49	1.43
Decrease in exchange rate by 5%	(0.49)	(1.43)
Particulars	GBP impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	1.82	3.17
Decrease in exchange rate by 5%	(1.82)	(3.17)

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.



Notes to the standalone financial statements for the year ended March 31, 2021

The following are the outstanding Forward Exchange Contracts entered into by the Company.

Outstanding contracts	As at	Foreign currency	Carrying amount
Derivative instruments			
Accounts Receivables (USD)	31 March 2021	-	-
	31 March 2020	-	-
Accounts Payables(USD)	31 March 2021	-	-
	31 March 2020	-	-

D Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk. The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	₹ in Lakhs	
	March 31, 2021	March 31, 2020
Fixed-rate instruments		
Financial Assets - measured at amortised cost	-	-
Investment in Bonds	52.10	-
Borrowings	3,570.55	2,025.00
Total	3622.65	2,025.00

44. Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2021

Sl. NO.	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
1	SEGMENT REVENUE		
a	Laundry & Allied Products	27,736.22	26,178.15
b	IT-Enabled Services	3,042.93	4,400.13
c	Windmill	300.99	310.34
	TOTAL	31,080.14	30,888.62
	Less : Inter-Segment Revenue	(260.67)	(270.55)
	SALES/INCOME FROM OPERATIONS	30,819.47	30,618.07
2	SEGMENT RESULTS		
a	Laundry & Allied Products	6,357.79	6,157.76
b	IT-Enabled Services	927.98	962.92
c	Windmill	192.96	155.10
	TOTAL	7,478.73	7,275.78
	Less: Interest and Finance Charges	(107.69)	(110.03)
	Less: Unallocated Expenditure (Net-off)	124.26	597.31
	Exceptional Item	-	-
	TOTAL PROFIT BEFORE TAX	7,495.30	7,763.06



Notes to the standalone financial statements for the year ended March 31, 2021

Sl. NO.	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
3	SEGMENT ASSETS		
a	Laundry & Allied Products	24,727.97	19,084.77
b	IT-Enabled Services	1,109.54	2,083.59
c	Windmill	863.36	1,000.62
d	Unallocated / Corporate	29,306.82	15,975.40
		56,007.69	38,144.38
4	Segment Liabilities		
a	Laundry & Allied Products	8,331.97	5,947.26
b	IT-Enabled Services	470.08	1,044.53
c	Windmill	1.16	11.35
d	Unallocated / Corporate	1,096.73	893.27
		9,899.94	7,896.41
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	46,107.75	30,247.97

45. Related party disclosures

1 Names of related parties and nature of relationship:

Nature of relationship	Name of related party		
Wholly Owned Subsidiary	Ultramarine Specialty Chemicals Ltd		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Joint Managing Director	Executive
	Mr. R. Senthil Kumar	Whole-time Director	Executive
	Mr. V. Bharathram	Whole-time Director	Executive
	Mr. Nimish Patel	Director	Non-Executive Independent
	Mr. Navin M Ram	Director	Non-Executive Independent
	Mr. Rajeev M. Pandia	Director	Non-Executive Independent
	Mr. C.R. Chandra Bob	Director	Non-Executive Independent
	Mrs. P. Arunasree	Director	Non-Executive Independent
	Mr. Harsh R. Gandhi	Director	Non-Executive Independent
	Mr. S. Ramanan	Chief Financial Officer	
	Mr. Kishore Kumar Sahoo	Company Secretary	
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence.	Thirumalai Chemicals Limited		
	Lapiz Europe Limited		
	TCL Global B.V		
	Thirumalai Charity Trust		
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President (Operations), BPO Division	
	Ms. Vidya Sampath	Vice President - CSR	



Notes to the standalone financial statements for the year ended March 31, 2021

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

₹ in Lakhs

	2020-21	2019-20
Sales		
Goods, Materials and Services		
Thirumalai Chemicals Limited	0.73	3.42
Purchase		
Goods, Materials and Services		
Thirumalai Chemicals Limited	0.36	-
Investment in a subsidiary Ultramarine Specialty Limited		
Share Application Money	1,200.00	1.00
Advances given	47.92	0.50
Remuneration paid to		
Mr. V. Bharathram	-	27.28
Ms. Meera Parthasarathy	64.43	72.87
Ms. Vidya Sampath	48.77	21.05
Remuneration to Key Managerial Personnel		
Mr. V. Bharathram	164.23	77.20
Ms. Tara Parthasarathy	115.49	113.40
Mr. R. Senthilkumar	70.05	53.58
Mr. Ramanan	32.16	29.24
Mr. Kishore	18.32	14.45
Sitting fees & commission to Independent & Non-executive Directors	111.52	108.80
Rendering of Services to		
Thirumalai Chemicals Limited	14.49	12.79
Ahana LLC, USA	-	14.61
Rent Paid to		
Thirumalai Chemicals Limited	34.06	36.53
Ms. Vidya Sampath	1.94	1.76
Receiving of services from		
Thirumalai Chemicals Limited	0.15	1.26
Thirumalai Charity Trust (Thirumalai Mission Hospital)	5.25	1.11
Reimbursement of Expense		
Lapiz Europe Ltd	0.40	0.31
TCL Global BV	64.82	19.77
Outstanding payables		
Thirumalai Chemicals Limited	-	3.28
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.08	0.51
TCL Global BV	-	6.95
Ms. Vidya Sampath	0.17	-



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

	2020-21	2019-20
Directors Remuneration Payables		
Mr. V.Bharathram	70.00	-
Ms. Tara Parthasarathy	70.00	60.00
Mr. R. Senthilkumar	10.00	5.00
Non-executive Directors commission	78.72	78.00
Outstanding receivables		
Ultramarine Specialty Chemicals Ltd	48.41	0.50
Thirumalai Chemicals Limited	0.01	4.83
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.05	-
Share application money pending allotment of Shares	1,200.00	-
Donations paid		
Thirumalai Charity Trust	110.00	120.00
Outstanding deposits receivables		
Ms. Vidya Sampath	0.70	0.70
Thirumalai Chemicals Limited	14.00	14.00

46 Leases

i) The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	832.65	-
Lease liabilities recognised on initial application of Ind-AS 116	427.89	1,029.78
Finance cost accrued during the period	53.40	92.58
Payment of lease liabilities	(190.61)	(289.71)
Gain recognised on reassessment of Lease	(27.74)	-
Gain recognised on termination of Lease	(199.64)	-
Reversal of on Liability on Pre-Closure of Leases	(636.42)	-
Balance at the end	259.53	832.65
Lease Liability - Current	151.74	212.74
Lease Liability - Non-Current	107.79	619.91

Interest on lease liabilities is ₹ 53.40 Lakhs (March 31, 2020 ₹ 92.58 Lakhs) for the year ended March 31, 2021.

The total cash outflow for leases is ₹ 190.61 Lakhs (March 31, 2020 - ₹ 289.71 Lakhs) for the year ended March 31, 2021, including cash outflow for short-term and low-value leases. The Company has lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

ii	Particulars	31 st March, 2021	31 st March, 2020
	Payable		
	Within one year	118.27	305.48
	After one year but not more than five years	163.16	679.51
	More than five years	-	14.08

47. 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

Particulars	31 st March, 2021	31 st March, 2020
	INR	INR
Profit attributable to equity holders of the Company for basic and diluted earnings per share	5,578.66	6,201.32

ii. Weighted average number of ordinary shares

Particulars	31 st March, 2021	31 st March, 2020
	INR	INR
Number of Issued equity shares at April 1	29,200,000	29,200,000
Effect of shares issued	-	-
Nominal value per share	2	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	29,200,000	29,200,000
Basic earnings per share	19.10	21.24

48. Research and Development Expenditure

₹ in Lakhs

Particulars	As at	As at
	31 March 2021	31 March 2020
The Company has incurred Research and Development expenses as under:		
On Capital Account:		
Lab Equipment	7.99	12.00
On Revenue Account		
Salaries & Allowances	107.14	98.02
Contributions to Provident fund and other funds	8.56	7.54
Chemicals and Consumables	20.53	5.80
Other Expenses	18.33	23.72
Total	162.55	147.08

**Notes to the standalone financial statements for the year ended March 31, 2021****49. CSR Expenditure**

- a) Gross amount required to be spent by the Company during the year – ₹ 135.77 Lakhs (31st March, 2020: ₹ 118.41 Lakhs)
- b) Amount spent during the year: ₹ 142.06 Lakhs (31st March, 2020: ₹ 150.50 Lakhs) out of which ₹ 110.00 Lakhs contributed to Thirumalai Charity Trust registered 80G of Income Tax Act, 1961, engaged in rural healthcare, women empowerment, disability, de-addiction and village development, surrounding the manufacturing location of the Company.

50. Disclosures required as per Micro, Small and Medium Enterprises Development Act, 2006 .

The disclosure regarding Micro and Small Enterprises has been made to the extent such parties have been identified

Particulars	2020-21	2019-20
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	163.16	120.15
(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	0.27	0.03
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	0.30	0.03
(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

51 C I F Value of Imports

₹ in Lakhs

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Raw Materials	4,682.08	4,072.47
Plant & Machinery	28.06	826.38
Machinery spares	41.39	9.54
Lab Equipment	-	-
Total	4,751.53	4,908.39

52. Expenditure in Foreign Currency

Travelling	-	47.33
Testing Charges	-	14.08
Employees' Training & seminar expenses	-	3.37
Legal & Professional Charges	3.90	31.59
Sales Promotion Expenses	66.77	29.37
Other Expenses	12.06	25.90
Total	82.73	151.64



Notes to the standalone financial statements for the year ended March 31, 2021

₹ in Lakhs

	Year ended 31 March, 2021	Year ended 31 March, 2020
53. Earnings in foreign currencies		
Export of goods calculated on FOB basis	5,197.83	5,474.18
Income from IT-enabled services	2,689.00	3,973.03
Total	7,886.83	9,447.21

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

For and on behalf of

For Brahmaya & Co
Chartered Accountants
Firm Regn. No. 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 20th May,2021

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

S. RAMANAN
Chief Financial Officer

For and on behalf of the Board of Directors

C.R. CHANDRA BOB
Director
DIN : 07384175

KISHORE KUMAR SAHOO
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

To
The Members of Ultramarine & Pigments Limited

Report on the Audit of Consolidated Financial Statements**1. Opinion**

- 1.1 We have audited the Consolidated Financial Statements of **Ultramarine & Pigments Limited** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary (the holding company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, and Profit, changes in equity and its cash flows for the year ended on that date.

2 Basis for Opinion

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

3 Key Audit Matters

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

4 Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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



5 Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- 5.1 The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements, as aforesaid.
- 5.2 In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

6 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- 6.1 Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
- 6.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- f. Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of 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 Section 143 (3) of the Act, based on our audit we report to the extent applicable that:
- 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.
 - 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.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.
 - 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.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and Subsidiary Company, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and the Subsidiary Company, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies; and
 - 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.
 - 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, 2021 on its financial position in Note 39 to the consolidated financial statements
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 21203377AAAADU3592

Place: Chennai
Date: 20th May, 2021

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

Referred to in paragraph 7.1 (f) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited (hereinafter referred to as "the Holding Company" or "the Company") and its Subsidiary Company as of 31st March 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on internal financial controls over financial reporting of the Company and its Subsidiary Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting on the Company and its Subsidiary Company.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the Company and its Subsidiary Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 21203377AAADU3592

Place: Chennai
Date: 20th May, 2021

Consolidated Balance Sheet as at 31st March, 2021

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 March 2021	As at 31 March 2020
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		4	11,618.53	8,454.38
(b) Right of use asset		5	253.79	665.72
(c) Capital work in progress		4	2,981.66	3,538.52
(d) Intangible assets		6	12.80	14.85
(e) Financial Assets				
(i) Investments		7	17,884.30	7,636.78
(ii) Loans			-	-
(iii) Other financial assets		8	101.72	100.00
(f) Other non-current assets		9	1,408.27	1,287.95
			<u>34,261.07</u>	<u>21,698.20</u>
(2) Current assets				
(a) Inventories		10	3,694.05	3,383.35
(b) Financial Assets				
(i) Investments		11	1,513.72	2,888.11
(ii) Trade receivables		12	4,383.87	3,924.24
(iii) Cash and cash equivalents		13	7,020.57	1,969.55
(iv) Bank balances other than cash and cash equivalents		14	129.64	67.90
(v) Loans		15	3,069.52	3,428.05
(vi) Other financial assets		16	278.60	361.18
(c) Current Tax Assets (Net)			-	-
(d) Other current assets		17	786.65	423.46
(e) Asset held for sale		18	922.40	-
			<u>21,799.02</u>	<u>16,445.84</u>
			<u>56,060.09</u>	<u>38,144.04</u>
Total Assets				
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		19	584.00	584.00
(b) Other Equity		20	45,523.13	29,663.35
			<u>46,107.13</u>	<u>30,247.35</u>
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		21	3,475.55	2,025.00
(ii) Lease liabilities		22	107.79	619.91
(b) Provisions		23	120.29	97.18
(c) Deferred tax liabilities (net)		24	822.69	723.73
(e) Deferred Income		25	31.75	35.16
			<u>4,558.07</u>	<u>3,500.98</u>
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables		26		
Total outstanding dues of micro enterprises and small enterprises			163.16	120.15
Total outstanding dues of creditors other than micro enterprises and small enterprises			3,449.00	2,809.47
(ii) Lease liabilities		27	151.74	212.74
(iii) Other financial liabilities		28	1,258.62	862.96
(b) Other current liabilities		29	312.04	365.16
(c) Provisions		30	56.91	21.81
(d) Deferred Income		31	3.42	3.42
			<u>5,394.89</u>	<u>4,395.71</u>
			<u>56,060.09</u>	<u>38,144.04</u>
Total Equity and Liabilities				

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai
Date : 20th May,2021

Consolidated Statement of profit and loss for the year ended 31st March, 2021

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue From Operations	32	30,819.47	30,618.07
II	Other Income	33	959.99	1,151.53
III	Total Income (I+II)		31,779.46	31,769.60
IV	EXPENSES			
	Cost of materials consumed	34	14,715.41	13,414.59
	Changes in Inventories of Finished goods and work-in-progress	35	(248.79)	(106.50)
	Employee benefits expense	36	4,208.27	4,819.22
	Finance costs	37	107.69	110.14
	Depreciation and amortisation expense	4-6	878.26	861.82
	Other expenses	38	4,623.32	4,908.11
	Total expenses (IV)		24,284.16	24,007.38
V	Profit before exceptional items (III-IV)		7,495.30	7,762.22
VI	Exceptional items		-	-
VII	Profit before tax (V+VI)		7,495.30	7,762.22
VIII	Tax expense:			
	(1) Current tax		(1,817.68)	(1,887.48)
	(2) Deferred tax		(98.96)	320.46
	(3) Excess/(Short) provision of earlier year		-	5.50
IX	Profit for the period (VII-VIII)		5,578.66	6,201.32
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		32.81	(13.27)
	- Equity instruments through other comprehensive income		10,256.56	(10,931.49)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(8.25)	3.34
	- Equity instruments through other comprehensive Income		-	-
	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	Total other comprehensive income (A (i - ii) + B(i - ii))		10,281.12	(10,941.42)
XII	Total comprehensive income for the period (IX + XI)		15,859.78	(4,740.72)
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		19.10	21.24
	(2) Diluted		19.10	21.24

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 20th May,2021

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Consolidated Statement of cash flows for the year ended 31st, March 2021

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Profit before tax	7,495.30	7,762.22
Adjustments for:		
Finance Cost	107.69	110.14
Depreciation and amortisation expenses	878.26	861.82
Interest Income	(462.41)	(325.87)
Dividend Income	-	(409.04)
Gain on Reassessment / Termination of Lease	(227.38)	-
Provision for Leave Encashment	27.80	(23.66)
Bad Debts and Provision for expected credit loss	(0.20)	12.87
Net gains on disposal of property, plant and equipment	32.34	15.29
Remeasurement of defined benefit liabilities	32.81	(13.27)
Receipt of government grant	(3.42)	(3.43)
Net gains on sale of Investments	(98.36)	(227.10)
Net gains arising on financial assets designated at FVTPL	(19.10)	(49.91)
Net gains on foreign currency transactions and translation	(5.35)	2.04
Operating profit before working capital changes	7,757.98	7,712.10
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(310.70)	(665.87)
Trade receivables	(420.49)	(649.74)
Current financial loans and advances	82.17	(60.20)
Other current assets	(363.19)	(227.66)
Non-current financial loans and advances	(1.72)	(99.30)
Other Non-current assets	105.95	(1.22)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	651.25	764.20
Other current financial liabilities	114.34	(148.80)
Other current liabilities	(45.90)	20.00
Current provisions	-	-
Cash generated from operations	7,569.69	6,643.51
Direct taxes paid (net)	(1,797.64)	(1,885.51)
Net cash generated from operating activities (A)	5,772.05	4,758.00



Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
B Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(4,273.31)	(4,187.95)
Payment for intangible assets (including Intangible assets under development)	(7.48)	(26.28)
Proceeds from disposals of PPE	5.25	8.35
Purchase of non current investments	(83.00)	(200.00)
Redemption of non current investments	101.76	131.38
Purchase of current investments	(4,399.82)	(9,795.00)
Redemption of current investments	5,881.96	11,884.78
(Increase)/ decrease in deposit with companies	296.96	(2,365.73)
Interest received	454.62	268.63
Dividend received	-	409.04
Net cash (used in) investing activities (B)	(2,023.06)	(3,872.78)
C Cash flow from financing activities		
Proceeds from Borrowings	1,545.55	2,025.00
Payment of Lease Liabilities	(190.61)	(289.71)
Interest paid (net of Interest Capitalised ₹ 181.99 Lakhs(₹ 33.51 Lakhs)	(54.29)	(17.56)
Dividend paid	-	(3,344.20)
Net cash from / (used in) financing activities (C)	1,300.65	(1,626.47)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	5,049.64	(741.25)
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit accounts	1,332.75	536.70
Cash on hand	1.80	1.09
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	635.00	2,181.00
CASH AND CASH EQUIVALENTS	1,969.55	2,718.79
F Effect of exchange differences on translation of foreign currency cash & cash equivalents	1.38	(7.99)
G CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit accounts	1,565.93	1,332.75
Cash on hand	0.88	1.80
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
CASH AND CASH EQUIVALENTS as per Note . 13 [(D)+(E) + (F)]	7,020.57	1,969.55

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of

Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 20th May, 2021

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

C.R. CHANDRA BOB
Director
DIN : 07384175

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Consolidated Statement of changes in equity for the year ended 31st March, 2021

I Equity Share Capital

₹ in Lakhs

	Amount
Balance as at 31st March 2019	584.00
Changes in equity share capital during the year	-
Balance as at 31st March 2020	584.00
Changes in equity share capital during the year	-
Balance as at 31st March 2021	584.00

II Other Equity

Particulars	Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31st March 2019	4,105.00	16,949.86	16,849.88	37,904.74
Adjustment for ROU Asset Transitional impact of Ind AS 116 (net of taxes)		(156.46)		(156.46)
	4,105.00	16,793.40	16,849.88	37,748.28
Profit for the year ending 31st March, 2020	-	6,200.70	-	6,200.70
Other Comprehensive Income				
-Recognition of Investments at fair value			(10,931.49)	(10,931.49)
-Remeasurement of Defined benefit plans (Net of Taxes)		(9.93)		(9.93)
Other comprehensive income for the Period (net of tax)	-	(9.93)	(10,931.49)	(10,941.42)
Total comprehensive income for the Period	-	6,190.77	(10,931.49)	(4,740.72)
Appropriation				
Final dividend - 2018-19		(1,314.00)	-	(1,314.00)
Tax on Final dividend		(270.10)	-	(270.10)
Interim dividend - 2019-20		(1,460.00)		(1,460.00)
Tax on Interim dividend		(300.11)		(300.11)
As at 31st March 2020	4,105.00	19,639.96	5,918.39	29,663.35
Profit for the year ending 31st March, 2021	-	5,578.66	-	5,578.66
Other Comprehensive Income				
-Recognition of Investments at fair value			10,256.56	10,256.56
-Remeasurement of Defined benefit plans (Net of Taxes)		24.56		24.56
Other comprehensive income for the Period (net of tax)	-	24.56	10,256.56	10,281.12
Total comprehensive income for the Period		5,603.22	10,256.56	15,859.78
Appropriation	-	-	-	-
As at 31st March 2021	4,105.00	25,243.18	16,174.95	45,523.13

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
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DIN : 07384175

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Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai
Date : 20th May,2021



Notes to the Consolidated financial statements for the year ended March 31, 2021

All amounts are in Lakhs (INR) unless otherwise stated

1. General Information

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

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

The Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 20th May, 2021.

2. Basis of Consolidation :

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

- Has power over the investee,
- Is exposure or rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

Consolidation of a Subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

List of subsidiaries and proportion of voting power held

Ultramarine Specialty Chemicals Limited – 100% Voting Power

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

A Statement of compliance

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

Accounting policy has been consistently applied except where a newly issued accounting standard is initially adopted or a

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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:

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

D Basis of measurement

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

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

E Use of estimates and judgements

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

Property, plant and equipment and Intangible assets

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

Income taxes

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

Contingencies

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

Allowance for uncollected accounts receivable and advances

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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 2021 is included in the following notes:

- Notes 39 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – measurement of defined benefit obligations: key actuarial assumptions;

F Estimation of Impact of COVID-19 Pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has assessed potential impact of Covid-19 on the carrying value of property, plant & equipment, trade receivable, inventories and other current assets. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these standalone Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The management believes that no adjustments are required to be made for the financial results and carrying value of assets and liabilities as it does not have any impact on the current financial year ended 31st March, 2021. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally and the company will continue to closely monitor any material changes to future economic conditions.

3. Significant Accounting Policies

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

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

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

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

Subsequent expenditure:

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

Depreciation methods, estimated useful lives and residual value:

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

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****3.2. Intangible Assets:**

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

The estimated useful life of the intangible assets and the amortisation 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 amortisation 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-recognised.

The Group has elected to continue with the carrying value of all of its intangible assets as at 1st 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 recognised 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 amortised historical cost impaired earlier.

3.4 Non-current assets held for sale:

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

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

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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 recognised in the statement of profit and loss. The foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

Conversion:

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

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

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

3.6 Financial Instruments:

Recognition and initial measurement:

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

The trade receivables are recognised 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 recognised 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

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

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

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

All Group financial assets that do not meet the criteria for measurement at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI are measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are not reclassified to profit or loss. The Group transfers amounts from OCI to retained earnings when the relevant equity securities are derecognised.

Impairment

The Group recognises 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 recognised is recognised 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 amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition:**Financial assets:**

The Group derecognises 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 recognised 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 derecognised.



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised 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 recognised in profit or loss.

3.7. Inventories:

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

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

3.8. 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.

3.9. Taxation:

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

Current Tax:

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

The 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 recognised 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 recognised for all taxable temporary differences. Deferred tax asset are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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.

Credit for Minimum Alternative Tax (MAT) if any is recognised 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.

3.10. Revenue from Contract with Customers:

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

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

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

Income from services

- i. In case of IT-Enabled Services, revenue from service contracts are recognised 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 recognised 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 Merchandise Exports from India Scheme (MEIS), Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

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

Dividend and Interest income:

Dividend income is recognised 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 recognised on sale.



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

3.11. Employee Benefits:

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognised provident funds and approved superannuation schemes which are defined contribution plans are recognised 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 unrecognised 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 recognise 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. recognised 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 recognised 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 utilised 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 recognised immediately in the statement of other comprehensive income.

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

Provisions:

Provisions are recognised 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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

The amount recognised 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 recognised 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 recognised 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise 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 recognised in the consolidated financial statements.

3.13. Borrowing costs:

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

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

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

3.14. Leases:

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

The Group's lease asset primarily consist of lease for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

3.15. Earnings per share:

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/(loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****3.16. Cash Flow Statement**

The Cash Flow Statement is prepared by using the “indirect method” set out in Ind AS 7 on “Cash Flow Statements” and presents the cash flows during the period by operating, investing and financing activities of the Group.

3.17. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented in the segment reporting. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments.

Based on the above, Business segments of the Group are primarily Laundry and allied products; IT-enabled services & BPO services and Wind Turbine Generator. The analysis of Geographic segments is based on the areas in which major operating divisions of the Group Operate.

The Group accounts for inter-segment revenues at current market prices.

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

3.18. Government Grants and Subsidies:

- i. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognised 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.

3.19. Dividend:

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Holding Company’s Board of Directors.

3.20. Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

There are no new standard or amendments to the existing standards notified by Ministry of Corporate Affairs (“MCA”) which would have been applicable from April 1, 2021.



Notes to Consolidated Financial Statements for the year ended 31st March, 2021
4. Property Plant and Equipments

Particulars	₹ in Lakhs												
	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equipments	Furniture & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Lab Equipment (Used for R&D)	Total	Capital Work-in progress	
Deemed cost:													
Balance as at 31-03-2019	1,327.66	-	977.82	6,014.49	290.96	173.01	48.01	122.19	118.47	162.58	9,235.19	247.88	
Additions	632.17	-	66.41	335.17	76.58	59.57	-	52.08	29.29	12.00	1,263.27		
Disposals / Adjustments	-	-	-	9.45	13.16	0.10	3.33	2.16	21.32	-	49.52		
Balance as at 31-03-2020	1,959.83	-	1,044.23	6,340.21	354.38	232.48	44.68	172.11	126.44	174.58	10,448.94	3,538.52	
Additions	-	-	1,526.72	3,164.09	20.38	69.30	-	26.81	8.47	7.99	4,823.76		
Disposals / Adjustments (Note ii)	922.40	-	-	28.19	15.39	12.15	43.43	3.11	6.36	-	1,031.03		
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	
Accumulated depreciation:													
Balance as at 31-03-2019	-	-	96.68	940.18	165.89	49.34	23.33	48.86	41.05	27.95	1,393.28		
Charge for the year	-	-	51.45	419.99	60.81	31.33	6.76	30.97	14.89	14.84	631.04		
Other Adjustments	-	-	-	7.81	2.69	-	3.33	1.52	14.41	-	29.76		
Balance as at 31-03-2020	-	-	148.13	1,352.36	224.01	80.67	26.76	78.31	41.53	42.79	1,994.56		
Charge for the year	-	-	63.53	479.73	58.96	31.81	3.36	32.25	14.71	15.48	699.83		
Other Adjustments	-	-	-	14.84	12.34	7.02	30.12	2.89	4.04	-	71.25		
Balance as at 31-03-2021	-	-	211.66	1,817.25	270.63	105.46	0.00	107.67	52.20	58.27	2,623.14		
Net carrying amount:													
As at 31-03-2020	1,959.83	-	896.10	4,987.85	130.37	151.81	17.92	93.80	84.91	131.79	8,454.38		
As at 31-03-2021	1,037.43	-	2,359.29	7,658.87	88.74	184.17	1.25	88.13	76.35	124.30	11,618.53		

(i) Cost of Building includes ₹ 500/- paid for 5 Shares of ₹ 100/- each in Thirumalai House Office Unit Owners Condominium.

(ii) The holding company has paid full consideration for the land acquired in the Industrial Park, Naidupet, Andhra Pradesh and is in possession of land and registered the sale agreement for the said land. In terms of policy, the company is entitled to use the land and right to offer the land as security. The title to the said land shall be registered in the name of the company on commencement of commercial operations of the expansion project. The company initiated the process for registration of the land as the company has commenced commercial operations of Surfactants during the month January, 2021.

(iii) Part of the Land acquired in the Industrial Park, Naidupet, Andhra Pradesh which is proposed to be transferred to Subsidiary Company, Ultramarine Speciality Chemicals Limited, which is expected to be disposed of within the next twelve months is identified and transferred to Assets Held for Sale.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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

₹ in Lakhs

Tangible Assets under Construction in the nature of	As at 31 March 2021	As at 31 March 2020
Buildings	767.41	1,149.83
Plant & Machinery	1,978.93	1,763.59
Electrical Installation	6.33	259.13
In Tangible Assets acquired	71.84	31.85
Project Expenditure - Direct		
Statutory Fee	9.96	17.77
Salaries and Wages	31.63	116.25
Professional & Consultancy Charges	38.24	51.99
Travelling Expenses	0.48	31.71
Other Direct Expenses	67.43	69.24
Finance Costs	9.41	47.16
	2,981.66	3,538.52

5 Right of use asset - Building

Particulars	Leased Premises
Deemed cost:	
Balance as at 31-03-2019	-
Additions	877.42
Disposals / Adjustments	-
Balance as at 31-03-2020	877.42
Additions	447.38
Disposals / Adjustments*	978.24
Balance as at 31-03-2021	346.56
Accumulated depreciation:	
Balance as at 31-03-2019	-
Charge for the year	211.70
Other Adjustments	-
Balance as at 31-03-2020	211.70
Charge for the year	181.00
Other Adjustments	299.93
Balance as at 31-03-2021	92.77
Net carrying amount:	
As at 31-03-2020	665.72
As at 31-03-2021	253.79

* adjustment is on account of pre-closure of certain lease agreements during the year ended 31st March, 2021

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

6 Other Intangible assets

₹ in Lakhs

Particulars	Licensed Computer Software
Deemed cost:	
Balance as at 31-03-2019	72.14
Additions	26.28
Disposals / Adjustments	5.13
Balance as at 31-03-2020	93.29
Additions	7.48
Disposals / Adjustments	0.21
Balance as at 31-03-2021	100.56
Accumulated depreciation:	
Balance as at 31-03-2019	51.58
Charge for the year	28.12
Other Adjustments	1.26
Balance as at 31-03-2020	78.44
Charge for the year	9.32
Other Adjustments	-
Balance as at 31-03-2021	87.76
Net carrying amount:	
As at 31-03-2020	14.85
As at 31-03-2021	12.80

7 Non-current Investment

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current Investment		
Investment at fair value through Other comprehensive income (FVTOCI)		
Quoted Equity Shares		
2,04,51,770 equity shares of ₹ 1/- each (31 March, 2020 : 2,04,51,770 equity shares of ₹ 1/- each) fully paid up in Thirumalai Chemicals Limited.	17,496.49	7,239.92
Investment at fair value through profit or loss (FVTPL)		
Quoted Debentures		
50 Fixed Interest bonds of ECL Finance Limited with face value of ₹1000/- maturing on 26 th April 2020.	-	0.48
Quoted Bonds		
5 (31 March 2020: Nil) State Bank of India, 7.74% AT1 Perpetual Bonds of ₹ 10,00,000 each	52.10	-
Unquoted - Investment in Alternative Investment Fund		
(i) 2,80,084 (31 March 2020: 2,80,084) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	276.37	272.60
(ii) 24,38,473 (31 March 2020: 1,22,93,423) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	26.34	123.78
(iii) 33 (31 March 2020: Nil) Kae Capital Fund III Units of ₹ 1,00,000 each	33.00	-
Total	17,884.30	7,636.78
Notes:		
(a) Aggregate amount of Quoted Investments and market value thereof:	17,548.59	7,240.40
(b) Aggregate amount of unquoted investments-Mutual funds	335.71	396.38

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
8 Non-Current Advances		
Unsecured, Considered Good		
Deposits with a Bank		
- Term Deposit *	100.00	100.00
Employees advances	1.72	-
Total	101.72	100.00

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

9 Non-Current Advances		
Unsecured, Considered Good		
Capital Advances	476.10	296.45
Income taxes (Net)*	724.10	728.90
Security Deposits	102.63	98.50
Deposits for the leased premises	80.35	128.94
Prepaid expenses	25.09	35.16
Total	1,408.27	1,287.95

*Net of Provision for tax ₹ 8,014. 88 lakhs (March 31, 2020 : ₹ 6,130.51 lakhs)

10 Inventories		
Raw materials and components	1,160.13	1,156.93
Raw materials in Transit	460.93	421.49
Work in progress	1,088.31	717.25
Finished goods	579.74	795.25
Finished goods in Transit	173.51	80.27
Packing materials	91.18	84.58
Fuel	33.79	47.37
Stores and spares	106.46	80.21
Total	3,694.05	3,383.35

11 Investments
Investment at fair value through Profit and Loss (FVTPL)

Unquoted units of Mutual Funds		
5,017 (31 March 2020: 22,704) units of Kotak Liquid Fund	208.66	911.53
Nil (31 March 2020: 65,660) units of ICICI Prudential Money Market Fund - Direct Plan	-	183.36
12,664 (31 March 2020: 4,095) units of L&T Liquid Fund	356.99	111.46
4,582 (31 March 2020: Nil) units of Axis Liquid Fund	104.68	-
Nil (31 March 2020: 6,382) units of TATA Liquid Fund	-	199.88

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
9,598 (31 March 2020: 35,104) units of SBI Liquid Fund	309.22	1,091.38
1,05,827 (31 March 2020: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	30.11	28.92
Nil (31 March 2020: 8,933) units of BOI AXA Overnight Fund	-	90.07
37,849 (31 March 2020: 50,388) units of Aditya Birla Sun Life Floating Rate Fund	100.61	135.62
Nil (31 March 2020: 4,481) units of Nippon India Money Market Fund-Growth Plan	-	135.89
3,53,231 (31 March 2020: Nil) units of Kotak Equity Arbitrage Fund	102.63	-
90,570 (31 March 2020: Nil) units of Nippon India Overnight Fund	100.06	-
2,62,637 (31 March 2020: Nil) units of HDFC Floating Rate Debt Fund-Direct	100.57	-
8,659 (31 March 2020: Nil) units of Kotak Floating Rate Fund-Direct	100.19	-
Total	1,513.72	2,888.11

12 Trade Receivables

- Considered good - secured	-	-
- Considered good - Unsecured	4,386.80	3,930.53
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
	4,386.80	3,930.53

Less: Provision for Expected Credit Loss

Total**(2.93)****4,383.87****3,924.24**

Notes :

- 1) Trade Receivable includes receivables from Related party - ₹ 0.06 Lakhs (31st March 2020 - ₹ 4.83 lakhs)
- 2) 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 Cash & cash equivalents

(i) Cash on hand	0.88	1.80
(ii) Balances with banks		
In current account	1,140.18	931.40
In deposit accounts with original maturity of less than 3 months	425.75	401.36
In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	5,453.76	635.00
Total	7,020.57	1,969.55

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
14 Bank balances other than cash and cash equivalents		
Cash and cash equivalents		
Margin money with banks	60.72	0.68
Un-claimed dividend accounts*	68.92	67.22
Total	129.64	67.90
*These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities		
15 Loans (Unsecured, considered good, unless stated otherwise)		
Deposits with Corporates		
- Considered good - secured	-	-
- Considered good - Unsecured	3,025.00	3,382.00
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Loans & Advances to Employees		
- Considered good - secured	-	-
- Considered good - Unsecured	7.59	8.97
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Other Deposits		
- Considered good - unsecured	36.93	37.08
Total	3,069.52	3,428.05
16 Other Financial Assets		
Advances recoverable in cash	16.67	167.92
Unbilled revenue	6.95	7.55
Export incentives receivable - duty-free scrips	82.45	18.00
Balance with Gratuity Fund	-	28.33
Other deposits receivable	35.10	-
Interest accrued on Deposits	137.43	139.38
Total	278.60	361.18
17 Other Current Assets		
Advances other than capital advances:		
Advance to suppliers	79.35	35.20
Balance with GST, customs, central excise & sales tax	594.38	284.43
Prepaid Expenses	112.92	103.83
Total	786.65	423.46

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
18. Asset held for Sale		
Asset held for Sale*	922.40	-
Total	922.40	-
* Assets Held for Sale consists of Carrying amount of Land have been identified for transfer /disposal. The asset is expected to be disposed of within the next twelve months. Assets held for sale are measured at lower of its carrying amount and fair value less costs to sell.		
19 Share capital		
Authorised Shares		
50,000,000 (March 31, 2020: 50,000,000) equity shares of ₹ 2/- each	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares		
29,200,000 (March 31, 2020: 29,200,000) Equity Shares of ₹ 2/- each fully paid up.	584.00	584.00
Total	584.00	584.00

19.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorised share capital:	No. of shares
Balance as at 31st March, 2019	50,000,000
Add / (Less): Changes during the year	-
Balance as at 1st April, 2020	50,000,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2021	50,000,000
Issued, Subscribed and Paid-up share capital:	No. of shares
Balance as at 31st March, 2019	29,200,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2020	29,200,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2021	29,200,000

18.2 Terms/rights attached to equity shares

- 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.
- The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on 20th May 2021 proposed a final dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2021 and the proposal is subject to approval of shareholders at their meeting to be held on 12th July, 2021.
- 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 shareholders.
- There is no change in issued and paid-up share capital during the year.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
19.3 Details of shareholders holding more than 5% shares		
Equity shares	Number of fully paid equity shares	
Thirumalai Chemicals Limited		
As at 31st March, 2021	3,956,730	
As at 31st March, 2020	3,482,557	
20 Other Equity		
General reserve	4,105.00	4,105.00
Retained Earnings	25,243.18	19,639.96
Other Comprehensive Income	16,174.95	5,918.39
Total	45,523.13	29,663.35
21 Borrowings		
Secured		
Term Loan from a Bank (refer note below)	3,570.55	2,025.00
Less current maturity of long-term loan (refer note 28)	95.00	-
Total	3,475.55	2,025.00
<p>Note: Loan is secured by an exclusive charge on the Industrial Plot, charge on movable fixed assets and entire current assets of the company at the plant located at Minnakur Village, Naidupet Town. The term loan is repayable in 60 monthly instalments from the date of disbursement with an initial moratorium period of 2 years and the first instalment of repayment to commence in the month of December, 2021.</p>		
22 Other non-current liabilities		
Lease Liabilities (refer note 46)	107.79	619.91
Total	107.79	619.91
23 Long-term provisions		
Provision for employee benefits :		
Provision for compensated absences	120.29	97.18
Total	120.29	97.18
24 Deferred tax liabilities (net)		
Deferred tax liability:		
On account of timing difference in Depreciation and amortisation	877.20	840.55
Fair value adjustments of Investments	4.18	12.56
	881.38	853.11

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets:		
Liabilities allowable on payment basis	53.43	74.61
Leased Liabilities	4.52	53.18
Expected credit loss	0.74	1.59
	58.69	129.38
Total	822.69	723.73
25 Deferred Income		
Government Grant (Refer Note below)	31.75	35.16
Total	31.75	35.16
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.		
26 Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	163.16	120.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note below)	3,449.00	2,809.47
Total	3,612.16	2,929.62
* Includes Trade payables to related parties ₹ 0.25 lakhs (31 March, 2020 ₹ 10.74 Lakhs)		
27 Other Financial Liabilities - Lease		
Lease Liabilities (refer note 46)	151.74	212.74
Total	151.74	212.74
28 Other financial liabilities		
Current maturity of long-term borrowing (refer note 21)	95.00	-
Unpaid dividends (Refer note below(i))	68.91	67.22
Employee dues	294.50	260.87
Dues to Directors - Commission payable	218.71	138.00
Creditors for capital goods	568.85	384.97
Deposit from Dealers	11.91	11.90
Interest payable on Term Loan	0.74	-
Total	1,258.62	862.96
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
29 Other current liabilities		
Statutory Dues	172.63	139.20
Revenue received in advance	58.83	16.27
Other Liabilities	80.58	209.69
Total	312.04	365.16

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
30 Short-term provisions		
For Employee benefits		
Provision for gratuity	6.99	-
Provision for compensated absences	21.76	17.08
For Others		
Provision for tax*	28.16	4.73
Total	56.91	21.81
* Net of advance tax and tax deducted at source of ₹ 1797.79 Lakhs (March 31, 2020: ₹ 1879.63 Lakhs)		
31 Deferred Income		
Government Grant	3.42	3.42
Total	3.42	3.42
32 Revenue From Operations		
a) Sale of Products		
Manufactured Goods	27,583.77	25,995.74
Sale of Power from Wind turbine generators	40.33	39.78
Total Sale of Products	27,624.10	26,035.52
b) Sale of Services		
Income from IT-enabled Services	2,737.46	4,030.29
Income from BPO activities	305.47	369.84
Total Sale of Services	3,042.93	4,400.13
c) Other Operating Revenues		
Export Incentives	152.44	182.42
Revenue from Operations	30,819.47	30,618.07
Disaggregate Revenue Information:		
(i) Manufactured goods		
Pigments	9,168.17	9,647.41
Detergents	579.72	474.21
Sulphonation	17,835.88	15,874.12
	27,583.77	25,995.74
(ii) Revenue from IT Enabled Service		
Revenue by contract type		
Fixed price	2,395.81	3,746.62
Other contract	341.65	283.67
	2,737.46	4,030.29

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
33 Other Income		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	197.84	129.19
Deposits with Companies	223.22	143.38
Bonds	27.98	36.05
Interest on Financial Assets carried at amortised cost	9.75	12.37
Others	3.62	4.88
b) Dividend Income on Equity securities designated at FVOCI	-	409.04
c) Other non-operating Income (Net of expenses directly attributable to such income)		
Rental income	2.49	2.40
Credit balances and excess provision written back	89.20	41.02
Sundry receipts	57.63	4.63
Bad debts recovered	-	16.55
Gain in reassessment of lease	27.74	-
Gain on Termination of lease	199.64	-
Insurance Claims received	-	17.83
d) Other gains and losses		
Net gains arising on financial assets measured at FVTPL	19.10	49.91
Net gains on sale of Investments	98.36	227.10
Net gains on foreign currency transactions and translation	-	53.75
e) Government grant	3.42	3.43
Total	959.99	1,151.53
34 Cost of material consumed		
Opening Stock of Raw Materials	1,156.93	638.45
Add : Purchases	14,718.61	13,933.07
	15,875.54	14,571.52
Less : Closing Stock of Raw Materials	1,160.13	1,156.93
Total	14,715.41	13,414.59
35 Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress		
Inventories at the end of the year		
Work-in-progress	1,088.31	717.25
Finished goods	753.25	875.52
Total	1,841.56	1,592.77

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Inventories at the beginning of the year		
Work-in-progress	717.25	885.61
Finished goods	875.52	600.66
	1,592.77	1,486.27
Net (Increase)/ Decrease in Stocks	(248.79)	(106.50)
(Increase)/ Decrease in work in progress		
Pigments	(181.62)	37.70
Detergents	2.16	0.48
Sulphonation	(191.60)	130.18
Total	(371.06)	168.36
(Increase)/decrease in finished goods (Inclusive of finished goods in transit)		
Pigments	42.94	(300.41)
Detergents	(0.85)	(3.62)
Sulphonation	80.18	29.17
Total	122.27	(274.86)
36 Employee Benefit Expense		
Salaries, Wages, Bonus and other benefits	3,399.39	3,971.68
Directors' Remuneration	349.76	243.32
Contribution to Provident Fund and other funds	210.77	268.71
Gratuity	67.21	71.67
Staff Welfare and amenities	181.14	263.84
Total	4,208.27	4,819.22
37 Finance Cost		
Interest on income tax payments	0.19	0.22
Interest on Term Loan	232.40	33.51
Interest on lease liabilities	53.40	92.58
Interest Others	3.69	17.34
	289.68	143.65
Less: Interest on term loan transferred to CWIP	(181.99)	(33.51)
Total	107.69	110.14

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
38 Other Expenses		
Consumption of Stores and Spares	278.02	286.61
Power and Fuel (Note 1 below)	1,273.37	1,349.36
Repairs and Maintenance:		
Machinery	242.36	294.33
Buildings	48.14	124.78
Others	46.33	77.10
Packing Expenses and materials consumed	431.72	390.58
Data Processing Charges	273.74	222.80
Laboratory Expenses	22.78	43.33
Freight and Forwarding expenses	726.23	608.91
Insurance	77.00	81.34
Commission on sales	7.99	15.47
Advertisement and Sales Promotion expenses	167.70	130.32
Security Expenses	87.18	90.28
Software License Expenses	52.96	49.39
Water Charges	9.40	9.95
Rent	24.67	25.91
Rates & Taxes	55.06	82.23
Travelling & Conveyance expenses	56.57	238.65
Communication expenses	78.78	99.97
Legal and Professional Fees	82.95	131.54
Sitting fees to Directors	32.80	30.80
Commission to Non-Executive Directors	78.72	78.00
Donation	5.38	5.10
Corporate Social Responsibility Expenditure	142.06	150.50
Assets Scrapped / Loss on Sale of Assets (net)	32.34	15.29
Bad Debts written off	3.16	14.59
Provision for expected credit Loss	(3.36)	(1.72)
Loss on foreign currency transactions / translations (net)	19.50	-
Bank Charges	58.85	63.34
Sundry balances written off	-	0.65
Miscellaneous expenses	210.92	198.71
Total	4,623.32	4,908.11
Note:-		
1. Power and Fuel is net of wind power generated and utilised	260.66	270.55

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

(i) Claims against the Group/disputed liabilities not acknowledged as debts in respect of :

Labour disputes	1.50	1.50
Disputed Vendor Claims *	558.49	
Disputed Industrial Development Charges claimed by SIPCOT	11.35	-
(ii) Bank Guarantees issued and outstanding	30.72	26.72
(iii) Letter of Credit issued and outstanding	642.42	87.33

*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. Also, the Group have counter claims of ₹ 80.88 Lakhs for the deficiency in service and non-adherence to terms of the contract.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
[B] No provision has been made in respect of the following demands raised by the authorities since the Group has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous.		
(i) By the Income tax authorities [₹ 723.88 Lakhs deposited with tax authorities]	787.21	690.35
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	-	1.08
(iii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
(iv) (a) Excise duty matters	27.62	-
(b) Against which advances paid	-	-
[C] Commitments		
(i) Property, Plant & Equipment Estimated amount of contracts remaining to be executed on capital account and not provided for	3,987.89	1,030.65
Against which advance paid	476.09	296.45
(ii) Commitment towards investment in Alternate Investment Funds	100.00	-
Amount invested so far	33.00	-
(iii) Commitments under non-cancellable period of lease agreements	364.20	89.04

[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.

- 40** The Group has availed credit facilities (both fund based and non-fund based) from a bank is secured by hypothecation of stocks (raw materials and finished goods) and book debts of the Holding Company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31st March, 2021.

41 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 Group has recognised the following amounts in the Statement of Profit and Loss:

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a. Contribution to Employees Provident Fund*	168.58	209.25
b. Superannuation Fund*	38.14	35.45
	206.72	244.70

*Includes contribution of ₹24.07 lakhs (31st March, 2020 ₹ 23.22 lakhs) included in Director's Remuneration.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
[B] Defined benefit plan:		
Gratuity is payable to all the members at the rate of 15 days salary for each completed year of service.		
1. Reconciliation of opening and closing balances of Gratuity obligation		
a. Defined benefit obligation at the beginning of the year	620.54	540.17
b. Interest Cost	40.65	38.59
c. Current Service Cost	63.35	71.52
d. Benefits payments Due but unpaid as at 31/03/2021	5.79	
e. Past services cost	-	-
f. Benefits Paid from fund	(45.38)	(44.30)
g. Remeasurements - Financial assumptions and Experience adjustments	(32.30)	14.56
h. Defined benefit obligation at the end of the year	652.65	620.54
2. Reconciliation of opening and closing balances of fair value of plan assets		
a. Fair Value of Plan Assets at the Beginning of the year	648.87	538.16
b. Adjustment to Opening balance		-
c. Expected Return on Plan Assets	42.58	38.44
d. Contribution by the Employer	(0.92)	115.29
e. Benefits Paid from the funds	(45.38)	(44.30)
f. Remeasurements - Return on Assets	0.50	1.28
g. Fair Value of Plan Assets at the End of the year	645.65	648.87
3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits		
a. Current Service Cost	63.35	71.52
b. Benefit Payments due but unpaid	5.79	
c. Past service cost	-	
d. Interest Cost	40.65	38.59
e. Expected return on plan assets	(42.58)	(38.44)
f. Net Actuarial (Gain)/Loss	(32.81)	13.27
g. Total Expenses recognised in Statement of Profit and Loss	34.40	84.94
4. Amount recognised in the Balance Sheet		
a. Present value of Benefit Obligation at the end of the year	(652.65)	(620.54)
b. Fair Value of Plan Assets at the End of the year	645.65	648.87
c. Funded Status Surplus / (Deficit)	(6.99)	28.33
d. Net (Liability) / Asset Recognised in the Balance sheet	(6.99)	28.33
5. Other Comprehensive Income (OCI)		
Remeasurements - Financial assumptions and Experience adjustments	(32.30)	14.55
Remeasurements - Return on Assets	(0.51)	(1.28)
Total actuarial (Gain)/Loss recognised in OCI	(32.81)	13.27
6. Description of plan assets		
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	645.65	648.87
Total	645.65	648.87

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 March 2021	As at 31 March 2020
7. Actuarial assumptions		
a. Discount Rate	6.50%	6.80%
b. Salary Escalation Rate	8%	4%
c. Turnover Rate	10%	10%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	

8. Expected future cash flows as on:

Maturity Profile of Defined Benefit Obligations	As at 31 March 2021	As at 31 March 2020
Projected benefits payable in future years from the date of reporting		
1 st following year	5.79	2.85
2 nd following year	29.15	42.54
3 rd following year	14.58	7.73
4 th following year	24.29	13.05
5 th following year	49.44	22.67
Years 6 to 10	529.40	531.70

9. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(42.41)	35.36	31.91	(40.34)
Variation in %	-5.66%	6.36%	5.83%	-5.34%

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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

42. Tax Expense

₹ in Lakhs

Particulars	Year ended	
	31 March 2021	31 March 2020
(a) Amounts recognised in statement of profit and loss		
Current year	(1,817.68)	(1,887.48)
Short/Excess provision for earlier years	-	5.50
Current tax expense (A)	(1,817.68)	(1,881.98)
Origination and reversal of temporary differences	(98.96)	320.46
Deferred tax expense (B)	(98.96)	320.46
Tax expense recognised in the current statement (A) + (B)	(1,916.64)	(1,561.52)

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.

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	32.81	(8.25)	24.56	(13.27)	3.34	(9.93)
Equity Instruments through Other Comprehensive Income	10,256.56	-	10,256.56	(10,931.49)	-	(10,931.49)
	10,289.37	(8.25)	10,281.12	(10,944.76)	3.34	(10,941.42)

(c) Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Amount	%	Amount
Profit before tax		7,495.30		7,762.22
Tax using the Holding Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	25.17%	1,886.42	25.17%	1,953.59
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses				
Exempt income	-	-	-1.33%	(102.95)
Permanent Differences	0.54%	40.48	0.31%	24.30
Restatement of Opening Deferred tax Liabilities due to changes in Tax Rate	0.00%	-	-3.95%	(306.85)
Other adjustments	-0.14%	(10.26)	-0.01%	(0.76)
Tax relating to earlier years	-	-	-0.07%	(5.50)
Rate difference	-	-	-	(0.31)
	25.57%	1,916.64	20.12%	1,561.52

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(d) Movement in deferred tax balances

₹ in lakhs

	Year ended 31 March 2021					
	Net balance 1 April 2020	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(840.55)	(36.65)	-	(877.20)	(877.20)	-
Employee benefits	-	-	-	-	-	-
Liabilities allowable on payment basis	74.61	(21.18)	-	53.43	-	53.43
Fair value of investments	(12.56)	8.38	-	(4.18)	(4.18)	-
Expected credit loss	1.59	(0.85)	-	0.74	-	0.74
Leased Liabilities	53.18	(48.66)	-	4.52	-	4.52
Tax assets (Liabilities) (Net)	(723.73)	(98.96)	-	(822.69)	(881.38)	58.69

(e) Movement in deferred tax balances

₹ in lakhs

	Year ended 31 March 2020					
	Net balance 1 April 2019	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,181.22)	340.67	-	(840.55)	(840.55)	-
Employee benefits	-	-	-	-	-	-
Liabilities allowable on payment basis	113.62	(39.01)	-	74.61	-	74.61
Fair value of investments	(32.02)	19.46	-	(12.56)	(12.56)	-
Expected credit loss	2.80	(1.21)	-	1.59	-	1.59
Tax assets (Liabilities)	(1,096.82)	319.91	-	(776.91)	(853.11)	76.20
Leased Liabilities *	52.63	0.55	-	53.18	-	53.18
Tax assets (Liabilities) (Net)	(1,044.19)	320.46	-	(723.73)	(853.11)	129.38

The Holding company offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

* Opening balance of Deferred tax liabilities adjusted with deferred tax on lease liabilities of ₹ 52.63 Lakhs to give impact of transition to Ind AS 116 – Leases.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021**43 Financial instruments****A Valuation:**

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- i) The fair value of investment in quoted Equity shares is measured at quoted price or NAV
- ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date except advance received or paid.
- iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

B Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in lakhs

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:				
Total Financial Assets at Cost (A)	-	-	-	-
Non-current financial assets				
Other Financial Assets	101.72	101.72	100.00	100.00
Current financial assets				
Trade receivables	4,383.87	4,383.87	3,924.24	3,924.24
Cash and cash equivalents	7,020.57	7,020.57	1,969.55	1,969.55
Other bank balances	129.64	129.64	67.90	67.90
Loans	3,069.52	3,069.52	3,428.05	3,428.05
Other Financial Assets	278.60	278.60	361.18	361.18
Total Financial Assets at Amortised Cost (B)	14,983.92	14,983.92	9,850.92	9,850.92
Financial assets Measured at fair value through other comprehensive income				
Non - current Investments				
Investments in quoted equity instruments at FVTOCI	17,496.49	17,496.49	7,239.92	7,239.92
Total financial assets at fair value through other comprehensive income (C)	17,496.49	17,496.49	7,239.92	7,239.92
Financial assets measured at fair value through profit and loss				
Non Current Investments				
Investments in unquoted instruments at FVTPL	335.71	335.71	396.38	396.38
Investment in Bonds	52.10	52.10	-	-
Investment in Debentures	-	-	0.48	0.48
Current Investments				
Investments in quoted instruments (Mutual Funds) at FVTPL	1,513.72	1,513.72	2,888.11	2,888.11
Total financial assets at fair value through profit and loss (D)	1,901.53	1,901.53	3,284.97	3,284.97
Total financial assets (A+B+C+D)	34,381.94	34,381.94	20,375.81	20,375.81

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial liabilities held at amortised cost:				
Non - Current financial liabilities				
Borrowings	3,475.55	3,475.55	2,025.00	2,025.00
Lease liabilities	107.79	107.79	619.91	619.91
Current financial liabilities				
Trade payables	3,612.16	3,612.16	2,929.62	2,929.62
Lease Liabilities	151.74	151.74	212.74	212.74
Other financial liabilities	1,258.62	1,258.62	862.96	862.96
Total financial liabilities carried at amortised cost	8,605.86	8,605.86	6,650.23	6,650.23

C Fair Value Hierarchy**Level wise disclosure of Financial Instruments**

The financial instruments are categorised into Three levels based on the inputs used to arrive at fair value measurements as described below:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using the valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to reclassify transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2021	31.03.2020		
Investments in quoted equity instruments at FVTOCI	17,496.49	7,239.92	Level 1	Quoted bid price in an active market (*)
Investment in Debentures	-	0.48	Level 1	Quoted bid price in an active market
Investment in Bonds	52.10	-	Level 1	Quoted bid price in an active market
Investments in Alternate Investment Fund (Mutual Funds) at FVTPL	335.71	396.38	Level 2	Fair valuation based on Market Observable inputs
Investments in quoted instruments (Mutual Funds) at FVTPL	1,513.72	2,888.11	Level 1	Measured at Quoted price or NAV.
Derivative instrument - Forward contract	-	-	Level 2	Fair valuation
Investments in unquoted Instruments at FVTPL	-	-		Fair valuation
Investments in unquoted Instruments at OCI	-	-		Fair valuation
Borrowings	3,570.55	2,025.00	Level 2	Amortised 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 31st March, 2021****43.1 Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

Risk management framework

The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investment in debt securities. The Group establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Ageing of Trade receivables

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Not due	4,048.17	3,000.41
0-3 months	297.63	773.69
3-6 months	24.88	59.91
6 months to 12 months	11.68	37.55
beyond 12 months	4.44	58.98
Allowance for doubtful trade receivables (Expected credit loss allowance)	(2.93)	(6.29)
Total	4,383.87	3,924.25

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021**Movement in provisions of doubtful debts**

₹ in lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening provision	6.29	8.01
Add: Additional provision made	(3.36)	(1.72)
Closing provision	2.93	6.29

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 concerned employee)

Investment in debt securities

The Group makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Group also makes investments in Debt Mutual funds.

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired. Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	As at 31 March 2020	As at 31 March 2020
No of Customers who owed more than 10% of the Total receivables	2	2
Contribution of Customers in owing more than 10% of Total receivables	53.00%	45.00%

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 7020.57 (₹1969.55 as at 31st March 2020) as at 31st March, 2021. 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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	95.00	3,475.55		2,025.00
Trade and other payables	3,612.16	-	2,929.62	-
Lease Liabilities	151.74	107.79	212.74	619.91
Other financial liabilities	1,163.62	-	862.96	-
Total non-derivative financial liabilities	5,022.52	3,583.34	4,005.32	2,644.91

C. Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Such changes in values of financial instruments may result from changes in foreign currency exchange rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign Currency Exchange Rate Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The following table analyses foreign currency risk from financial instruments as of 31st March 2021 :

₹ in lakhs

Particulars	USD	EURO	GBP	SGD	CAD
Accounts Receivable					
As at 31 March 2021	8.04	0.12	0.02	0.05	-
As at 31 March 2020	9.40	0.01	0.06	-	0.03
Accounts Payable					
As at 31 March 2021	8.75	-	-	-	-
As at 31 March 2020	8.45	0.09	-	-	-
Cash & Cash Equivalents					
As at 31 March 2021	6.16	-	-	-	-
As at 31 March 2020	4.06	-	-	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Foreign currency sensitivity analysis

The Group is mainly exposed to the currencies : USD and GBP.

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% 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	Average Exchange rate					
	USD	EURO	GBP	INR/USD	INR/EURO	INR/GBP
Export Transactions						
As at 31 March 2021	106.88	0.68	0.38	73.76	85.58	97.05
As at 31 March 2020	132.68	0.74	0.71	70.75	78.75	89.68
Import Transactions						
As at 31 March 2021	61.20	0.77	-	74.33	87.45	-
As at 31 March 2020	67.52	0.37	-	73.51	78.57	-

Impact on profit or loss and total equity

₹ in lakhs

Particulars	USD impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	166.72	221.16
Decrease in exchange rate by 5%	(166.72)	(221.16)
Particulars	EURO impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	(0.49)	1.43
Decrease in exchange rate by 5%	0.49	(1.43)
Particulars	GBP impact	
	As at 31 March 2021	As at 31 March 2020
Increase in exchange rate by 5%	1.82	3.17
Decrease in exchange rate by 5%	(1.82)	(3.17)

Forward foreign exchange contracts

The Group has entered into Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables.

The following are the outstanding Forward Exchange Contracts entered into by the Group.

Outstanding contracts	As at	Foreign currency	Carrying amount
Derivative instruments			
Accounts Receivables (USD)	31 March 2021	-	-
	31 March 2020	-	-
Accounts Payables(USD)	31 March 2021	-	-
	31 March 2020	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

₹ in lakhs

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

	March 31, 2021	March 31, 2020
Fixed-rate instruments		
Financial Assets - measured at amortised cost	-	-
Investment in Bonds	52.10	-
Borrowings	3,570.55	2,025.00
Total	3,622.65	2,025.00

44. Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2021

Sl. NO.	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
1	SEGMENT REVENUE		
a	Laundry & Allied Products	27,736.22	26,178.15
b	IT Enabled Services	3,042.93	4,400.13
c	Windmill	300.99	310.34
	TOTAL	31,080.14	30,888.62
	Less : Inter-Segment Revenue	(260.67)	(270.55)
	SALES/INCOME FROM OPERATIONS	30,819.47	30,618.07
2	SEGMENT RESULTS		
a	Laundry & Allied Products	6,357.79	6,157.76
b	IT-Enabled Services	927.98	962.92
c	Windmill	192.96	155.10
	TOTAL	7,478.73	7,275.78
	Less: Interest and Finance Charges	(107.69)	(110.03)
	Less: Unallocated Expenditure (Net-off)	124.26	596.47
	TOTAL PROFIT BEFORE TAX	7,495.30	7,762.22
3	SEGMENT ASSETS		
a	Laundry & Allied Products	24,780.83	19,084.49
b	IT-Enabled Services	1,109.26	2,083.59
c	Windmill	863.61	1,000.62
d	Unallocated / Corporate	29,306.39	15,975.34
		56,060.09	38,144.04

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Sl. NO.	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
4	Segment Liabilities		
a	Laundry & Allied Products	8,384.75	5,947.26
b	IT Enabled Services	470.08	1,044.53
c	Windmill	1.16	11.35
d	Unallocated / Corporate	1,096.97	893.55
		9,952.96	7,896.69
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	46,107.13	30,247.35

45 Related party disclosures**1 Names of related parties and nature of relationship:**

Nature of relationship	Name of related party		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Joint Managing Director	Executive
	Mr. R. Senthil Kumar	Whole-time Director	Executive
	Mr. V. Bharathram	Whole-time Director	Executive
	Mr. Nimish Patel	Director	Non-Executive Independent
	Mr. Navin M Ram	Director	Non-Executive Independent
	Mr. Rajeev M. Pandia	Director	Non-Executive Independent
	Mr. C.R. Chandra Bob	Director	Non-Executive Independent
	Mrs. P. Arunasree	Director	Non-Executive Independent
	Mr. Harsh R. Gandhi	Director	Non-Executive Independent
	Mr. S. Ramanan	Chief Financial Officer	
	Mr. Kishore Kumar Sahoo	Company Secretary	
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence.	Thirumalai Chemicals Limited		
	Lapiz Europe Limited		
	TCL Global B.V		
Relatives of Key Managerial Personnel	Ms. Meera Parthasarathy	Vice President(Operations), BPO Division	
	Ms. Vidya Sampath	Vice President - Corporate Social Responsibility (CSR)	

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

₹ in Lakhs

	2020-21	2019-20
Sales		
Goods, Materials and Services		
Thirumalai Chemicals Limited	0.73	3.42
Purchase		
Goods, Materials and Services		
Thirumalai Chemicals Limited	0.36	-
Remuneration paid to		
Mr. V. Bharathram	-	27.28
Ms. Meera Parthasarathy	64.43	72.87
Ms. Vidya Sampath	48.77	21.05

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

	2020-21	2019-20
Remuneration to Key Managerial Personnel		
Mr. V. Bharathram	164.23	77.20
Ms. Tara Parthasarathy	115.49	113.40
Mr. R. Senthilkumar	70.05	53.58
Mr. Ramanan	32.16	29.24
Mr. Kishore	18.32	14.45
Sitting fees & commission to Independent & Non-executive Directors	111.52	108.80
Rendering of Services to		
Thirumalai Chemicals Limited	14.49	12.79
Ahana LLC, USA	-	14.61
Rent Paid to		
Thirumalai Chemicals Limited	34.06	36.53
Ms. Vidya Sampath	1.94	1.76
Receiving of services from		
Thirumalai Chemicals Limited	0.15	1.26
Thirumalai Charity Trust (Thirumalai Mission Hospital)	5.25	1.11
Mr. R Sampath	28.80	-
Reimbursement of Expense		
Lapiz Europe Ltd	0.40	0.31
TCL Global BV	64.82	19.77
Outstanding payables		
Thirumalai Chemicals Limited	-	3.28
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.08	0.51
TCL Global BV	-	6.95
Ms. Vidya Sampath	0.17	-
Directors Remuneration Payables		
Mr. V. Bharathram	70.00	-
Ms. Tara Parthasarathy	70.00	60.00
Mr. R. Senthilkumar	10.00	5.00
Non-executive Directors commission	78.72	78.00
Outstanding receivables		
Thirumalai Chemicals Limited	0.01	4.83
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.05	-
Donations paid		
Thirumalai Charity Trust	110.00	120.00
Outstanding deposits receivables		
Ms. Vidya Sampath	0.70	0.70
Thirumalai Chemicals Limited	14.00	14.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

46 Leases

The following is the movement in lease liabilities during the year ended March 31, 2021: ₹ in Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	832.65	-
Lease liabilities recognised on initial application of Ind-AS 116	427.89	1,029.78
Finance cost accrued during the period	53.40	92.58
Payment of lease liabilities	(190.61)	(289.71)
Gain recognised on reassessment of Lease	(27.74)	
Gain recognised on termination of Lease	(199.64)	
Reversal of on Liability on Pre-Closure of Leases	(636.42)	
Balance at the end of the year	259.53	832.65
Lease Liability - Current	151.74	212.74
Lease Liability - Non-Current	107.79	619.91

Interest on lease liabilities is ₹ 53.40 Lakhs (March 31, 2020 ₹ 92.58 Lakhs) for the year ended March 31, 2021.

The total cash outflow for leases is ₹ 190.61 Lakhs (March 31, 2020 - ₹ 289.71 Lakhs) for the year ended March 31, 2021, including cash outflow for short-term and low-value leases. 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, 2021 on an undiscounted basis:

Particulars	31 st March, 2021	31 st March, 2020
Payable		
Within one year	118.27	305.48
After one year but not more than five years	163.16	679.51
More than five years	-	14.08

47 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Particulars	31 March 2021	31 March 2020
	INR	INR
i. Profit attributable to Equity holders of Group		
Profit attributable to equity holders of the Group for basic and diluted earnings per share	5578.66	6,200.70
ii. Weighted average number of ordinary shares		
Number of Issued equity shares at April 1	29,200,000	29,200,000
Effect of shares issued	-	-
Nominal value per share	2	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	29,200,000	29,200,000
Basic earnings per share	19.10	21.24

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

48 Financial information pursuant to Schedule III of Companies Act, 2013:

Name of the entity	Net Assets (Total Assets less Total Liabilities) As at 31 st March 2021		Share in Profit or Loss Year Ended 31 st March 2021		Share in Other Comprehensive Income (OCI) Year/ Period Ended 31 st March 2021		Share in Total Comprehensive Income (OCI) Year / Period Ended 31 st March 2021	
	%	Amount	%	Amount	%	Amount	%	Amount
	Holding Company							
Ultramarine & Pigments Limited	100.00%	46,106.98	100.00%	5,578.66	100.00%	10,281.12	100.00%	15,859.78
Indian Subsidiary								
Ultramarine Specialty Chemicals Limited	0.00%	0.15	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	46,107.13	100.00%	5,578.66	100.00%	10,281.12	100.00%	15,859.78

Name of the entity	Net Assets (Total Assets less Total Liabilities) As at 31 st March 2020		Share in Profit or Loss Year Ended 31 st March 2020		Share in Other Comprehensive Income (OCI) Year Ended 31 st March 2020		Share in Total Comprehensive Income (OCI) Year Ended 31 st March 2020	
	%	Amount	%	Amount	%	Amount	%	Amount
	Holding Company							
Ultramarine & Pigments Limited	100.00%	30,247.20	100.01%	6201.32	100.00%	(10,941.42)	99.98%	(4740.10)
Indian Subsidiary								
Ultramarine Specialty Chemicals Limited	0.00%	0.15	-0.01%	(0.85)	0.00%	-	0.02%	(0.85)
Total	100.00%	30,247.35	100.00%	6200.47	100.00%	(10,941.42)	100.00%	(4740.95)

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

As per our report of even date attached
For and on behalf of

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

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date : 20th May 2021

For and on behalf of the Board of Directors

TARA PARTHASARATHY
Joint Managing Director
DIN : 07121058

R. SENTHIL KUMAR
Whole-time Director
DIN : 07506927

S. RAMANAN
Chief Financial Officer

C.R. CHANDRA BOB
Director
DIN : 07384175

KISHORE KUMAR SAHOO
Company Secretary

Enabling Change Since 1970: A Journey with our Community

Thirumalai Charity Trust completed 50 years of service this year. We are happy to share our journey with you in this brief report.

“Social responsibility of business is not optional, but obligatory” – Our founders created TCT with this intention and a vision to support the communities they worked in. We are privileged to have been a part of this great organization, which has helped us to make a difference through many programmes.

In the early years, TCT supported health and education projects sponsored by reputed institutions in Mumbai and Chennai. TCT began its service in Tamil Nadu in 1983, with a medical centre at Thiruvalem, Vellore (then the North Arcot District). Based on this experience, in 1989, the trust started a community based health and development project with women volunteers from the local area and community based management of all programmes. The project expanded to suit the context and needs of the community, and its programmes made significant contributions to improve rural conditions.

The close involvement with the rural people through this project helped us understand their different needs. With this understanding and growing roots in the area, TCT's project portfolio grew to include alcoholism deaddiction, study and recreation centres for school students, self-help groups and microfinance, veterinary care, primary health care, education, etc.

Year	Programme
1992	Annual community based de-addiction camps
1993	Evening study and recreation centres
1994	Women Self Help Groups
1994	Vedavalli Vidyalaya under the aegis of <i>The Akshaya Vidya Trust</i>
1995	Veterinary care
1996	Programmes for differently-abled persons
1998	Community Health and Development Programme
2005	The Drinking Water Project for the Tsunami affected Nagai
2010	Thirumalai Mission Hospital (TMH) at Ranipet



First village dispensary (1983)

Obstetrics and Gynaecology, Paediatrics, Orthopaedics, E.N.T. and Dentistry. Physiotherapy and dialysis services are also provided. The hospital's laboratory and diagnostic services offer reliable results and are benchmarked for quality assurance. Our expertise is well known in the area for prevention, care and control of non-communicable diseases: diabetes, hypertension, osteoporosis, as well as screening for oral, cervical and breast cancer. Its research centre conducts research in community health.

TMH Home care services are now offered in nearby towns and villages. Telemedicine service is also offered to our hospital patients; our rural patients enrolled in our care programmes are also given care in the community through telemedicine.

The N.R. Swamy Rehab and Wellness Centre was started in 2014 and functions on the third floor of the hospital. It provides de-addiction and rehabilitation programmes for alcoholics, counselling to help with digital addiction among adolescents, and counselling against domestic violence.

Our primary healthcare services are implemented in 315 villages in 50 Panchayats of Vellore and Ranipet districts through village level volunteers and trained field staff. Patients are referred to the hospital for secondary care through field workers and through special camps.

During the pandemic period, TMH has operated as a safe hospital and continued to care for all its patients and the community. In response to the pandemic, a project was initiated to care for the rural elderly and vulnerable sections for advocating safety and care measures. Through this project, the community has been able to ensure reduced infection amongst the elderly and vulnerable, reduced morbidity and mortality.



Village health volunteer with a medical kit (1989)

As the programs grew, the geographical reach of our programs also expanded. Starting with one medical centre in one village, TCT now serves over 1,60,000 people in the Ranipet and Vellore districts. As some programmes grew, some shrank, as the community developed and changed. With its deep roots in the community, TCT has been able to ensure that the services it provides are both necessary and not redundant, changing with the times.

The heart of the current TCT service model is the Thirumalai Mission Hospital. Started in 2010 in a 2 storey building of 5000 sq.ft., the TMH has now grown to four floors and 30,000 sq.ft.. With NABH accreditation, the hospital offers outpatient and inpatient services in Emergency, General Medicine, General, Surgery,

Obstetrics and Gynaecology, Paediatrics, Orthopaedics, E.N.T. and Dentistry. Physiotherapy and dialysis services are also provided. The hospital's laboratory and diagnostic services offer reliable results and are benchmarked for quality assurance. Our expertise is well known in the area for prevention, care and control of non-communicable diseases: diabetes, hypertension, osteoporosis, as well as screening for oral, cervical and breast cancer. Its research centre conducts research in community health.

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Getting deep insight into the COVID 19 pandemic situation, we have contributed to the knowledge in this new area, ranging from safety measures to prevent the infection, care of infected persons at home, protocols for secondary care hospitals for patient and hospital safety, and advocating for priority groups for vaccination.

As we look back on our 5 decades, we are confident that we will be able to continue our service to the

A Journey with our Community

community by matching their needs with our philosophy of responsible and ethical care. In the years ahead, we will continue to involve all our stakeholders, intensify our efforts to improve the quality of health and development of our community, and develop sustainable institutions to benefit more people, more effectively and in more ways. We count on your continued support and patronage in this march to reach our 100th year of service.

www.thirumalaicharitytrust.org



Women Self Help Groups (1994)



Veterinary Care (1995)



Vedavalli Vidyalaya (1994)



Programme for Differently Abled Persons (1996)



Thirumalai Mission Hospital (2010)

Greetings from Vedavalli Vidyalaya!

The COVID-19 pandemic has thrown many challenges at us. However, our teaching staff and the administration teams, with their “Never Say Die” attitude, have ensured that the challenges were converted to opportunities and the educational needs of the students were duly taken care of.

Our teachers went through adequate training in the workshops to get familiar with “online” teaching and developed suitable techniques to make their teaching effective. We are happy to share the activities and events that happened in our school during the year. Given the situation, each and every session could only be conducted virtually. This meant a lot of preparation for the teachers, students and parents.

Online classes

From April 2020, our teachers started conducting a variety of online sessions from Kindergarten to Class XII at varying intervals. The assignments and activities were sent to the students, and the classes continued with interesting online games, quizzes and other activities.

Special Activities & Events

An array of activities for Primary, Middle, and Senior class students were conducted.

Special events such as Independence Day, Republic Day, and Teachers’ Day were also conducted online.

We would like to thank and applaud the parents, who supported us by ensuring online access to their children and by paying the school fees.

The students always look forward to the Special Weeks. We also had the opportunity to involve the parents, as many were able to participate from the comfort of their home.

Teacher Workshops

Our teachers were continuously attending various webinars and capacity building workshops conducted by reputed organisations.

NIOS

Our school got the affiliation as a Study Centre for NIOS- National Institute of Open Schooling. Three students joined the course for class X. Students who have completed 14 years can enrol in the NIOS and complete their Secondary and Senior Secondary level at their own pace.

Davis Learning Strategies (DLS)

DLS is an effective and efficient way to provide students with the necessary reading skills and to develop a promising reader into an accomplished reader. This program will also be extended to a few students of grades VII and VIII.

To ensure continuous and easy conduct of classes, our teachers were provided with necessary gadgets. Both the teaching faculty and the admin staff of Vedavalli Vidyalaya Schools have done an extraordinary job to ensure that the students were given the needed inputs and the required classes.

Our thoughts were fully occupied on how to reach out to the children in the virtual mode of teaching. Like all of us, we are eager to get restarted with a ‘new normal’ in the next academic year.

Art work by the students of Vedavalli Vidyalaya

