



59th ANNUAL REPORT

2019–2020

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. T. R. Madhavan	(upto 29-07-2019)
Mr. Vinod G. Nehemiah	(upto 29-07-2019)
Mr. Navin M. Ram	
Mr. S. Ragothaman	(upto 13-02-2020)
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

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

59th Annual General Meeting

Date & Time

22nd July, 2020 at 3.00 p.m.

Venue

Through Video Conferencing

Interim Dividend declared

250% (₹ 5.00 per share)
Paid on 30.03.2020

Book closure

16th July, 2020 to 22nd July, 2020
(both days inclusive)

Ranipet

25-B, SIPCOT Industrial Complex ,
Ranipet - 632 403, Tamilnadu
Tel: +91-4172-278500-504
Fax: +91-4172-664400
E-mail: syndet@ultramarinepigments.net



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



Mr. T.R. Madhavan is the former Executive Chairman of Centrum Capital Limited. Prior to this, he was Managing Director of Dhanlaxmi Bank Limited. He has more than 30 years of rich experience in Banking and Finance. He was with Bank of India for more than 30 years and was General Manager – Credit before he took voluntary retirement to join Dhanlaxmi Bank Limited as its Managing Director. His tenure as an Independent Director of the Board of Ultramarine & Pigments Limited completed on 29.07.2019.



Mr. Vinod G. Nehemiah, is an entrepreneur, Director of Snap Natural & Alginate Products Private Limited. SNAP manufactures natural food additives such as Salts of Alginic Acid, Carrageenan. He has worked in Hindustan Unilever Limited in various positions: Production Manager, Research Scientist. His tenure as an Independent Director of the Board of Ultramarine & Pigments Limited completed on 29.07.2019.



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. S. Ragothaman served as Director of ICICI Bank Ltd and ICICI Prudential Asset Management Co Ltd. He has more than four decades of experience in Project Finance, Investment Banking, Leasing, Bill Discounting and Financial Restructuring. He is currently occupies the position of Independent Director as well as membership and Chairmanship of Audit Committees of The Bombay Dyeing and Manufacturing Company Ltd, Xpro India Ltd, Xpro Global Ltd, National Peroxide Ltd, Digjam Limited. He has been a guest faculty for LIBA - Chennai, IFMR - Chennai, and RBI Staff Training College – Chennai. His tenure as an Independent Director of the Board of Ultramarine & Pigments Limited completed on 13.02.2020.



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.



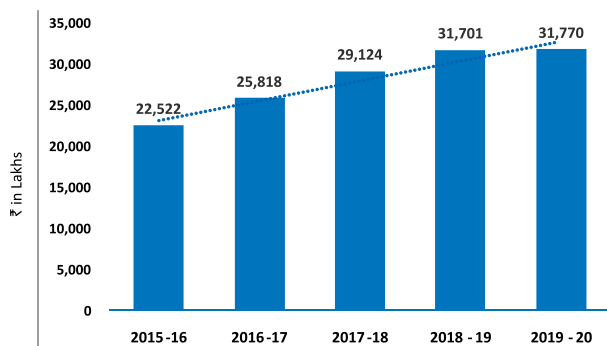
Mr. Harsh R Gandhi is a Science graduate from Purdue University, USA, completed Owner / President Management program with Harvard Business School, Boston, USA. He is the Joint Managing Director of GRP Limited. GRP Limited is a manufacturer of sustainable materials, focused on upgrading end of life tyre 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 18 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning etc.

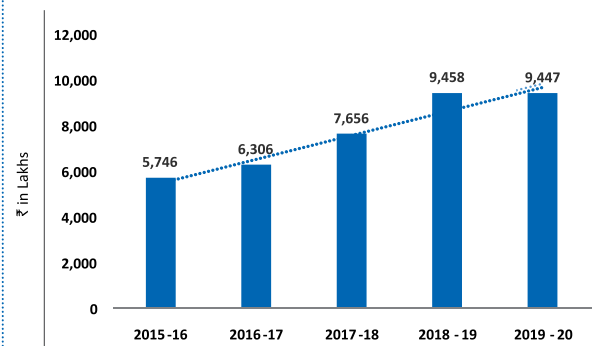


Financial Snapshot

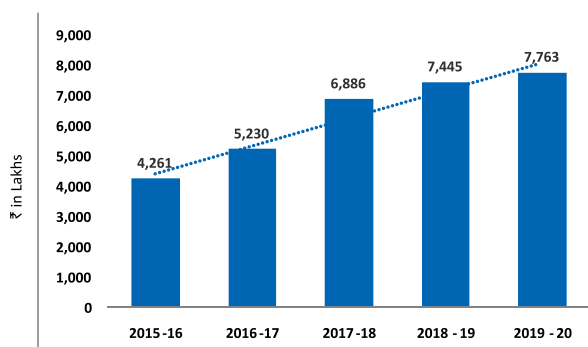
REVENUE



EXPORT - REVENUE

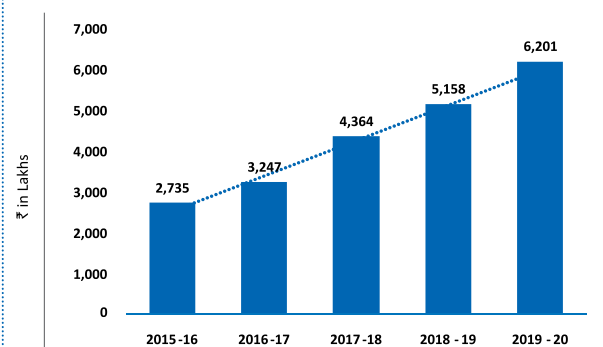


EBIDTA



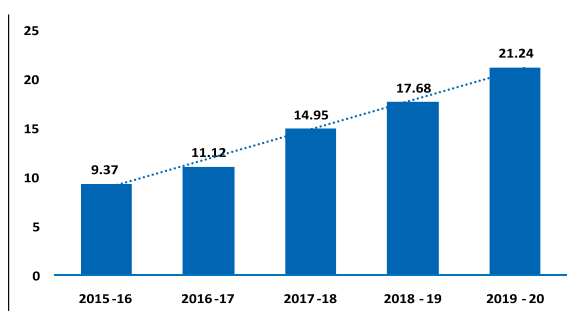
FY 18-19 EBITDA excludes exceptional item of Rs. 591 cr.

PROFIT AFTER TAX



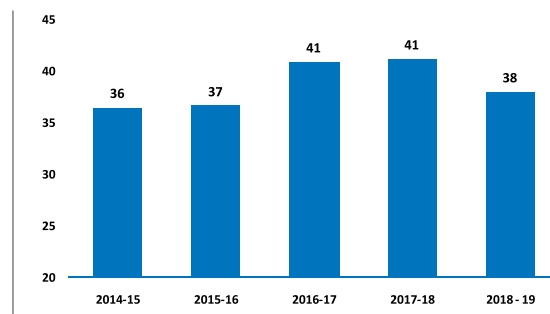
FY 18-19 PAT excludes exceptional item.

EARNINGS PER SHARE (₹)



FY 18-19 EPS calculated without exceptional item.

RETURN ON CAPITAL EMPLOYED -%





FINANCIAL HIGHLIGHTS for 10 YEARS

₹ in Lakhs

Sl. No.	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
		IndAS				IGAAP					
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Other Equity / Reserves & surplus	29664	37905	50,524	30,771	10,869	9,364	8,633	8,048	7,604	7,253
3	Net Worth	30248	38489	51,108	31,355	11,453	9,948	9,217	8,632	8,188	7,837
4	Fixed Assets (Net)	12673	8110	7,082	6,054	5,454	3,969	4,215	4,296	4,526	4,072
5	Sales/ Other Income*	31770	31701	28,607	25,818	22,522	17,389	15,328	14,394	13,825	12,372
6	Profit before Tax **	7,763	8,037	6,342	4,818	3,904	2,752	2,159	1,737	1,827	2,412
7	Tax Expenses	(1,562)	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)	(524)	(457)	(711)
8	Net Profit after Tax	6,201	5,648	4,364	3,247	2,735	1,875	1,440	1,213	1,370	1,701
9	Dividend (incl. Dividend Tax)	1760***	1582	1,494	1,406	1,230	1,054	854	769	1,018	1,021
10	Dividend (%)	250	225	212.50	200.00	175.00	150.00	125.00	112.50	150.00	150.00
11	Earnings Per share (₹)	21.24	19.34	14.95	11.12	9.37	6.42	4.93	4.15	4.69	5.83

* Sales and other income upto financial year 2017-18 includes excise duty.

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

*** Interim dividend for FY 2019-20



NOTICE

NOTICE is hereby given that the FIFTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held on Wednesday, the 22nd day of July 2020 at 3.00 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
 - a. the audited standalone financial statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and the Auditors' thereon; and
 - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the report of the Auditors' thereon
2. To confirm the payment of interim dividend as the final dividend for the financial year 2019 -2020.
3. To appoint a Director in place of Mr. R. Senthil Kumar (DIN: 07506927), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members be and is hereby accorded to the payment of revised remuneration to Ms. Vidya Sampath, Vice President - Corporate Social Responsibility (CSR) (a relative of Mr. R. Sampath, Director) with effect from 01.08.2020 on the following terms and conditions:

A.	Salary	Basic salary in the scale of ₹ 2,00,000 – 20,000 per month with a provision to pay multiple increments within the scale.
B.	Allowances / Perquisites / Variable pay	a) Allowances like Leave Travel Allowance, Special Allowance, or any other allowance; b) Perquisites such as furnished / unfurnished accommodation to be provided by the Company or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car and any other perquisites, benefits or amenities. - The allowance and perquisites not exceeding 100% of the Salary; and c) Variable pay: - as may be approved by the Nomination and Remuneration Committee subject to : - Variable pay (at 100% level) not exceeding twelve times of the monthly Basic Salary.
C.	Retirement benefits	- Contributions to Provident Fund, Superannuation Fund and Gratuity as per the Rules of the Fund / Scheme in force from time to time - Encashment of leave as per rules of the Company in force from time to time.



RESOLVED FURTHER THAT any Whole-time Director or Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution."

5. 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 Auditors 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, 2021, 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 authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Regd. Office:

Thirumalai House, Plot No. 101 -102,
Road No. 29, SION – East, Mumbai – 400022
Email: cs@ultramarinepigments.net,
Website: www.ultramarinepigments.net
Date: 1st June, 2020

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 and April 13, 2020 (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/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to rmimani@csrma.in/mmimani@csrma.in with a copy marked to evoting@cdslindia.com.



5. The Register of Members and the Share Transfer books of the Company will remain closed from 16th July, 2020 to 22nd July, 2020 (both days inclusive) for the purpose of Annual General Meeting of the Company.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. Members desiring any clarification on accounts are requested to write to the Company at an early date through email on cs@ultramarinepigments.net so as to enable the Company to keep the information ready.
13. 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 .

5,001 shares were transferred to IEPF on 15.11.2019.

The details are posted in the Company's website: www.ultramarinepigments.net/investors column for the information of the shareholders.



14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019- 20 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 2019-20 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>
15. 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 fifty-ninth AGM.
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. 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 authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 - b) The Members can join the AGM in the VC/OAVM 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.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on July 18, 2020 at 9.00 am. and ends on July 21, 2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 15, 2020 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.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.



- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field. The Sequence no. is mentioned in the email intimation.
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. 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).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selections 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.



- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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.
- iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i) Shareholder will be provided with a facility to attend the 59th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) 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.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 59th AGM ARE AS UNDER:-

- i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.



- iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 - iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - v) 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 three 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: cs@ultramarinepigments.net). These queries will be replied to by the company suitably by email.
 - vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rmimani@csrma.in / mmimani@csrma.in ; cs@ultramarinepigments.net, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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 1800225533.



Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.ultramarinepigments.net and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company is listed.

I. Explanatory Statement in respect of the special business pursuant to section 102 (1) of the Companies Act, 2013

Item No. 4

Ms. Vidya Sampath holds a masters degree in Graphic Design from Stella Maris College, Chennai. She started her career as a 3D animation artist at PentaFour in 1997 and continued her career in animation at Total infotainment Limited till 2001. She has worked on many special effects and animation projects for more than 7 years.

She spent a few years in advertising and design before she moved into the education sphere. In 2011, Ms. Vidya joined The Akshaya Vidya Trust which runs the Vedavalli Vidyalaya Schools at Ranipet and Wallajah in the Vellore district of Tamil Nadu. To equip herself better in this new environment she did a Cambridge Diploma in Teacher Training from The Teacher Foundation, Bangalore and a short Term course on Instructional Design at Azim Premji University. Knowledge acquired by visiting schools in Finland and in the US has helped her implement new projects in the schools.

She was appointed as Vice President – Corporate Social Responsibility (CSR) of the Company based on the recommendation of Nomination and Remuneration Committee, approval of the Audit Committee and the Board of Directors with effect from 01.08.2019 to look after the CSR activities, and community related program / activities.

The current remuneration of Ms. Vidya Sampath is within the ceiling of ₹ 2,50,000/- per month prescribed under Section 188 of the Companies Act, 2013.

Corporate Social Responsibility (CSR) activities have been a focus area for the Organisation both at Ranipet and at Ambattur where the Company's plant operates.

Company's CSR activities are focused on:

Education: Providing well – rounded education, offering exposure to students to people, places and ideas, engaging the students in outreach activities, promoting health consciousness and cleanliness, giving insight into our heritage in the locality and to create awareness on greening the environment, contributions to academic institutions with the objective of assisting students in their studies.

Primary and Secondary health care: Health programs for women, children, school students, adolescents and senior citizens, disabled people, alcoholics and people with chronic and communicable diseases to develop a unique model of community health with focus on rural areas in and around Vellore.



Rural development projects: Improving sanitation, livelihoods of people in rural areas.

It helps run the following Institutions:

1. Thirumalai Mission Hospital at Ranipet
2. Vedavali Vidyalaya Schools at Ranipet and Wallajah

In addition to the above, Community related programs involve wider activities.

- i) Immunization;
- ii) Care and monitoring for diabetes, hypertension and osteoporosis at Thirumalai Mission Hospital

The community program offers services to 35,000 families covering a population of 1,60,000 in Ranipet, Vellore where one of the Company's plants operates;

- iii) Recently Covid – 19 Pandemic related activities.

For smooth implementation of the different programs and for monitoring day-to-day activities related to CSR, role of a resourceful person equipped with planning and monitoring skills is very essential. Ms. Vidya Sampath, Vice President – CSR presently operating from Ranipet on a full time basis is ideally suited to oversee the above CSR and community related activities. The scope of CSR is ever increasing due to deployment of additional funds with more emphasis on monitoring and implementation.

The vast scope of the Company's CSR activities requires a dedicated resource at a senior level in order to ensure the desired reach and efficacy. Ms. Vidya Sampath fulfils this role in her present capacity by focusing exclusively on the CSR activities on a full time basis. Her past experience and expertise in CSR activities make her eminently suitable for this role.

In view of the roles, responsibilities, and contribution of Ms. Vidya Sampath towards CSR and Community related activities, the present remuneration is required to be revised. The payment of revised remuneration to Ms. Vidya Sampath requires prior approval of the Members under Section 188 of the Companies Act, 2013.

On the recommendation of Nomination and Remuneration Committee, and approval of the Audit Committee, the Board of Directors at their meeting held on 1st June, 2020 considered the revised remuneration payable to Ms. Vidya Sampath as set out in item no. 4 of the Notice subject to requisite prior approval of the Members.

Ms. Vidya Sampath, and Mr. R. Sampath, Director, being a relative, are interested in the resolution set out at item no. 4 of the Notice.

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

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

Item No. 5

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, 2021 as per the following details;

Name of the Cost Auditors	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.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

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. 5 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: 1st June, 2020

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 22nd July, 2020 as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mr. R. Senthil Kumar
DIN	07506927
Date of Birth	26.05.1967
Qualification	Masters in Business Administration
Expertise in specific functional areas	More than 28 years of experience in Manufacturing, Sales, Marketing, and plant operations.
List of other Directorships held excluding foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil
No. of shares held in the Company	500
Relationship between Director inter - se	Nil

By the Order of the Board

Regd. Office:

Thirumalai House, Plot No. 101 -102,
Road No. 29, SION – East, Mumbai – 400022
Email: cs@ultramarinepigments.net,
Website: www.ultramarinepigments.net
Date: 1st June, 2020

For **Ultramarine & Pigments Limited,**

[Kishore Kumar Sahoo]
Company Secretary



DIRECTORS' REPORT, MANAGEMENT'S DISCUSSION & ANALYSIS

To

Dear Members,

Your Directors have the pleasure of presenting the 59th Annual Report and the audited financial statement of the Company for financial year ended March 31, 2020.

FINANCIAL RESULTS:

A summary of the Company's Financial Results for the financial year 2019 -20 is as under:

		₹ Lakhs
Particulars	Financial Year 2019-20	Financial Year 2018-19
Revenue from operations	30,618	30,686
Profit before tax*	7,763	8,037*
Tax Expenses (Including Deferred Tax)	1,562	2,389
Profit after Tax *	6,201	5,648*

* includes exceptional item

DIVIDEND:

The interim dividend of ₹ 5/- per share of the nominal value of ₹ 2/- each for the financial year ended March 31, 2020 was declared on 16th March, 2020 and paid to all the eligible shareholders on 30th March, 2020. Thus the interim dividend paid is considered as final dividend for the financial year ended 31st March, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OPERATIONS AND FINANCIAL PERFORMANCE:

We have maintained revenue at the same level as compared to previous year, despite a slowdown in the economy and losing 2 weeks of crucial working days in March, 2020. We have earned ₹ 318 Crores as total income in FY20. The redeeming factor is that we were able to achieve a 4% growth in profit before tax (excluding exceptional item). Profit after tax went up by more than 10% as we opted for the lower tax regime for the current year. The overall performance of the Company has been good given the prevailing economic situation. Total export sales for the year is ₹ 94 Crores, maintained at same level as the previous year, amounting to a little less than a third of total sales.

Detailed analysis of division wise performance is given below.

PIGMENT DIVISION:

The economic slowdown and a persistent liquidity problem in the retail market has resulted in a slackening of domestic demand. We witnessed a 10% decline in volume but we managed to limit the shortfall in value terms by 2%. This is mainly due to increased focus on selling value added products, enabled by the investments made in technology over the past two years.

The Pigments division achieved a net revenue of ₹ 98 crores in this financial year as compared to ₹ 100 crores in the previous financial year.

**SURFACTANTS DIVISION:**

We were able to maintain the same revenue as compared to previous year & achieved 100% capacity utilisation. This year was very challenging due to wide fluctuations in raw material prices and forex. One of the key raw materials is 100% imported & maintaining a similar level of margin as that of previous year was very difficult. Having achieved full production, the Company used a product mix strategy to avoid a major erosion in the margins. This division reported a revenue of ₹ 164 crores as against ₹ 167 crores for the previous year.

The implementation of expansion project at Naidupet is at a crucial stage and we foresee a six-month delay in completing the project due to the lockdown and the subsequent return of migrant workers to their home states. The imported technology is on site, and once the business environment returns to normal, we can speed up the implementation. Commercial production is likely to commence during the fourth quarter of current financial year.

We are also embarking upon an expansion of our Pigments division and plans are in place to implement the same through a 100% subsidiary at Naidupet. The company's in house know-how and readily available technical manpower will be handy in executing the project in a cost effective manner.

WIND MILL GENERATION:

Windmills have generated 53.34 lakhs units as against 58.78 lakhs units. The marginal drop is due to seasonal wind variations. Captive consumption from the wind mills is 41.07 lakh units which is more than 75% of total generation.

ITeS DIVISION:

During the year under review, this division reported an income of ₹ 44 crores which was higher by 13% when compared to previous year figure of ₹ 39 crores. This is mainly due to additional revenue from Data conversion and the division continues to diversify its service offerings to ensure sustainability and profitability.

ENERGY AND WATER:

Energy: Through various initiatives taken through both internal engineering and new technology, we achieved 17% electrical power reduction in Pigments operations. We achieved a range of 4%-20% reduction in power consumption in the basket of other chemicals made in our surfactants plants.

Water: All of our manufacturing products are highly water intensive and we operate from inland facilities with high level of water scarcity, hence managing the water supplies were the great challenges to our company.

Through various initiatives we have reduced water need for some of our products up to 40% from the previous year through changes in downstream technology.

EARNINGS PER SHARE (EPS):

Earnings Per Share (EPS) is at ₹ 21.24 registering a growth of 20% over previous year (EPS 17.72 excluding exceptional item)

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 for prevention of data leakage. Your company has an effective ERP system which is customized to suit the company specific requirements. Majority of approvals and work flows are routed through the system.

Periodical health check-up 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.

Your company is implementing an upgraded ERP system by which the entire operations at various plant and depot are getting integrated and data will be captured seamlessly for effective monitoring and decision making.

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 currently employs 318 people. We finished the year with 46 women employees (14%), as compared to 37 in the previous year, and 28 in the year before that.

Throughout the year, the HR team executes multiple training programmes, with external trainers for communication, coaching, technical education, managerial skills and change leadership, and with internal trainers for a continuing on-the-job training programme for all employees. Further, select employees took on additional training to serve as coaches and mentors for others from different departments. Providing an environment for continuous learning and sharing is part of the company's human resource goals.

Your company's employees have taken on special projects large and small to help improve the company's well-being and support its continued profitability. The directors appreciate all the contributions they have made to achieve this year's improved performance, and their contributions to the future of the organisation.

RISKS AND CONCERNS.

Ultramarine Blue consumption in the laundry segment has been falling on a yearly basis. This year, there was a dip in retail sales in the domestic market. Mitigation of this requires further geographical expansion and increased value addition, moving out of the low end laundry grades. With the prohibition on unnecessary travel due to the prevailing pandemic, these plans are delayed.

The surfactant plant is operating at maximum capacity, and volume growth can be achieved only by expansion of plant capacity. The delay in implementation of project in Naidupet due to lockdown will hamper expected volume growth.

PROSPECTS & OUTLOOK.

The immediate focus is to stabilise the plant operation so that the production is raised to optimum level for best efficiency, post lockdown. However, uncertainties remain in terms of supply chain, manpower and return of normalcy to key industrial states in India.

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. We currently process 30% more of the high value grades than we did last year by volume, and 150% more than we 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.

**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, 2020 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**

- i) As per the provisions of Companies Act, 2013, Mr. R. Senthil Kumar (DIN.07506927), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Non – Executive Independent Directors

- ii) Mr. Rajeev M. Pandia (DIN: 00021730), Mr. C.R. Chandra Bob (DIN: 07384175), Dr. P. Arunasree (DIN: 01351504) were appointed as Independent Directors of the Company with effect from 29.07.2019 for a consecutive period of five years, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.
- iii) Mr. Nimish U. Patel (DIN:00039549) and Mr. Navin M. Ram (DIN.02410242) were re-appointed as Independent Directors for the second term of five years, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.
- iv) Mr. Harsh R. Gandhi (DIN.00133091) was appointed as an Independent Director for a consecutive period of five years with effect from 01.08.2019, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.

Non – Executive Director

- v) Continuation of Mr. R. Sampath, Chairman of the Board, Non-Executive Promoter Director (DIN: 00092144) was approved by the Shareholders at the Annual General Meeting held on 29th July, 2019 in terms of Regulation 17 (1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018.

Executive Directors

- vi) Ms. Tara Parthasarathy (DIN: 07121058) was re-appointed as Joint Managing Director for a term of five years with effect from 15.03.2020, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.
- vii) Mr. R. Senthil Kumar (DIN: 07506927) was re-appointed as Whole-time Director for a term of five years with effect from 01.08.2019, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.
- viii) Mr. V. Bharathram (DIN.08444583) was appointed as a Whole-time Director for a term of five years with effect from 01.08.2019, approved by the Shareholders at the Annual General Meeting held on 29th July, 2019.

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, five 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).

A summary report including score against each of the evaluation criteria and verbatim comments was submitted to the Chairman of the Board.

The Chairman of the Board shared the report with the Board members in the subsequent Board 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 minimize 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. During the year, the policy was amended by incorporating the provision of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 relating to leak of unpublished price sensitive information (UPSI) or suspected leak of UPSI and the procedure for inquiry relating thereto.

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 2019-20.

No. of complaints received: 1, No. of complaints disposed off: 1

Events	Date
Complaint received on	31.08.2019
Investigation carried out	03.09.2019
Internal complaint committee meeting held on	03.09.2019
Complaint resolved on	03.09.2019

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, 2020 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, 2020 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

A wholly owned subsidiary Company namely; Ultramarine Specialty Chemicals Limited was incorporated on 9th December, 2019 vide CIN. U24300TN2019 PLC133064. The subsidiary Company was formed to set up a greenfield project at an estimated cost of ₹ 5120 Lakhs to manufacture pigments at Naidupet, Nellore district in the state of Andhra Pradesh (AP). The Company is awaiting necessary statutory approvals from Government / local statutory authorities to start the project.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

Particulars of loans and investments are provided in the financial statements (Please refer Note 7,8,12 & 16 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, 2020

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, 2020 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2012-13	Final	2.25	653,847	14/09/2020
2	2013-14	Final	2.50	743,400	17/10/2021
3	2014-15	Final	3.00	967,305	17/10/2022
4	2015-16	Interim	3.50	1,220,418	02/06/2023
5	2016 -17	Final	4.00	1,393,908	22/10/2024
6	2017 -18	Final	4.25	1,064,544	12/09/2025
7	2018 -19	Final	4.50	678,208	07/09/2026

The details of unclaimed dividend are available on the Company's website: www.ultramarinepigments.net/investors/investorsinformationn

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).

5,001 shares were transferred to IEPF on 15.11.2019.

The details are posted in the Company's website: www.ultramarinepigments.net/investors/investorsinformation.

DETAILS RELATING TO DEMATERIALISED UNCLAIMED SUSPENSE ACCOUNT:

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

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

AUDITORS:

M/s. Brahmayya & Co was re-appointed as statutory auditors at the AGM held on 29th July, 2019 to hold office from the conclusion of the meeting till the conclusion of Annual General Meeting to be held in the year, 2024.

COST AUDIT:

Our Company falls under the applicability of maintenance of cost records and their audit. GSVK & Co., Cost Accountants (Firm Regn. No. 002371) has been appointed as Cost Auditors for the financial year 2019-20.

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, 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.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT- 9 are given in Annexure – 3 to this report.

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 – 4 & 5 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 – 6 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 – 7 to this report.

SUSTAINABILITY REPORT:

A report on business sustainability is given in Annexure – 8 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 : 1st June, 2020

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:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Remuneration Policy:

Managing Director (s), Whole time Director (s), 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(s). 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.



Annexure - 2

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, 2020**

[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, 2020 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, 2020 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 thereunder
 - 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 financial year 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; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 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. 12001MH250300]

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 9th June, 2020

FCS No: 6271
CP No : 4234
UDIN : F006271B000328461

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



Annexure A

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

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

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

For **R M MIMANI & ASSOCIATES LLP**
[COMPANY SECRETARIES]
[Firm Registration No. 12001MH250300]

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 9th June, 2020

FCS No: 6271
CP No : 4234
UDIN : F006271B000328461



Annexure -3

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

FORM NO. MGT - 9**I. REGISTRATION AND OTHER DETAILS:**

CIN	L24224MH1960PLC011856
Registration Date	25.10.1960
Name of the Company	Ultramarine & Pigments Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	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
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the* Product/ service	% to total turnover of the company
1	Surfactants	202	53.71
2	Pigments	201	31.70
3	ITES	620	14.37

* As per National Industrial Classification – Ministry of Statistics and Programme implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Ultramarine Specialty Chemicals Limited No.556, Vanagaram Road, Ambattur Chennai - 600 053	U24300TN2019PLC133064	Subsidiary	100	2 (87)



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) *Category-wise Share Holding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	10,961,735	-	10,961,735	37.54	11,911,860	-	11,911,860	40.79	3.25
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3,521,577	-	35,21,577	12.06	3,521,577	-	35,21,577	12.06	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other – Trust	1,206,224	-	1,206,224	4.13	-	-	-	-	(4.13)
Sub-Total (A) (1)	15,689,536	-	15,689,536	53.73	15,433,437	-	15,433,437	52.85	(0.88)
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter = (A) (1) + (A) (2)	15,689,536	-	15,689,536	53.73	15,433,437	-	15,433,437	52.85	(0.88)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	72,583	-	72,583	0.25	72,583	-	72,583	0.25	0.00
(b) Banks/FI	41,168	800	41,968	0.14	41,168	800	41,968	0.14	0.00
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Foreign Portfolio Investors (Coporate)	143,043	-	143,043	0.49	284,839	-	284,839	0.98	0.49
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	256,794	800	257,594	0.88	398,590	800	399,390	1.37	0.49
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	283,650	-	283,650	0.97	323,871	-	323,871	1.11	0.14
ii. Overseas	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	7,969,467	603,956	8,573,423	29.36	8,252,642	556,556	8,809,098	30.17	0.81
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	3,182,601	-	3,182,601	10.90	3,001,213	-	3,001,213	10.28	(0.62)
(c) Others (Specify)									
IEPF	145,246	-	145,246	0.50	149,447	-	149,447	0.51	0.01
Escrow Account	57,600	-	57,600	0.20	57,600	-	57,600	0.20	0.00
Clearing members	5,148	-	5,148	0.02	24,358	-	24,358	0.08	0.06
Hindu undivided families	337,102	-	337,102	1.15	349,935	-	349,935	1.20	0.05
NRI	667,850	-	667,850	2.29	651,551	-	651,551	2.23	(0.06)
Trusts	250	-	250	0.00	-	-	-	0.00	0.00
Sub-Total (B)(2)	12,648,914	603,956	13,252,870	45.39	12,810,617	556,556	13,367,173	45.78	0.39
Total Shareholding of Public = (B) (1) + (B) (2)	12,905,708	604,756	13,510,464	46.27	13,209,207	557,356	13,766,563	47.15	0.88
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	28,595,244	604,756	29,200,000	100.00	28642644	557,356	29,200,000	100.00	-

ii) *Shareholding of Promoters:*

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	THIRUMALAI CHEMICALS LIMITED	3,482,557	11.93	-	3,482,557	11.93		-
2	SANTHANAM SUNDARARAJAN	1,222,636	4.19	-	0	0.00		(4.19)
3	SRIDHAR SUNDARARAJAN	1,203,595	4.12	-	954,080	3.27		(0.85)
4	INDIRA SUNDARARAJAN	1,071,855	3.67	-	1,071,855	3.67		-
5	BHOOMA PARTHASARATHY	811,763	2.78	-	977,747	3.35		0.57
6	JAYALAKSHMI VENKATARAMAN	712,040	2.44	-	712,040	2.44		-
7	R SAMPATH	872,242	2.99	-	12,75,294	4.37		1.38
8	PARTHASARATHY RANGASWAMY	736,331	2.52	-	977,747	3.35		0.83
9	SUJATA SAMPATH	582,634	1.99	-	12,75,293	4.37		2.38
10	DAYA SRIDHAR	471,928	1.62	-	471,928	1.62		-
11	KALA SUNDARAVEDA	376,392	1.29	-	377,992	1.29		-
12	RANGASWAMY PARTHASARATHY HUF	407,400	1.39	-	0	0.00		(1.39)
13	SRIDHAR SUNDARARAJAN – HUF	330,449	1.13	-	330,449	1.13		-
14	DEEPA AJAY	363,796	1.25	-	669,455	2.29		1.04
15	G S FAMILY TRUST	315,301	1.07	-	0	0.00		(1.07)
16	RANGASWAMY SAMPATH - HUF	260,207	0.89	-	0	0.00		(0.89)
17	R S FAMILY TRUST	259,243	0.89	-	0	0.00		(0.89)
18	V S FAMILY TRUST	260,960	0.89	-	0	0.00		(0.89)
19	GEETHA .S	192,962	0.66	-	498,621	1.71		1.05
20	M P FAMILY TRUST	187,960	0.64	-	0	0.00		(0.64)
21	T P FAMILY TRUST	182,760	0.63	-	0	0.00		(0.63)
22	PRAVIN RANGACHARI	180,030	0.62	-	180,030	0.62		-
23	S VARADARAJAN	346,482	1.19	-	652,141	2.23		1.04
24	SRINATH SRIDHAR	141,180	0.48	-	141,180	0.48		
25	S VIDYA	107,515	0.37	-	107,515	0.37		-



Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
26	S NARAYAN	347,796	1.19	-	642,771	2.20		1.01
27	RAMYA BHARATHRAM	59,360	0.20	-	63,460	0.22		0.02
28	V BHARATHRAM	36,000	0.12	-	36,000	0.12		-
29	MEERA PARTHASARATHY	48,120	0.16	-	236,080	0.81		0.65
30	TARA PARTHASARATHY	20,000	0.07	-	202,760	0.69		0.62
31	ADITYA RAJAN	17,200	0.06	-	17,200	0.06		-
32	KAVYA NARAYAN	16,000	0.05	-	16,000	0.05		-
33	UTTARA B	16,000	0.05	-	16,000	0.05		-
34	V S SUNDARARAJAN	4,108	0.01	-	4,108	0.01		-
35	BINA RAJAN	4,000	0.01	-	4,000	0.01		-
36	PRATHAMESH KARKAL	1,600	0.01	-	0	0.00		(0.01)
37	VARADARAJAN SANTHANAM	114	0.00	-	114	0.00		-
38	JASMINE LTD	39,020	0.13	-	39,020	0.13		-
Total		15,689,536	53.73		15,433,437	52.85		(0.88)

iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Prathamesh Karkal				
	At the beginning of the year	1,600	0.00	1,600	0.00
	07.06.2019 Inter-se transfer (Gift)	-1600	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00
2.	Kala Sundarvedha				
	At the beginning of the year	376,392	1.29	376,392	1.29
	07.06.2019 Inter-se transfer (Gift)	1,600	0.00	377,992	1.29
	At the end of the year	377,992	1.29	377,992	1.29



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Santhanam Sundararajan				
	At the beginning of the year	1,222,636	4.19	1,222,636	4.19
	30.08.2019 Inter-se transfer	-12,22,636	-4.19	0	0.00
	At the end of the year	0	0	0	0.00
4.	Sridhar Sundararajan				
	At the beginning of the year	1,203,595	4.12	1,203,595	4.12
	13.09.2019 - Sale	-1,000	0.00	1,202,595	4.12
	20.09.2019 - Sale	-6,092	0.02	1,196,503	4.09
	27.09.2019 - Sale	-16,916	0.06	1,179,587	4.04
	30.09.2019 - Sale	-12,580	0.04	1,167,007	4.00
	15.11.2019 - Sale	-13,352	0.05	1,153,655	3.95
	22.11.2019 - Sale	-10,152	0.03	1,143,503	3.92
	29.11.2019 - Sale	-2,690	0.01	1,140,813	3.91
	20.12.2019 - Sale	-46,546	0.16	1,094,267	3.75
	31.12.2019 - Sale	-14,481	0.05	1,079,786	3.70
	03.01.2020 - Sale	-11,827	0.04	1,067,959	3.66
	14.02.2020 - Sale	-33,171	0.11	1,034,788	3.54
	21.02.2020 - Sale	-29,697	0.10	1,005,091	3.44
	28.02.2020 - Sale	-32,608	0.11	972,483	3.33
	06.03.2020 -Sale	-18,403	0.06	954,080	3.27
	At the End of the year	954,080	3.27	954,080	3.27
5.	GS Family Trust				
	At the beginning of the year	315,301	1.08	315,301	1.08
	28.06.2019 Inter-se transfer	-315,301	-1.08	0	0.00
	At the End of the year	0	0.00	0	0.00



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	VS Family Trust				
	At the beginning of the year	260,960	0.89	260,960	0.89
	28.06.2019 Inter-se transfer	-260,960	-0.89	0	0.00
	At the End of the year	0	0.00	0	0.00
7.	RS Family Trust				
	At the beginning of the year	259,243	0.89	259,243	0.89
	28.06.2019 Inter-se transfer	-259,243	-0.89	0	0.00
	At the End of the year	0	0.00	0	0.00
8.	R. Sampath				
	At the beginning of the year	872,242	2.99	872,242	2.99
	07.06.2019	-14,701	-0.05	857,541	2.94
	28.06.2019 Inter-se transfer	417,753	1.43	1,275,294	4.37
	At the End of the year	1,275,294	4.37	1,275,294	4.37
9.	Sujata Sampath				
	At the beginning of the year	582,634	2.00	582,634	2.00
	07.06.2019	274,908	0.94	857,542	2.94
	28.06.2019 Inter-se transfer	417,751	1.43	1,275,293	4.37
	At the End of the year	1,275,293	4.37	1,275,293	4.37
10.	M P Family Trust				
	At the beginning of the year	187,960	0.64	187,960	0.64
	06.09.2019 Inter-se transfer	-187,960	-0.64	0	0.00
	At the End of the year	0	0.00	0	0.00
11.	T P Family Trust				
	At the beginning of the year	182,760	0.63	182,760	0.63
	06.09.2019 Inter-se transfer	-182,760	-0.63	0	0.00
	At the End of the year	0	0.00	0	0.00
12.	Rangaswamy Parthasarathy - HUF				
	At the beginning of the year	407,400	1.39	407,400	1.39
	09.08.2019 Inter-se transfer	-407,400	-1.39	0	0.00
	At the end of the year	0	0.00	0	0.00
13.	Rangaswamy Parthasarathy				
	At the beginning of the year	736,331	2.52	736,331	2.52
	09.08.2019 Inter-se transfer	241,416	0.83	977,747	3.35
	At the end of the year	977,747	3.35	977,747	3.35



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14.	Bhooma Parthasarathy				
	At the beginning of the year	811,763	2.78	811,763	2.78
	09.08.2019 Inter-se transfer	165,984	0.57	977,747	3.35
	At the end of the year	977,747	3.35	977,747	3.35
15.	Meera Parthasarathy				
	At the beginning of the year	48,120	0.16	48,120	0.16
	06.09.2019 Inter-se transfer	187,960	0.64	236,080	0.80
	At the end of the year	236,080	0.80	236,080	0.80
16.	Tara Parthasarathy				
	At the beginning of the year	20,000	0.07	20,000	0.07
	06.09.2019 Inter-se transfer	182,760	0.63	202,760	0.70
	At the end of the year	202,760	0.70	202,760	0.70
17.	S. Narayan				
	At the beginning of the year	3,47,796	1.19	3,47,796	1.19
	22.11.2019 – Sale	-2,684	0.01	3,45,112	1.18
	29.11.2019 – Sale	-2,000	0.01	3,43,112	1.17
	20.12.2019 – Sale	-6,000	0.02	3,37,112	1.15
	13.03.2020 Inter-se transfer	3,05,659	1.05	6,42,771	1.2
	At the End of the year	6,42,771	1.2	6,42,771	1.2
18.	Deepa Ajay				
	At the beginning of the year	363,796	1.24	363,796	1.24
	13.03.2020 Inter-se transfer	305,659	1.05	669,455	2.29
	At the End of the year	669,455	2.29	669,455	2.29
19.	S. Varadarajan				
	At the beginning of the year	346,482	1.19	346,482	1.19
	13.03.2020 Inter-se transfer	305,659	1.05	652,141	2.23
	At the End of the year	652,141	2.23	652,141	2.23
20.	Geetha S				
	At the beginning of the year	1,92,962	0.66	1,92,962	0.66
	07.02.2020 Transmission	12,22,636	4.19	14,15,598	4.85
	13.03.2020 Inter-se transfer	-9,16,977	-3.14	4,98,621	1.71
	At the End of the year	4,98,621	1.71	4,98,621	1.71



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
21.	Ramya Bharathram				
	At the beginning of the year	59,360	0.20	59,360	0.20
	19.03.2020 - Purchase	4,100	0.01	63,460	0.21
	At the End of the year	63,460	0.21	63,460	0.21

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	R. Sundar rajan				
	At the beginning of the year	644,217	2.21	644,217	2.21
	During the year	--	--	--	--
	At the end of the year	644,217	2.21	644,217	2.21
1.	R. Sundar rajan				
	At the beginning of the year	45	0.00	45	0.00
	05.04.2019 - Sale	-45	0.00	0	0.00
	03.05.2019 - Purchase	50	0.00	50	0.00
	17.05.2019 - Purchase	150	0.00	200	0.00
	24.05.2019 - Purchase	200	0.00	400	0.00
	31.05.2019 - Purchase	189	0.00	589	0.00
	At the end of the year	589	0.00	589	0.00
2.	T. Vijayaraghavan				
	At the beginning of the year	630,000	2.16	630,000	2.16
	09.08.2019 - Sale	-700	0.00	629,300	2.16
	16.08.2019 - Sale	-800	0.00	628,500	2.16
	23.08.2019 - Sale	-300	0.00	628,200	2.16



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30.08.2019 - Sale	-1,900	0.01	626,300	2.15
	06.09.2019 - Sale	-2,100	0.01	624,200	2.14
	13.09.2019 - Sale	-2,700	0.02	621,500	2.12
	20.09.2019 - Sale	-4,500	0.01	617,000	2.11
	27.09.2019 - Sale	-19,025	0.06	597,975	2.05
	04.10.2019 - Sale	-975	0.01	597,000	2.04
	11.10.2019 - Sale	-3,489	0.01	593,511	2.03
	18.10.2019 - Sale	-6,511	0.02	587,000	2.01
	01.11.2019 - Sale	-13,000	0.04	574,000	1.97
	08.11.2019 - Sale	-2,500	0.01	571,500	1.96
	15.11.2019 - Sale	-3,315	0.01	568,185	1.95
	27.12.2019 - Sale	-5,684	0.02	562,501	1.93
	31.12.2019 - Sale	-4,000	0.01	558,501	1.91
	03.01.2020 - Sale	-3,044	0.01	555,457	1.90
	10.01.2020 - Sale	-11,457	0.04	544,000	1.86
	17.01.2020 - Sale	-22,000	0.07	522,000	1.79
	24.01.2020 - Sale	-9,000	0.03	513,000	1.76
	31.01.2020 - Sale	-16,000	0.06	497,000	1.70
	07.02.2020 - Sale	-6,000	0.02	491,000	1.68
	14.02.2020 - Sale	-8,741	0.03	482,259	1.65
	28.02.2020 - Sale	-11,798	0.04	470,461	1.61
	06.03.2020 - Sale	-3,000	0.01	467,461	1.60
	13.03.2020 - Sale	-8,700	0.03	458,761	1.57
	At the end of the year	458,761	1.57	458,761	1.57
3.	R. Ramachandran				
	At the beginning of the year	321,648	1.10	321,648	1.10
	05.04.2019 - Sale	-300	0.00	321,348	1.10
	31.05.2019 - Purchase	200	0.00	321,548	1.10
	16.08.2019 - Sale	-528	0.00	321,020	1.10
	30.08.2019 - Sale	-700	0.00	320,320	1.10
	27.09.2019 - Sale	-200	0.00	320,120	1.10
	31.12.2019 - Sale	-49	0.00	320,071	1.10
	24.01.2020 - Sale	-30	0.00	320,041	1.10
	07.02.2020 - Sale	-300	0.00	319,741	1.10
	14.02.2020 - Sale	-50	0.00	319,691	1.09
	At the end of the year	319,691	1.09	319,691	1.09



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	K. Sridhar				
	At the beginning of the year	295,682	1.01	295,682	1.01
	12.04.2019 - Sale	-600	0.00	295,082	1.01
	28.02.2020 - Sale	-3,500	0.01	291,582	0.99
	At the end of the year	291,582	0.99	291,582	0.99
5.	Saroja Srinivasan				
	At the beginning of the year	158,006	0.54	158,006	0.54
	30.08.2019 - Sale	-200	0.00	157,806	0.54
	13.09.2019 - Sale	-339	0.00	157,467	0.54
	27.09.2019 - Sale	-320	0.00	157,147	0.54
	11.10.2019 - Sale	-28	0.00	157,119	0.54
	01.11.2019 - Sale	-800	0.00	156,319	0.54
	15.11.2019 - Sale	-300	0.00	156,019	0.53
	22.11.2019 - Sale	-259	0.00	155,760	0.53
	31.12.2019 - Sale	-500	0.00	155,260	0.53
	03.01.2020 - Sale	-75	0.00	155,185	0.53
	10.01.2020 - Sale	-200	0.00	154,985	0.53
	17.01.2020 - Sale	-300	0.00	154,685	0.53
	24.01.2020 - Sale	-394	0.00	154,291	0.53
	06.03.2020 - Sale	-696	0.00	153,595	0.53
	At the end of the year	153,595	0.53	153,595	0.53
6.	Investor Education Protection Fund Authority – Ministry of Corporate Affairs				
	At the beginning of the year	145,246	0.50	145,246	0.50
	01.11.2019 - Claim from IEPF	-800	0.00	144,446	0.50
	15.11.2019 - Transfer to IEPF	5,001	0.01	149,447	0.51
	At the end of the year	149,447	0.51	149,447	0.51
7.	Gymkhana Partners L.P				
	At the beginning of the year	139,328	0.48	139,328	0.48
	31.05.2019 - Purchase	9,772	0.03	149,100	0.51
	07.06.2019 - Purchase	9,234	0.03	158,334	0.54
	14.06.2019 - Purchase	5,646	0.02	163,980	0.56
	28.06.2019 - Purchase	11,749	0.04	175,729	0.60
	05.07.2019 - Purchase	9,871	0.03	185,600	0.63



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	12.07.2019 - Purchase	8,801	0.03	194,401	0.66
	26.07.2019 - Purchase	7,616	0.03	202,017	0.69
	02.08.2019 - Purchase	32	0.00	202,049	0.69
	30.08.2019 - Purchase	4,304	0.01	206,353	0.70
	13.09.2019 - Purchase	7,104	0.03	213,457	0.73
	27.12.2019 - Sale	-4,471	0.01	208,986	0.71
	At the end of the year	208,986	0.71	208,986	0.71
8.	Bhavna Govindbhai Desai				
	At the beginning of the year	419,148	1.37	419,148	1.37
	During the year	--	--	--	--
	At the end of the year	419,148	1.37	419,148	1.37
9.	Vinod Gnanakan Nehemiah				
	At the beginning of the year	193,160	0.66	193,160	0.66
	During the year	--	--	--	--
	At the end of the year	193,160	0.66	193,160	0.66
10.	S. Bhooma				
	At the beginning of the year	175,474	0.60	175,474	0.60
	During the year	--	--	--	--
	At the end of the year	175,474	0.60	175,474	0.60

v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of the Directors and KMP Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vinod G. Nehemiah, Director				
	At the beginning of the year	193,160	0.66	193,160	0.66
	At the End of the year	193,160	0.66	193,160	0.66
2.	Mr. Nimish U. Patel, Director				
	At the beginning of the year	76,384	0.26	76,384	0.26
	During the year	-	-	-	-
	At the end of the year	76,384	0.26	76,384	0.26



S.No	Name of the Directors and KMP Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Mr. T.R. Madhavan, Director				
	At the beginning of the year	600	0.00	600	0.00
	During the year	-	-	-	-
	At the end of the year	600	0.00	600	0.00
4.	Mr. Navin M. Ram, Director				
	At the beginning of the year	1,050	0.00	1,050	0.00
	During the year	-	-	-	-
	At the end of the year	1,050	0.00	1,050	0.00
5.	Mr. S. Ragothaman, Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the end of the year	500	0.00	500	0.00
6.	Mr. R. Senthil Kumar, Whole-time Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the end of the year	500	0.00	500	0.00
7.	Mr. Rajeev M. Pandia, Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the end of the year	500	0.00	500	0.00
8.	Mr. C.R. Chandra Bob, Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the end of the year	500	0.00	500	0.00
9.	Dr. P. Arunasree, Director				
	At the beginning of the year	150	0.00	150	0.00
	During the year	500	0.00	500	0.00
	At the end of the year	650	0.00	650	0.00
10.	Mr. Harsh R. Gandhi, Director				
	At the beginning of the year	-	-	-	-
	During the year	-	-	-	-
	At the end of the year	-	-	-	-
11.	Mr. S. Ramanan, CFO				
	At the beginning of the year	934	-	934	0.00
	During the year	-	-	-	-
	At the end of the year	934	0.00	934	0.00
12.	Mr. Kishore Kumar Sahoo, Company Secretary				
	At the beginning of the year	10	0.00	10	0.00
	During the year	-	-	-	-
	At the end of the year	10	0.00	10	0.00

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	20,25,00,000	-	-	20,25,00,000
Reduction	-	-	-	-
Net Change	20,25,00,000	-	-	20,25,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	20,25,00,000	-	-	20,25,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45,867	-	-	45,867
Total (i+ii+iii)	20,25,45,867	-	-	20,25,45,867

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ Lakhs

Sl No.	Particulars of remuneration	Tara Parthasarathy, Joint Managing Director	V.Bharathram, Whole-time Director	R. Senthil Kumar, Whole-time Director
1 (a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.16	32.00	21.84
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	9.01	36.23	18.44
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - as % of profit - others, specify...	60.00	---	---
5	Others. Variable pay	---	---	5.00
Total (A)		101.17	68.23	45.28

B. *Remuneration to other Directors:*

₹ Lakhs

Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Nimish U. Patel	T. R. Madhavan	Vinod G. Nehemiah	Navin M. Ram	S.Ragothaman	Rajeev M. Pandia	
1	Independent Directors • Fee for attending board / committee meetings	4.00	2.00	1.60	3.60	2.80	2.40	16.40
	• Commission	6.26	7.82	3.91	4.69	6.26	1.56	30.50
	• Others, please specify	-	-	-	-	-	-	-
		C. R. Chandra Bob	P. Arunasree	Harsh R. Gandhi		R. Sampath	Indira Sundararajan	
	Independent Directors • Fee for attending board / committee meetings	3.20	2.40	1.60	2.Non-Executive Directors • Fee for attending board / committee meetings	3.20	4.00	14.40
	• Commission	1.56	-	-	• Commission	18.38	16.42	36.36
	• Others, please specify	-	-	-	• Others, please specify	-	-	-
Total								97.66

C. *Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:*

₹ Lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.60	5.19	17.79
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	15.38	8.48	23.86
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - as % of profit - others, specify...	---	---	---
5	Others, Please specify - Variable pay	---	0.80	0.80
Total (C)		27.98	14.47	42.45

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			None		
Punishment			None		
Compounding			None		
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

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

Place: Chennai
Date : 1st June, 2020

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure – 4

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 2019- 20.

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1	Tara Parthasarathy	Joint Managing Director	44:1
2	V. Bharathram	Whole-time Director	45:1
3	R. Senthil Kumar	Whole-time Director	24:1

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2019-20.

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Tara Parthasarathy	Joint Managing Director	60.65
2.	V. Bharathram	Whole –time Director	33.80
3.	R. Senthil Kumar	Whole –time Director	33.15
4.	S. Ramanan	Chief Financial Officer	-
5.	Kishore Kumar Sahoo	Company Secretary	7.00

- iii) The percentage increase in the median remuneration of Employees in the financial year is (16%).
- iv) The Company has 1105 permanent employees on the rolls of Company as on 31st March, 2020.
- v) Relationship between average increase in remuneration and Company's performance:
The profit before tax for the financial year ended 31st March, 2020 increased by 4% whereas the average increase in remuneration was 32%.
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

₹ in Lakhs

Sl. No.	Particulars	Year (2019 – 20)	Year (2018 – 19)	Percentage of increase/ decrease
1	Sales	30,618	30,686	Nil
2	Profit before tax	7,763	7,445	4
3	Remuneration of the KMP	346	168	106



vii) Market capitalization and price earnings ratio details are as under:

Particulars	As on 31.03.2020	As on 31.03.2019	Increase / (Decrease) (%)
Price Earnings Ratio	6.68	13.51	(50.60)
Market Capitalization (₹ in Crore)	413.03	767.08	(46.16)

The Company has not made any public issue of shares.

viii) Average percentage increase in the salaries of employees other than the managerial personnel in the financial year is (11.60%) whereas the increase in the managerial remuneration was 43%.

ix) Comparison of the 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	60.65	(0.22)
2	V. Bharathram	Whole – time Director	33.80	(0.22)
3	R. Senthil Kumar	Whole-time Director	33.15	(0.22)
4	S. Ramanan	Chief Financial Officer	-	(0.22)
5	Kishore Kumar Sahoo	Company Secretary	7.00	(0.22)

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 – 5

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	34	B Tech, Master of Environmental Management (MEM) 9 Yrs	Joint Managing Director	1,13,40,020	0.69	16.03.2015	World Resources Institute, Bangalore
2.	Mr. V. Bharathram	54	Graduate Degree in Computer Science and Masters in Business Administration Over 25 years of experience	Whole -time Director	77,19,834	0.12	01.07.2005	Bajaj Auto Finance Limited
3.	Ms. Meera Parthasarathy	37	Bachelors' in Engineering, Post graduate diploma in Business management Over 14 years of experience	Vice President	72,87,198	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 : 1st June, 2020

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure - 6

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 31.03.2020	YEAR ENDING 31.03.2019
1. ELECTRICITY			
a) Purchased Units	KW /HR	68,19,205	65,28,998
Total amount paid		5,08,61,757	5,11,66,298
Rate/ Unit	₹	7.46	7.84
b) Own Generation			
Through Windmill	KW/HR	53,34,489	58,78,398
Through Solar	KW/HR	3,87,698	4,19,158
Through DG	KW/HR	1,60,892	1,36,485
Unit / Litre of Diesel Oil	KW/HR	3.30	3.35
Cost Per Unit	₹	21.45	21.72
2. COAL AND COKE			
Coal & Coke &Pet Coke	₹	2,62,37,434	3,73,92,597
Coal & Coke &Pet Coke	Tons	1,217	1,657
Rate / Ton	₹	21,556	22,569
3. FURNACE OIL/ DIESEL / SKO ETC			
Furnace Oil / Diesel / SKO Etc.	KL	1,285	1,314
Total amount	₹	5,43,18,637	5,96,11,304
Rate / KL	₹	42,274	45,370
4. LPG			
LPG – Value	₹	1,44,89,436	88,50,438
LPG CYLINDER 450 KG QUANTAZ	KG	2,45,340	1,36,972
Average rate per KL	₹ / KG	59.06	64.61
4. RESEARCH & DEVELOPMENT EXPENDITURE ON R&D			
i) Capital	₹	12,00,460	28,42,657
ii) Recurring	₹	1,35,06,939	1,29,68,369
iii) Total	₹	1,47,07,399	1,58,11,026
iv) Total R&D Expenditure as a percentage of total turnover		0.48%	0.52%

II. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION

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

III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

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 : 1st June, 2020



Annexure - 7

Annual Report on Corporate Social Responsibility (CSR) Activities, 2019-20:

Composition of CSR Committee:

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

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.

CSR contribution:

Pursuant to the provisions of Companies Act, 2013, the Company should spend in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial year. In compliance with the said provision, the expenditure made by the Company towards CSR activities for the financial year 2019 -2020 is given below:

Particulars	Amount
i) Average net profit of the Company for the last three years (computed as per the provision of section 198 of the Companies Act, 2013)	₹ 5,923 Lakhs
ii) Prescribed CSR expenditure: 2% of (i) above	₹ 118.50 Lakhs
iii) Total amount spent for the financial year towards CSR activities	₹ 149.86 Lakhs

iv) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: 1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
				(₹ in lakhs)			
1.	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i), (iv) promoting health care including preventive health care	Ranipet, Tamil Nadu	125.00	120.00	486.78	Implementing agency – “Thirumalai Charity Trust”, Vellore, Tamil Nadu



1	2	3	4	5	6	7	8
2.	Health care	Clause (i), (iv) promoting health care including preventive health care	Thirumalla, Tirupati	-	10.00	10.00	Balaji Arogya Vara Prasadini Scheme, Thirumala, Tirupati
3.	Health care	Clause (i), (iv) promoting health care including preventive health care	Vellore, Tamil Nadu	-	10.00	10.00	Christian Medical College, Vellore
4.	Contribution to the school for spastic and mentally retarded children	Clause (ii) promotion of education	Ranipet, Tamil Nadu	-	5.36	9.36	VISHWAS Ranipet, Tamil Nadu
5.	Contribution to a School	Clause (ii) promotion of education	Anaikatti, Coimbatore	-	2.00	4.00	Bhuvana Foundation, Chennai
6.	Contribution towards construction of Toilets	Health and sanitation development in rural India	Tiruppur district, Tamil Nadu	-	2.50	3.50	South Central India Network for development alternatives, Chennai
	Total			125.00	149.86	523.64	

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) policy, is in compliance with CSR objectives and policy of the Company’.

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

Place: Chennai
Date : 1st June, 2020

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



SUSTAINABILITY REPORT

Our philosophy in sustainability is an outcome and a part of our value system: we take utmost care from selection of products, process, effect to environment, employees, natural resources and continuity for business sustenance coupled with safe long term deliveries.

We recognize that as a manufacturing company and a chemical producer & user, many of our activities can lead to hazardous situations or cause damage to people, the soil, water or air. Since our beginnings as a small chemical producer in 1960 we have striven to be “clean”; we have followed European and global standards of environmental and safety performance long before they became mandated in India. We have evolved since then continuously as performance among good companies improved.

We are one of the early companies and first in Pigments manufacturing to obtain Environment Management system (EMS 14000) certification. We strive to be among the best companies in the world in our practices in Safety, Environmental Impact, Water and energy consumption, the mitigation of hazards & the protection of our employees, customers and community.

In addition to providing outstanding value to our Customers, our company is driven by the goal of becoming a fully self-sustaining company in terms of energy and has taken a variety of measures towards reinforcing our status as a ‘Responsible Care’ company.

We have been a ‘Responsible care Company’, Logo holder since 2017. Since then we have been working constantly to improve – a testament to our focus on playing an active and responsible role in the communities we live and operate in.

Our long terms goals, remain the reduction of our use of critical resources viz. raw materials, energy, water, and reducing environmental footprint by improving the efficiency of our activities.

We remain a Zero Liquid Discharge (ZLD) company, in spite of multiple capacity enhancement through product mix changes and alternate environmental friendly products, operating with many plants and products. Water consumption is constantly reduced, and all waste waters are treated through effective effluent treatment plants for recovering in-organic chemicals which are then converted to intermediate products in detergent manufacturing. These are part of a continuous improvement program that has given us good results.

Though we are operating multiple products and operations in a single stream of process, our Specific Energy (power and heat) consumption in the last two decades has reduced by 47%. This is largely as a result of two initiatives: benchmarking and improving the efficiencies of all power and heat consuming equipment in manufacture; and constantly changing the cost effective sources for power and energy by modifications and adoptions.



Our water consumption has gone down by 60% in the last 25 years through various operational changes and technological upgradation, On an inland site and in a seriously water and energy deficit State, this is vital for us and for our neighbors in the area. But this remains a source of worry, as the water table in South India is fast depleting.

Improving water efficiency will be an important focus for your company for the next few years and a culture in our organisation.

Our training and development programmes for young persons from rural communities and towns, started 30 years ago, have been well recognized. A majority of our employees 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 are already started implementing this across our all sites, Ranipet, Ambattur and Naidupet.

To serve our needs as a manufacturing company in multiple sites and geographical locations and in different business segments, five years ago, we started a formal management development programme to identify young managers so that the next generation of mid and senior level management can grow from within. This is also an essential measure for our health and sustainability as an enterprise and is being supervised at very senior levels directly by the Board.

Corporate Social Responsibility (CSR)

The Company has CSR initiatives since 1970 through Thirumalai Charity Trust (TCT) at Ranipet, Vellore district of Tamil Nadu. The uniqueness of TCT lies in its ability to offer integrated primary and secondary health services, with Thirumalai Mission Hospital as the base, and reach the community through a committed network of field staff and volunteers to serve around 35,000 families with a population of approximately 160,000 people in 315 villages of Vellore and Ranipet districts of Tamil Nadu.

The integrated model of healthcare, especially for management and control of non-communicable diseases, such as diabetes, hypertension, osteoporosis, cancer screening and detection, has received wide recognition. Besides, the Company contributes to various Non-Government and charitable institutions engaged in promotion of education, rural sanitation, and health care in the locality it operates. A detailed report on CSR is given in the Directors report.



CORPORATE GOVERNANCE REPORT, 2020

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

Company's philosophy on Corporate Governance

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

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

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

Board of Directors

(a) Composition of Board as on 31.03.2020

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	Details
1.	Mr. R. Sampath	Non-Executive	Mr. R. Sampath is the Chairman. In terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 continuation of Mr. Sampath was approved by the Shareholders at the Annual General Meeting held on 29 th July 2019.
2.	Mrs. Indira Sundararajan	Non-Executive	Mrs. Indira Sundararajan is the Vice Chairperson.
3.	Ms. Tara Parthasarathy	Executive	Ms. Tara Parthasarathy is the Joint Managing Director.
4.	Mr. R. Senthil Kumar	Executive	Mr. R. Senthil Kumar was re-appointed as Whole – time Director with effect from 01.08.2019.
5.	Mr. V. Bharathram	Executive	Mr. V. Bharathram was appointed as Whole-time Director with effect from 01.08.2019.
6.	Mr. Nimish U. Patel	Non-Executive Independent	Mr. Nimish U Patel was re-appointed for the second term of five years with effect from 29.07.2019.
7.	Mr. T.R. Madhavan	Non-Executive Independent	Tenure of Mr. T. R. Madhavan completed on 29.07.2019.
8.	Mr. Vinod G. Nehemiah	Non- Executive Independent	Tenure of Mr. Vinod G. Nehemiah completed on 29.07.2019.



SI No.	Name of Directors	Category	Details
9.	Mr. Navin M. Ram	Non-Executive Independent	Mr. Navin M Ram was re-appointed for the second term of five years with effect from 10.11.2019.
10.	Mr. S. Ragothaman	Non-Executive Independent	Tenure of Mr. S. Ragothaman completed on 13.02.2020.
11.	Mr. Rajeev M. Pandia	Non-Executive Independent	Mr. Rajeev M Pandia was appointed as an Independent Director with effect from 29.07.2019.
12.	Mr. C.R. Chandra Bob	Non-Executive Independent	Mr. C.R. Chandra Bob was appointed as an Independent Director with effect from 29.07.2019.
13.	Dr . P. Arunasree	Non-Executive Independent	Dr. P. Arunasree was appointed as an Independent Director with effect from 29.07.2019.
14.	Mr. Harsh R. Gandhi	Non-Executive Independent	Mr. Harsh Gandhi was appointed as an Independent Director with effect from 01.08.2019.

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	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	–	–



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
		3. Fernway Technologies Limited	Executive	–	–
		4. Fernway Textiles Limited	Executive	–	–
		5. Stellant Chemicals Private Limited	Executive	–	–
		6. Stellant Chemicals Industries Private Limited	Executive	–	–
Navin M Ram	3	Listed –	–	–	–
		Others			
		1. Pipe Hangers & Supports Private Limited	Executive	–	–
		2. Originwave Techsoft Private Limited	Executive	–	–
		3. Blue Bay Personal Care Private Limited	Executive	–	–
Rajeev M Pandia	6	Listed	Independent	–	2
		1. GRP Limited	Independent	2	–
		2. The Supreme Industries Limited	Independent	1	–
		3. Excel Industries Limited	Independent	–	–
		4. Thirumalai Chemicals Limited	Independent	1	–
		5. Supreme Petrochem Limited	Independent	–	–
		Others			
		1. Deepak Phenolics Limited	Independent	–	–
C. R. Chandra Bob	1	Listed –	–	–	–
		Others			
		1. Jasmine Limited	Executive	–	–
P. Arunasree	1	Listed –	–	–	–
		Others			
		1. Gnanlex Hermeneutics Private Limited	Executive	–	–
Harsh R Gandhi	4	Listed	Executive	1	–
		1. GRP Limited	Executive	–	–
		Others			
		1. Grip Polymers Limited	Executive	–	–
		2. Alphanso Net secure Private Limited	Executive	–	–
		3. Marangoni GRP Private Limited	Independent	1	–

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

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

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 fulfills 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 2019 - 2020**

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

15/05/2019	29/07/2019	08/11/2019	06/02/2020	16/03/2020.
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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**

Name of the Directors	Attendance at Board meeting held on					Attendance at the AGM held on July 29, 2019
	May 15, 2019	July 29, 2019	November 8, 2019	February 06, 2020	March 16, 2020	
Mr. R. Sampath	✓	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	✓	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	✓	✓	✓	✓	✓
Mr. R. Senthil Kumar	✓	✓	✓	✓	✓	✓
Mr. V. Bharathram	NA	NA	✓	✓	✓	NA
Mr. Nimish U. Patel	✓	✓	✓	✓	✓	✓
Mr. T. R. Madhavan	✓	✓	NA	NA	NA	✓
Mr. Vinod G. Nehemiah	✓	✓	NA	NA	NA	✓
Mr. Navin M Ram	✓	✓	✓	✓	✓	✓
Mr. S. Ragothaman	✓	✓	✓	Leave of absence	NA	✓
Mr. Rajeev M. Pandia	✓	Leave of absence	✓	✓	✓	✓
Mr. C.R. Chandra Bob	✓	✓	✓	✓	✓	✓
Dr. P. Arunasree	✓	✓	✓	✓	✓	✓
Mr. Harsh Gandhi	NA	NA	✓	✓	✓	NA

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

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31-03-2020.

Name	Salary	Perquisites	Contribution to PF and other Funds	Commission/variable pay (Payable)	Total	No. of shares held
1. Ms. Tara Parthasarathy JMD	32,16,000	9,01,700	12,22,320	60,00,000	1,13,40,020	2,02,760
2. Mr. R. Senthil Kumar, WTD	21,84,132	18,44,370	8,29,729	5,00,000	53,58,231	500
3. Mr. V. Bharathram, WTD (w. e. f 1 st August, 2019)	32,00,000	36,23,434	8,96,400	--	77,19,834	36,000

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 (2019 -2020) is as under:

Name	Amount (₹)
Mr. R. Sampath	3,20,000
Mrs. Indira Sundararajan	4,00,000
Mr. Nimish Patel	4,00,000
Mr. T.R. Madhavan (up to 29.07.2019)	2,00,000
Mr. Vinod G Nehemiah (up to 29.07.2019)	1,60,000
Mr. Navin M Ram	3,60,000
Mr. S. Ragothaman (up to 13.02.2020)	2,80,000
Mr. Rajeev M. Pandia	2,40,000
Mr. C.R. Chandra Bob	3,20,000
Dr. P. Arunasree	2,40,000
Mr. Harsh R. Gandhi	1,60,000
Total	30,80,000

- 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 2018 -2019 is as follows:

Name	Commission amount (₹)
Mr. R. Sampath	18,38,230
Mrs. Indira Sundararajan	16,41,816
Dr. Gopakumar G Nair	4,69,335
Mr. Nimish Patel	6,25,780
Mr. T.R. Madhavan	7,82,225
Mr. Vinod G. Nehemiah	3,91,113
Mr. Navin M Ram	4,69,335
Mr. S. Ragothaman	6,25,780
Mr. Rajeev M. Pandia	1,56,445
Mr. C.R. Chandra Bob	1,56,445
Total	71,56,504

Shareholdings of Directors

Details of shares held by Non-Executive Directors as on 31/03/2020

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	500
Dr. P. Arunasree	650



Board Committees

Audit Committee

Composition of Audit Committee

Sl No.	Name	Category	Chairman / Member	Remarks
1.	Mr. T.R. Madhavan	Non –Executive Independent	Chairman	Up to 29.07.2019
2.	Mr. S.Ragothaman	Non –Executive Independent	Chairman	Up to 06.02.2020
3.	Mr. C.R. Chandra Bob	Non –Executive Independent	Chairman	From 06.02.2020
4.	Mr. Nimish U. Patel	Non –Executive Independent	Member	
5.	Mrs. Indira Sundararajan	Non –Executive Non Independent	Member	
6.	Mr. Navin M Ram	Non –Executive Independent	Member	From 06.02.2020

Tenure of Mr. T.R. Madhavan and Mr. S. Ragothaman completed with effect from 29.07.2019 and 13.02.2020 respectively. Mr. C.R. Chandra Bob, a fellow member of Institute of Chartered Accountants of India inducted as a member of the Committee with effect from 01.08.2019 and elected as Chairman of the Committee with effect from 06.02.2020. Mr. Navin M. Ram inducted as a member of the Committee with effect from 06.02.2020.

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:

15/05/2019	29/07/2019	8/11/2019	06/02/2020.
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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

Sl No.	Name of Members	15.05.2019	29.07.2019	08.11.2019	06.02.2020
1.	Mr. T. R. Madhavan	✓	✓	NA	NA
2.	Mr. C. R. Chandra Bob	NA	NA	✓	✓
3.	Mr. Nimish U. Patel	✓	✓	✓	✓
4.	Mr. S. Ragothaman	✓	✓	✓	Leave of absence
5.	Mrs. Indira Sundararajan	✓	✓	✓	✓

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	Remarks
1.	Mr.Vinod G. Nehemiah	Non –Executive Independent	Chairman	Up to 29.07.2019
2.	Mr. Rajeev M. Pandia	Non –Executive Independent	Chairman	From 01.08.2019
3.	Mr. R.Sampath	Non –Executive Non Independent	Member	
4.	Mr. Navin M. Ram	Non –Executive Independent	Member	

Tenure of Mr. Vinod G. Nehemiah completed with effect from 29.07.2019. Mr. Rajeev M. Pandia inducted with effect from 01.08.2019 and elected as Chairman of the Committee..

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

14/05/2019	29/07/2019	8/11/2019
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Attendance record of Nomination and Remuneration Committee:

SI No.	Name of Members	14.05.2019	29.07.2019	08.11.2019
1.	Mr. Vinod G. Nehemiah	✓	✓	NA
2.	Mr. Rajeev M Pandia	NA	NA	✓
3.	Mr. R. Sampath	✓	✓	✓
4.	Mr. 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.

Stakeholders Relationship Committee

Composition of the Committee:

SI No.	Name	Category	Chairman / Member	Remarks
1.	Mr. T.R.Madhavan	Non –Executive Independent	Chairman	Up to 15.05.2019
2.	Mr. Navin M. Ram	Non –Executive Independent	Chairman	From 15.05.2019
3.	Mrs. Indira Sundararajan	Non –Executive Non Independent	Member	
4.	Mr. C.R Chandra Bob	Non –Executive Independent	Member	From 15.05.2019

The Stakeholder Relationship Committee deals with the following matter:

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

Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer. All requests whenever received from any investor were timely attended for redressal. 1 complaint was received from a Shareholders during 2019-2020 relating to non-receipt of annual report and the same was redressed immediately.



The process of share transfer is delegated to a Registrar and Share Transfer Agent and is done once a fortnight (depending on transfers received) in compliance with SEBI Listing Regulations and is confirmed and ratified by the Board at each subsequent meeting.

During the year, one meeting of the Committee was held on 14/05/2019.

Attendance record of Stakeholders Relationship Committee

SI No.	Name of Members	14.05.2019
1.	Mr. T.R.Madhavan	✓
2.	Mrs. Indira Sundararajan	✓

Corporate Social Responsibility (CSR) Committee:

Composition of the Committee:

SI No.	Name	Category	Chairman / Member	Remarks
1.	Mr. T.R.Madhavan	Non –Executive Independent	Chairman	Up to 29.07.2019
2.	Mr. C.R. Chandra Bob	Non –Executive Independent	Chairman	From 01.08.2019
3.	Mr. Vinod G. Nehemiah	Non –Executive Independent	Member	Up to 29.07.2019
4.	Mrs. Indira Sundararajan	Non –Executive Non Independent	Member	
5.	Mr. Navin M. Ram	Non –Executive Independent	Member	From 01.08.2019

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 14/05/2019.

Attendance record of Corporate Social Responsibility Committee:

SI No.	Name of Members	14.05.2019
1.	Mr. T.R.Madhavan	✓
2.	Mr. Vinod G. Nehemiah	✓
3.	Mrs. Indira Sundararajan	✓

Risk Management Committee:

Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made mandatory the constitution of a risk management committee for top 500 listed Companies based on the market capitalization. The Company is not under the top 500 list; however it has constituted 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. C.R. Chandra Bob	Non –Executive Independent	Member
5.	Mr. S. Ramanan	Chief Financial Officer	Member

**Business Review Committee:**

SI No.	Name	Category	Chairman / Member	Remarks
1.	Mr. Vinod G. Nehemiah	Non –Executive Independent	Chairman	Up to 29.07.2019
2.	Mr. Rajeev M. Pandia	Non –Executive Independent	Chairman	From 01.08.2019
3.	Mr. T.R..Madhavan	Non –Executive Independent	Member	Up to 29.07.2019
4.	Mr. S.Ragothaman	Non –Executive Independent	Member	Up to 13.02.2020
5.	Mr. R. Sampath	Non –Executive Non Independent	Member	
6.	Mr. Navin M. Ram	Non –Executive Independent	Member	From 06.02.2020
7.	Mr. Harsh R. Gandhi	Non –Executive Independent	Member	From 06.02.2020

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 16/03/2020.

SI No.	Name of Members	16.03.2020
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 5th February, 2020, inter alia to discuss and review:

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

All the Independent directors were present at the meeting.

Performance evaluation of Independent Director:

A detailed note is provided in the Directors report.

Familiarization program for Independent Directors

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

The details of familiarization program are available at the website of the Company:

www.ultramarinepigments.net / investors /.



Brief details of General Body Meetings:

The Fifty ninth Annual General Meeting of the Company for the financial year 2019- 2020 would be held on Wednesday, the 22nd Day of July, 2020 at 3.00 p.m. through Video Conferencing (“VC”)

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
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.
2016 – 2017	11/08/2017	3.00 PM	2 nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga, Mumbai – 400 019.

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

Year	No. of Special resolutions passed
2018 - 2019	4
2017 - 2018	Nil
2016 - 2017	Nil

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

Sl no.	Resolution details
1	<u>Alteration of Articles of Association of the Company</u> Special Resolution: “RESOLVED THAT pursuant to the provisions of Section 5, 14 of the Companies Act, 2013 read with Companies (incorporation) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered by replacing all the existing Articles 1 to 219 with the new Articles 1 to 210, a copy of which is annexed to the explanatory statement, be and is hereby adopted as new Articles of the Articles of Association of the Company. RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. R. Senthil Kumar (DIN:07506927), Whole-time Director of the Company or Mr. Kishore Kumar Sahoo, Company Secretary be and are hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Mumbai.”
2	<u>Re-appointment of Mr. Nimish U. Patel (DIN. 00039549) as an Independent Director</u> Special Resolution: “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nimish U Patel (DIN. 00039549), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years up to Annual General Meeting for the year 2024.



	RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”
3	<u>Re-appointment of Mr. Navin M. Ram (DIN.02410242) as an Independent Director</u> Special Resolution: “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Navin M. Ram (DIN. 02410242), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years up to 10.11.2024.” RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”
4	<u>Continuation of Mr. R. Sampath (DIN.00092144) as a Director</u> Special Resolution: “RESOLVED THAT Pursuant to provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and other applicable provisions, if any, as amended from time to time and subject to such approvals, consents, permissions, terms and conditions, if any, as may be considered necessary from the appropriate authorities, consent of the Members be and is hereby accorded for the continuance of the Directorship of Mr. R. Sampath (DIN: 00092144), Non-Executive Promoter Director of the Company (who will be attaining the age 75 on 11.11.2019) as long as he continues in the Office of Director of the Company subject to the provisions, rules and regulations of Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and or any other appropriate authorities, as may be applicable, and as amended from time to time and that Mr. R. Sampath shall not be liable to retire by rotation. RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all other activities as may be incidental or expedient in this regard.”

- 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, 2020. 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:

Type of Service	FY 2020	FY 2019
Audit Fees	10.50	10.50
Tax Audit Fees	2.00	2.00
GST Audit Fees	1.52	--
Certification	5.50	5.50
Reimbursement of Expenses	0.06	--
Total	19.58	18.00

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	:	1
No. of complaints disposed off during the financial year	:	1
No. of complaints pending at the end of financial year	:	0



- (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 minimization procedures.

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

- (x) **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.

(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 in 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:

During the year, the Company has formed a 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 59 th AGM	Wednesday, the 22 nd July, 2020 at 3.00 pm. through video conferencing ("VC")
2	Financial Year	1 st April to 31 st March
3	Date of Book Closure	16 th July, 2020 to 22 nd July, 2020 (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-materialized mode. Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of Completed and validly executed documents.
12	Financial Calendar	Annual Results : 1 st June, 2020 Results for the Quarter ending June 30, 2020 : By 14 th August, 2020 September 30, 2020 : By 14 th November, 2020 December 31, 2020 : By 14 th February, 2021 March 31, 2021 : By 30 th May, 2021
13	Mailing of Annual Reports	Last week of June, 2020
14	Dividend Payment dates	Nil
15	Dematerialisation of Shares	As on 31/03/2020, 98.09% of the Company's shares representing 2,86,42,644 shares were held in the de-materialized form. Shares with NSDL – 2,60,35,009 Shares with CDSL – 26,07,635



16.	Plant location	Ambattur No.556, Vanagaram Road, Ambattur, Chennai – 600 053, Tamilnadu. Tel: +91-44 – 26136700 - 26136704 Fax: +91- 44- 26821201 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 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
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17) Categories of Shareholders as on 31.03.2020

Categories	No. of Shares	% to the total paid up capital
Promoters / Promoter group	15,433,437	52.85
General Public and HUF	12,217,946	41.84
Companies / Bodies Corporate	323,871	1.11
NRI	651,551	2.23
Investor Education & Protection Fund (IEPF)	149,447	0.52
Mutual Fund	72,583	0.25
Foreign Portfolio Investor	284,839	0.98
Financial Institutions / Banks	41,968	0.14
Clearing Member	24,358	0.08
Total	29,200,000	100.00

18) Distribution of Shareholding as on 31.03.2020

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	9,138	92.28	3,316,930	11.36
5001- 10000	379	3.83	1,400,510	4.80
10001-20000	197	1.99	1,518,436	5.20
20001-30000	54	0.55	661,295	2.26
30001-40000	28	0.28	493,931	1.69
40001-50000	15	0.15	342,693	1.17
50001-100000	37	0.37	1,228,338	4.21
Over 100000	54	0.55	20,237,867	69.31
TOTAL	9,902	100.00	29,200,000	100.00


19) Stock Market price data and BSE Sensex for the year 2019 – 2020

Month	Market share at BSE Ltd			BSE Sensex	
	High	Low	No. of Shares traded	High	Low
April -2019	269.85	239.00	132,275	39487.45	38460.25
May-2019	252.80	193.00	303,491	40124.96	36956.10
June-2019	210.95	182.25	104,860	40312.07	38870.96
July-2019	201.55	160.10	131,559	40032.41	37128.26
August-2019	197.70	160.15	91,242	37807.55	36102.35
September-2019	212.00	183.30	133,503	39441.12	35987.80
October-2019	199.85	179.50	110,001	40392.22	37415.83
November-2019	199.65	180.00	158,531	41163.79	40014.23
December-2019	190.00	170.00	217,617	41809.96	40135.37
January-2020	187.00	173.00	365,770	42273.87	40476.55
February-2020	188.95	170.00	329,437	41709.30	38219.97
March-2020	182.90	103.00	391,500	39083.17	25638.90

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 : 1st June, 2020

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, 2020.

For Ultramarine & Pigments Limited,

Tara Parthasarathy
Joint Managing Director
DIN: 07121058

Place : Chennai
Date : 1st June, 2020



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, 2020 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that there are no :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year; and
 - (iii) instances of significant fraud of which we have become aware.

For Ultramarine & Pigments Limited,

Place: Chennai
Date : 1st June, 2020

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 2020, 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 2020.
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

Membership No.: 203377

UDIN : 20203377AAAABX9003

Place: Chennai

Date: 1st June, 2020

**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, 2020 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
0092144	Mr. Rangaswamy Sampath	Director	01-08-2007
0092203	Mrs. Indira Sundararajan	Director	01-08-2004
7121058	Ms. Tara Parthasarathy	Managing Director	16-03-2015
7506927	Mr. Ramachandra Senthil Kumar	Whole-time Director	08-08-2016
0039549	Mr. Nimishbhai Upendrabhai Patel	Director	28-10-2003
2410242	Mr. Navin Muthu Ram	Director	10-11-2014
0021730	Mr. Rajeev Mahendra Pandia	Director	12-11-2018
7384175	Mr. Calidas Ramchandrar Chandra Bob	Director	12-11-2018
1351504	Mrs. Arunasree Piduri	Director	01-04-2019
0133091	Mr. Harsh Rajendra Gandhi	Director	01-08-2019
8444583	Mr. Bharathram Vijayaraghavan	Whole-time Director	01-08-2019

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

For **R M MIMANI & ASSOCIATES LLP**

[COMPANY SECRETARIES]

[Firm Registration No. 12001MH250300]

RANJANA MIMANI

(PARTNER)

FCS No: 6271

CP No : 4234

UDIN : F006271B000329022

Place : Mumbai

Dated : June 09, 2020



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 2020, 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, 2020, 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 Emphasis of Matter

- 3.1 We draw your attention to Note 2.F to the standalone financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. 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 for the current financial year. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.
- 3.2 Our opinion is not modified in respect of this matter.

4 Key Audit Matters

- 4.1 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.

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

- 5.1 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.



- 5.2 Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 5.3 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.
- 5.4 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.

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

- 6.1 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.
- 6.2 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.
- 6.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

- 7.1 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.
- 7.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 7.3 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.
- 7.4 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.
- 7.5 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.

8 Report on Other Legal and Regulatory Requirements

- 8.1 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.
- 8.2 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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, 2020 on its financial position in Note 40 to the standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Chennai
Date: 1st June, 2020

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 20203377AAAABU2948



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 2020, 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	30.36	Financial Year 2009-10	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	106.80	Financial Year 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

Disputed taxes paid under protest and not charged to Statement of Profit and Loss has not been included above. [Refer Note 40 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 utilized 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 give 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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or 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: 1st June, 2020

Membership No.: 203377

UDIN : 20203377AAAABU2948

**ANNEXURE - “B” TO AUDITORS’ REPORT**

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

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited (“the Company”) as of 31 March 2020 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, 2020, 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

Place: Chennai
Date: 1st June, 2020

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 20203377AAAABU2948

Standalone Balance Sheet as at 31st March, 2020

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 March 2020	As at 31 March 2019
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	8,454.38	7,841.91	
(b) Right of use asset	5	665.72	-	
(c) Capital work in progress	4	3,538.52	247.88	
(d) Intangible assets	6	14.85	20.56	
(e) Financial Assets				
(i) Investments	7	7,637.78	18,499.31	
(ii) Loans	8	-	300.00	
(iii) Other financial assets	9	100.00	0.70	
(f) Other non-current assets	10	1,287.95	1,399.81	
		<u>21,699.20</u>	<u>28,310.17</u>	
(2) Current assets				
(a) Inventories	11	3,383.35	2,717.48	
(b) Financial Assets				
(i) Investments	12	2,888.11	4,701.22	
(ii) Trade receivables	13	3,924.24	3,302.89	
(iii) Cash and cash equivalents	14	1,968.40	2,718.79	
(iv) Bank balances other than cash and cash equivalents	15	67.90	70.35	
(v) Loans	16	3,428.05	759.51	
(vi) Other financial assets	17	361.67	258.98	
(c) Current Tax Assets (Net)	18	-	48.25	
(d) Other current assets	19	423.46	195.80	
		<u>16,445.18</u>	<u>14,773.27</u>	
	Total Assets	<u>38,144.38</u>	<u>43,083.44</u>	
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	20	584.00	584.00	
(b) Other Equity	21	29,663.97	37,904.74	
		<u>30,247.97</u>	<u>38,488.74</u>	
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	2,025.00	-	
(ii) Lease liabilities	23	619.91	-	
(b) Provisions	24	97.18	107.06	
(c) Deferred tax liabilities (net)	25	723.73	1,096.82	
(e) Deferred Income	26	35.16	38.59	
		<u>3,500.98</u>	<u>1,242.47</u>	
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	27			
Total outstanding dues of micro enterprises and small enterprises		120.15	28.15	
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,808.97	2,158.75	
(ii) Lease liabilities	28	212.74	-	
(iii) Other financial liabilities	29	862.96	785.65	
(b) Other current liabilities	30	365.38	343.38	
(c) Provisions	31	21.81	32.88	
(d) Deferred Income	32	3.42	3.42	
		<u>4,395.43</u>	<u>3,352.23</u>	
	Total Equity and Liabilities	<u>38,144.38</u>	<u>43,083.44</u>	

The accompanying notes form an integral part of the standalone 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 : 1st June, 2020

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Standalone Statement of profit and loss for the year ended 31st March, 2020

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue From Operations	33	30,618.07	30,685.75
II	Other Income	34	1,151.53	1,016.98
III	Total Income (I+II)		31,769.60	31,702.73
IV	EXPENSES			
	Cost of materials consumed	35	13,414.59	14,359.59
	Changes in Inventories of Finished goods and work-in-progress	36	(106.50)	(279.90)
	Employee benefits expense	37	4,819.22	4,382.71
	Finance costs	38	110.14	10.99
	Depreciation and amortization expense	4-6	861.82	581.57
	Other expenses	39	4,907.27	5,202.43
	Total expenses (IV)		24,006.54	24,257.39
V	Profit before exceptional items (III-IV)		7,763.06	7,445.34
VI	Exceptional items (Refer Note No. 51)		-	591.21
VII	Profit before tax (V+VI)		7,763.06	8,036.55
VIII	Tax expense:			
	(1) Current tax		(1,887.70)	(2,517.00)
	(2) Deferred tax		320.46	128.28
	(3) Excess/(Short) provision of earlier year		5.50	-
IX	Profit for the period (VII-VIII)		6,201.32	5,647.83
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		(13.27)	(26.27)
	- Equity instruments through other comprehensive income		(10,931.49)	(16,754.07)
	A(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		3.34	9.18
	- 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))		(10,941.42)	(16,771.16)
XII	Total comprehensive income for the period (IX + XI)		(4,740.10)	(11,123.33)
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		21.24	19.34
	(2) Diluted		21.24	19.34

The accompanying notes form an integral part of the standalone 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 : 1st June, 2020

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Standalone Statement of cash flows for the year ended 31st March, 2020

₹ in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flow from operating activities		
Profit before tax	7,763.06	8,036.55
Adjustments for:		
Finance Cost	110.14	10.99
Depreciation and amortisation expenses	861.82	581.57
Interest Income	(325.87)	(208.63)
Dividend Income	(409.04)	(409.39)
Profit on sale of leasehold land	-	(591.21)
Provision for Leave Encashment	(23.66)	17.84
Bad Debts and Provision for expected credit loss	12.87	2.94
Net gains on disposal of property, plant and equipment	15.29	46.61
Remeasurement of defined benefit liabilities	(13.27)	(26.27)
Receipt of government grant	(3.43)	(3.42)
Net gains on sale of Investments	(227.10)	(275.17)
Net gains arising on financial assets designated at FVTPL	(49.91)	(91.63)
Net gains on foreign currency transactions and translation	2.04	2.76
Operating profit before working capital changes	7,712.94	7,093.54
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(665.87)	(208.35)
Trade receivables	(649.74)	(696.79)
Current financial loans and advances	(60.69)	(68.12)
Other current assets	(227.66)	68.82
Non-current financial loans and advances	(99.30)	7.11
Other Non-current assets	(1.22)	(7.57)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	763.70	(674.36)
Other current financial liabilities	(148.79)	54.50
Other current liabilities	19.99	17.29
Cash generated from operations	6,643.36	5,586.07
Direct taxes paid (net)	(1,885.51)	(2,556.09)
Net cash generated from operating activities (A)	4,757.85	3,029.98



₹ in Lakhs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
B Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(4,187.95)	(1,890.69)
Payment for intangible assets (including Intangible assets under development)	(26.28)	(29.25)
Proceeds from sale of GIDC Land	-	1,194.15
Proceeds from disposals of PPE	8.35	1.36
Purchase of non current investments	(200.00)	(227.86)
Investments in Subsidiary	(1.00)	-
Redemption of non current investments	131.38	2,185.90
Purchase of current investments	(9,795.00)	(17,011.80)
Redemption of current investments	11,884.78	15,427.69
(Increase)/ decrease in deposit with companies	(2,365.73)	(416.36)
Interest received	268.63	134.03
Dividend received	409.04	409.39
Net cash (used in) investing activities (B)	(3,873.78)	(223.44)
C Cash flow from financing activities		
Proceeds from Borrowings	2,025.00	-
Payment of Lease Liabilities	(289.71)	-
Interest paid	(17.56)	(10.99)
Dividend paid	(3,344.20)	(1,496.09)
Net cash (used in) financing activities (C)	(1,626.47)	(1,507.08)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(742.40)	1,299.46
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts & EEFC accounts and deposit accounts	536.70	328.60
Cash on hand	1.09	0.70
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	2,181.00	1,100.00
CASH AND CASH EQUIVALENTS AS PER NOTE No.13	2,718.79	1,429.30
F Effect of exchange differences on translation of foreign currency cash & cash equivalents	(7.99)	(9.97)
G CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts, EEFC 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 No. 13 [(D) + (E) + (F)]	1,968.40	2,718.79

The accompanying notes form an integral part of the standalone 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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Place: Chennai
Date : 1st June, 2020

Standalone Statement of changes in equity for the year ended 31st March, 2020

I Equity Share Capital

₹ in Lakhs

	Amount
Balance as at 31 March 2018	584.00
Changes in equity share capital during the year	-
Balance as at 1 April 2019	584.00
Changes in equity share capital during the year	-
Balance as at 31st March 2020	584.00

II Other Equity

Particulars	Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31 March 2018	4,105.00	12,815.21	33,603.95	50,524.16
Profit for the year ending 31 st March 2019	-	5,647.83	-	5,647.83
Other Comprehensive Income				
-Recognition of Investments at fair value			(16,754.07)	(16,754.07)
-Remeasurement of Defined benefit plans (Net of Taxes)		(17.09)		(17.09)
Other comprehensive income for the Period (Net of tax)	-	(17.09)	(16,754.07)	(16,771.16)
Total comprehensive income for the Period	-	5,630.74	(16,754.07)	(11,123.33)
Appropriation				
Final dividend - 2017-18		(1,241.00)	-	(1,241.00)
Tax on Final dividend		(255.09)	-	(255.09)
As at 31 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

The accompanying notes form an integral part of the standalone 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 : 1st June, 2020

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

**Notes to the standalone financial statements for the year ended March 31, 2020**

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 and Ambattur, Chennai and Wind Power Generators are also installed in the state of Tamilnadu. IT enabled services and BPO activities are carried out from offices situated in Chennai and Ranipet.

The standalone financial statements were authorized for issue by the Company's Board of Directors on 1st June, 2020.

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, 2020

E. Use of estimates and judgements

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

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

Property, plant and equipment and Intangible assets

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

Income taxes

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

Contingencies

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

Allowance for uncollected accounts receivable and advances

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2020 is included in the following notes:

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

F. Estimation of Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business

On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country.

COVID-19 impacted the business operation of the company since 17th March, 2020, by way of interruption in production due to closure / lock down of production facilities, unavailability of personnel and supply chain

**Notes to the standalone financial statements for the year ended March 31, 2020**

disruption resulting in reduction in economic activities. In terms of the government guidelines, the company has resumed its operations at its plants in a phased manner with limited availability of employees and in the process of scaling up its operations and focusing on controlling of costs and managing its resources to normalise its operations and its revenues.

The Company has assessed potential impact of Covid-19 on the carrying value of property, plant & equipment, trade receivable, inventories and other current assets appearing in the standalone financial statements of the Company. 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 for the current financial year ended 31st March, 2020.

In view of the highly uncertain economic environment, the actual impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements 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 capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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

Depreciation methods, estimated useful lives and residual value:

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

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



Notes to the standalone financial statements for the year ended March 31, 2020

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

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

3.2. Intangible Assets:

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

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

Research and Development expenses:

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

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

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

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

De-recognition of intangible assets

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

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

3.3. Impairment of Tangible and Intangible assets:

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

**Notes to the standalone financial statements for the year ended March 31, 2020****3.4. Non-current assets held for sale:**

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

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

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

3.5. Foreign currency transactions and balances:**Initial recognition:**

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

Conversion:

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

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

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

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

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

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

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

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



Notes to the standalone financial statements for the year ended March 31, 2020

Classification and subsequent measurement:

Financial assets:

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

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

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Notes to the standalone financial statements for the year ended March 31, 2020**

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

Impairment

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

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

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

Derecognition:**Financial assets:**

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

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

Financial liabilities:

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



Notes to the standalone financial statements for the year ended March 31, 2020

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

Offsetting:

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

Derivative financial instruments and hedge accounting:

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

3.7. Inventories:

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

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

3.8. Cash and cash equivalents:

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

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

3.9. Taxation:

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

Current Tax:

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

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

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statement and the corresponding tax bases used in the computation of taxable

**Notes to the standalone financial statements for the year ended March 31, 2020**

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

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

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

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

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

3.10. 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 recognized upon transfer of control of promised goods or services to customers.

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

Income from services

- i. In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of time as per terms of contract and are net of service tax/Goods and Services Tax.
- ii. Income from BPO activities is recognized on the 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 utilization/ realization of such duty credit.

**Notes to the standalone financial statements for the year ended March 31, 2020****Dividend and Interest income:**

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Sale of Scrap

Revenue from sale of scrap is recognized on sale.

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

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

Defined benefit plans:

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

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

Retirement and other employee benefits:

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

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.

**Notes to the standalone financial statements for the year ended March 31, 2020**

- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

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

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

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

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

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

Contingent liabilities:

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

**Notes to the standalone financial statements for the year ended March 31, 2020**

Contingent liabilities are disclosed for:-

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

Contingent assets:

Contingent assets are not recognized in the standalone financial statements.

3.13. Borrowing costs:

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

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

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

3.14. Leases:

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

**Notes to the standalone financial statements for the year ended March 31, 2020**

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the interest rate implicit in the lease or incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the applicable accounting policies included as part of our Annual Report for year ended March 31, 2019.

The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application, excluded initial direct costs from measuring the right-of-use asset at the date of initial application, used hindsight when determining the lease term if the contract contains options to extend or terminate the lease and used a discount rate to leases of similar assets in similar economic environment and similar end date.

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

The impact of adoption of Ind-AS 116 Standard is given in Note No.47 to the standalone financial statements.

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 the standalone financial statements for the year ended March 31, 2020****3.15. 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.

3.16. 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.

3.17. Government Grants and Subsidies:

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.18. 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.

3.19 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, 2020.



Notes to standalone financial statements for the year ended 31st March, 2020

4. Property Plant and Equipments

Particulars	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equip-ments	Furniture & Fixtures	Leasehold Improve-ments	Office Equip-ments	Vehicles	Lab Equip-ment (Used for R&D)	Total	Capital Work-in progress
Gross Carrying Value As at 01-04-2018	1,327.66	-	670.29	5,198.70	225.40	73.37	48.01	84.30	97.11	134.15	7,858.99	67.77
Additions	-	-	307.53	881.62	66.91	100.55	-	40.12	24.52	28.43	1,449.68	-
Disposals / Adjustments	-	-	-	65.83	1.35	0.91	-	2.23	3.16	-	73.48	-
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
Accumulated depreciation:												
Balance as at 01-04-2018	-	-	56.91	589.32	108.00	20.29	15.62	29.81	29.32	16.82	866.09	-
Charge for the year	-	-	39.77	371.56	58.05	29.45	7.71	20.57	14.45	11.13	552.69	-
Other Adjustments	-	-	-	20.70	0.16	0.40	-	1.52	2.72	-	25.50	-
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	-
Net carrying amount:												
As at 01-04-2018	1,327.66	-	613.38	4,609.38	117.40	53.08	32.39	54.49	67.79	117.33	6,992.90	-
As at 31-03-2019	1,327.66	-	881.14	5,074.31	125.07	123.67	24.68	73.33	77.42	134.63	7,841.91	-
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	-

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

(ii) * Additions to land represents land acquired during the year in the Industrial Park, Naidupet, Andhra Pradesh. The company has paid full consideration and taken possession of land and registered sale agreement and in terms of policy, the company is entitled to use the land and right to offer as security. The title to the land shall be registered in the name of the company on commencement of commercial operations of the expansion project.



Notes to the standalone financial statements for the year ended March 31, 2020

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

₹ in Lakhs

Tangible Assets under Construction in the nature of		
Buildings	1,149.83	
Plant & Machinery	1,763.59	
Electrical Installation	259.13	
		3,172.55
Intangible Assets acquired		31.85
Project Expenditure - Direct		
Statutory Fee	17.77	
Salaries and Wages	116.25	
Professional & Consultancy Charges	51.99	
Travelling Expenses	31.71	
Other Direct Expenses	69.24	
Finance Costs	47.16	334.12
		3,538.52

5 Right of use asset - Building

Particulars	Leased Premises
Gross Carrying Value:	
As at 01-04-2018	-
Additions	-
Disposals / Adjustments	-
Balance as at 31-03-2019	-
Additions	877.42
Disposals / Adjustments	-
Balance as at 31-03-2020	877.42
Accumulated depreciation:	
Balance as at 01-04-2018	-
Charge for the year	-
Other Adjustments	-
Balance as at 31-03-2019	-
Charge for the year	211.70
Other Adjustments	-
Balance as at 31-03-2020	211.70
Net carrying amount:	
As at 01-04-2018	-
As at 31-03-2019	-
As at 31-03-2020	665.72



Notes to the standalone financial statements for the year ended March 31, 2020

6 Other Intangible assets

₹ in Lakhs

Particulars	Licensed Computer Software
Gross Carrying Value:	
As at 01-04-2018	42.89
Additions	29.25
Disposals / Adjustments	-
Balance as at 31-03-2019	72.14
Additions	26.28
Disposals / Adjustments	5.13
Balance as at 31-03-2020	93.29
Accumulated depreciation:	
Balance as at 01-04-2018	21.10
Charge for the year	30.48
Other Adjustments	-
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
Net carrying amount:	
As at 01-04-2018	21.79
As at 31-03-2019	20.56
As at 31-03-2020	14.85

7 Non-current Investment

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Investment carried at cost (Unquoted)		
Investment in 100% Subsidiary		
10,000 equity shares of ₹ 10/- each (March 31, 2019 : NIL) fully paid up in Ultramarine Speciality Chemicals Limited.	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, 2019 : 2,04,51,770 equity shares of ₹ 1/- each fully paid up in Thirumalai Chemicals Limited.	7,239.92	18,171.40
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	0.51
2500 Zero Interest Bonds of SREI Equipment Finance Limited with face value of ₹ 1000/- maturing on 29 th June 2019.	-	25.00
100 Variable Interest-Index Linked Bonds of Edelweiss Finvest Private Limited with face value of ₹ 1,00,000/- maturing on 21 st Oct 2019.	-	107.80



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted - Investment in Alternative Investment Fund		
2,80,084 (31 March 2019: 1,89,971) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	272.60	183.92
1,22,93,423 (31 March 2019: 1,05,69,483) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	123.78	10.68
Total	7,637.78	18,499.31
Notes:		
(a) Aggregate amount of Quoted Investments and market value thereof:	7,240.40	18,304.71
(b) Aggregate amount of unquoted investments-Mutual funds	396.38	194.60
(c) Aggregate amount of unquoted investments-Equity shares acquired during the year	1.00	-
8. Loans		
Deposits with Corporates		
- Considered good - Unsecured	-	300.00
Total	-	300.00
9. Non-Current Advances		
Unsecured, Considered Good		
Deposits with a Bank		
- Term Deposit *	100.00	-
Employees advances	-	0.70
Total	100.00	0.70
* Term Deposit held as security for the borrowings availed and not encashable during the tenure of Borrowings		
10. Other Non - Current Assets		
Unsecured, Considered Good		
Capital Advances	296.45	424.77
Income taxes (Net)*	728.90	669.27
Security Deposits	98.50	106.50
Deposits for the leased premises	128.94	174.88
Prepaid expenses	35.16	24.39
Total	1,287.95	1,399.81
* Advance income tax is net of provision for tax ₹ 6,130.51 lakhs (March 31, 2019 : ₹ 4,936.77 lakhs)		
11. Inventories		
Raw materials and components	1,156.93	638.45
Raw materials in Transit	421.49	386.16
Work in progress	717.25	885.61
Finished goods	795.25	454.27
Finished goods in Transit	80.27	146.39
Packing materials	84.58	88.42
Fuel	47.37	49.18
Stores and spares	80.21	69.00
Total	3,383.35	2,717.48



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
12. Investments		
Investment at fair value through Profit and Loss (FVTPL)		
Unquoted units of Mutual Funds		
22,704 (31 March 2019: Nil) units of Kotak Liquid Fund	911.53	-
65,660 (31 March 2019: Nil) units of ICICI Prudential Money Market Fund - Direct Plan	183.36	-
4,095 (31 March 2019: 11,447) units of L&T Liquid Fund	111.46	293.35
6,382 (31 March 2019: 48,614) units of TATA Liquid Fund	199.88	1,431.41
35,104 (31 March 2019: 68,284) units of SBI Liquid Fund	1,091.38	1,999.75
1,05,827 (31 March 2019: 1,05,827) units of UTI Spread Fund - Direct plan - Dividend	28.92	27.07
8,933 (31 March 2019: Nil) units of BOI AXA Overnight Fund	90.07	-
50,388 (31 March 2019: Nil) units of Aditya Birla Sun Life Money Manager Fund	135.62	-
4,481 (31 March 2019: Nil) units of Nippon India Money Market Fund-Growth Plan	135.89	-
Nil (31 March 2019: 23,485) units of BOI AXA Liquid Fund	-	505.94
Nil (31 March 2019: 12,090) units of Franklin India Liquid Fund	-	338.34
Nil (31 March 2019: 4,987) units of UTI Money Market Fund	-	105.36
Total	2,888.11	4,701.22
13. Trade Receivables		
- Considered good - secured	-	-
- Considered good - Unsecured	3,930.53	3,310.90
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
	3,930.53	3,310.90
Less: Provision for Expected Credit Loss	(6.29)	(8.01)
Total	3,924.24	3,302.89
Notes :		
1. Trade Receivable includes receivables from Related party - ₹ 4.83 Lakhs (31 st March 2019 - ₹22.25 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.		
14. Cash & cash equivalents		
(i) Cash on hand	1.80	1.09
(ii) Balances with banks		
In current account	709.65	183.66
In EEFC accounts	220.59	353.04
In deposit accounts with original maturity of less than 3 months	401.36	-
In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	635.00	2,181.00
Total	1,968.40	2,718.79



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
15. Bank balances other than cash and cash equivalents		
Margin money with banks	0.68	0.64
Un-claimed dividend accounts*	67.22	69.71
Total	67.90	70.35
*These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities		
16. Loans (Unsecured, considered good, unless stated otherwise)		
Deposits with Corporates		
- Considered good - secured	-	-
- Considered good - Unsecured	3,382.00	716.31
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Loans & Advances to Employees		
- Considered good - secured	-	-
- Considered good - Unsecured	8.97	6.27
- Having significant increase in Credit Risk	-	-
- Credit impaired	-	-
Other Deposits		
- Considered good - unsecured	37.08	36.93
Total	3,428.05	759.51
17. Other Financial Assets		
Exchange Gain on remeasurement of forward contracts	-	1.23
Advances recoverable in cash	168.41	122.62
Unbilled revenue	7.55	7.24
Export incentives receivable - duty free scrips	18.00	33.38
Balance with Gratuity Fund	28.33	-
Interest accrued on Deposits	139.38	94.51
Total	361.67	258.98
18. Current Tax Assets (Net)		
Advance Income Tax (Net)*	-	48.25
Total	-	48.25
*Advance income tax is net of provision for tax ₹ 2,507.82 lakhs (March 2019)		
19. Other Current Assets		
Advances other than capital advances:		
Advance to suppliers	35.20	25.84
Balance with GST, customs, central excise & sales tax	284.43	55.07
Prepaid Expenses	103.83	114.89
Total	423.46	195.80



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
20. Share capital		
Authorised Shares		
5,00,00,000 (March 31, 2019: 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, 2019: 2,92,00,000) Equity Shares of ₹ 2/- each fully paid up.	584.00	584.00
Total	584.00	584.00

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

	No. of shares
Authorised share capital:	
Balance as at 1 st April, 2018	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 1 st April, 2019	5,00,00,000
Add / (Less): Changes during the year	-
Balance as at 31 st March, 2020	5,00,00,000
Issued, Subscribed and Paid up share capital:	
Balance as at 1 st April, 2018	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 1 st April, 2019	2,92,00,000
Add / (Less): Changes during the year	-
Balance as at 31 st March, 2020	2,92,00,000

20.2 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 entitled and pays dividends in Indian Rupees. The Board of Directors in their meeting held on 16th March 2020, declared an interim dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2020 and paid to all the eligible shareholders on 30th March, 2020. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2020.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- 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, 2020

20.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid equity shares
Thirumalai Chemicals Limited	
As at 31 st March, 2019	34,82,557
As at 31st March, 2020	34,82,557
S.Sridhar	
As at 31 st March, 2019	15,34,044
As at 31st March, 2020 (less than 5%)	9,54,080

21. Other Equity

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	4,105.00	4,105.00
Retained Earnings	19,640.58	16,949.88
Other Comprehensive Income	5,918.39	16,849.86
Total	29,663.97	37,904.74

22. Borrowings

Secured

Term Loan from a Bank (refer note below)	2,025.00	-
Less current maturity of long term loan (refer note 29)	-	-
Total	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.

23. Other non-current liabilities

Lease Liabilities (refer note 47)	619.91	-
	619.91	-

24. Long term provisions

Provision for employee benefits :

Provision for compensated absences	97.18	107.06
Total	97.18	107.06



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
25. Deferred tax liabilities (net)		
Deferred tax liability:		
On account of timing difference in Depreciation and amortisation	840.55	1,181.22
Right of Use Assets - Leased premises	-	-
Fair value adjustments of Investments	12.56	32.02
	853.11	1,213.24
Leased Laibilities		
Deferred tax assets:		
Liabilities allowable on payment basis	74.61	113.62
Leased Laibilities	53.18	-
Expected credit loss	1.59	2.80
	129.38	116.42
Total	723.73	1,096.82
26. Deferred Income		
Government Grant (Refer Note below)	35.16	38.59
Total	35.16	38.59
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.		
27. Trade Payables		
Trade payables :		
- Total outstanding dues of micro enterprises and small enterprises	120.15	28.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises*(refer note below and Note No.52)	2,808.97	2,158.75
Total	2,929.12	2,186.90
* Includes Trade payables to related parties ₹ 10.74 Lakhs (March 31, 2019: ₹ 3.78 Lakhs)		
28. Other Financial Liabilites - Lease		
Lease Liabilities (refer note 47)	212.74	-
Total	212.74	-



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
29. Other Financial Liabilities		
Current maturity of long term borrowing (refer note 22)	-	-
Unpaid dividends (Refer note below(i))	67.22	69.71
Employee dues	260.87	424.26
Dues to Directors - Commission payable	138.00	123.17
Creditors for capital goods	384.97	156.37
Deposit from Dealers	11.90	12.14
Total	862.96	785.65
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
30. Other current liabilities		
Statutory Dues	139.20	76.14
Revenue received in advance	16.27	108.06
Other Liabilities	209.91	159.18
Total	365.38	343.38
31. Short term provisions		
For Employee benefits		
Provision for gratuity	-	2.02
Provision for compensated absences	17.08	30.86
For Others		
Provision for tax	4.73	-
Total	21.81	32.88
32. 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, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020	Year Ended 31 March 2019
33. Revenue From Operations		
a) Sale of Products		
Manufactured Goods	25,995.74	26,544.59
Sale of Power from Wind turbine generators	39.78	49.02
Total Sale of Products	26,035.52	26,593.61
b) Sale of Services		
Income from IT enabled Services	4,030.29	3,586.29
Income from BPO activities	369.84	298.34
Total Sale of Services	4,400.13	3,884.63
c) Other Operating Revenues		
Export Incentives	182.42	207.51
Revenue from Operations	30,618.07	30,685.75
Disaggregate Revenue Information:		
(i) Manufactured goods		
Pigments	9,647.41	9,855.38
Detergents	474.21	445.21
Sulphonation	15,874.12	16,244.00
	25,995.74	26,544.59
(ii) Revenue from IT Enabled Service		
Revenue by contract type		
Fixed price	3,746.62	3,371.13
Other contract	283.67	215.16
	4,030.29	3,586.29
34. Other Income		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	129.19	113.84
Deposits with Companies	143.38	52.07
Bonds	36.05	36.83
Interest on Financial Assets carried at amortized cost	12.37	-
Others	4.88	5.89
b) Dividend Income on Equity securities designated at FVOCI	409.04	409.04
c) Dividend Income from Investments measured at FVTPL	-	0.35
d) Other non-operating Income		
(Net of expenses directly attributable to such income)		
Rental income	2.40	0.32
Credit balances and excess provision written back	41.02	13.81
Sundry receipts	4.63	12.21
Bad debts recovered	16.55	-
Insurance Claims received	17.83	2.40



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
e) Other gains and losses		
Net gains arising on financial assets measured at FVTPL	49.91	91.63
Net gains on sale of Investments	227.10	275.17
Net gains on foreign currency transactions and translation	53.75	-
f) Government grant	3.43	3.42
Total	1,151.53	1,016.98
35. Cost of material consumed		
Opening Stock of Raw Materials	638.45	442.54
Add : Purchases	13,933.07	14,555.50
	14,571.52	14,998.04
Less : Closing Stock of Raw Materials	1,156.93	638.45
Total	13,414.59	14,359.59
36. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress		
Inventories at the end of the year		
Work-in-progress	717.25	885.61
Finished goods	875.52	600.66
Total	1,592.77	1,486.27
Inventories at the beginning of the year		
Work-in-progress	885.61	716.18
Finished goods	600.66	490.19
	1,486.27	1,206.37
Net (Increase)/ Decrease in Stocks	(106.50)	(279.90)
(Increase)/ Decrease in work in progress		
Pigments	37.70	(70.90)
Detergents	0.48	(3.78)
Sulphonation	130.18	(94.76)
Total	168.36	(169.44)
(Increase)/decrease in finished goods (Inclusive of finished goods in transit)		
Pigments	(300.41)	(27.76)
Detergents	(3.62)	(3.18)
Sulphonation	29.17	(79.52)
Total	(274.86)	(110.46)
37 Employee Benefit Expense		
Salaries, Wages, Bonus and other benefits	3,971.68	3,633.75
Directors' Remuneration	243.32	169.25
Contribution to Provident Fund and other funds	268.71	246.80
Gratuity	71.67	57.05
Staff Welfare and amenities	263.84	275.86
Total	4,819.22	4,382.71



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
38. Finance Cost		
Finance Cost		
Interest on income tax payments	0.22	0.59
Interest on Term Loan	33.51	-
Interest on lease liabilities	92.58	-
Interest Others	17.34	10.40
	143.65	10.99
Less: Interest on term loan transferred to CWIP	(33.51)	-
Total	110.14	10.99
39. Other Expenses		
Consumption of Stores and Spares	286.61	247.28
Power and Fuel (net)	1,311.26	1,394.52
Repairs and Maintenance:		
Machinery	332.43	411.92
Buildings	124.78	145.73
Others	77.10	65.51
Packing Expenses and materials consumed	390.58	414.59
Data Processing Charges	222.80	142.02
Laboratory Expenses	43.33	25.87
Freight and Forwarding expenses	608.91	557.62
Insurance	81.34	61.99
Commission on sales	15.47	17.53
Advertisement and Sales Promotion expenses	130.32	51.43
Security Expenses	90.28	77.42
Software License Expenses	49.39	34.96
Water Charges	9.95	22.48
Rent	25.91	250.08
Rates & Taxes	82.23	182.29
Travelling & Conveyance expenses	238.65	242.03
Communication expenses	99.97	88.58
Legal and Professional Fees	131.31	137.86
Sitting fees to Directors	30.80	31.60
Commission to Non Executive Directors	78.00	73.53
Donation	5.10	5.00
Corporate Social Responsibility Expenditure	150.50	107.00
Assets Scrapped / Loss on Sale of Assets (net)	15.29	46.61
Bad Debts written off	14.59	4.84
Provision for expected credit Loss	(1.72)	(1.90)
Loss on foreign currency transactions / translations (net)	-	107.90
Bank Charges	63.34	49.73
Sundry balances written off	0.65	1.49
Miscellaneous expenses	198.10	204.92
Total	4,907.27	5,202.43



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Note:-		
1. Power and Fuel is net of wind power generated and utilised of	270.55	290.12
2. Payment to Auditors		
As Auditors:		
Audit Fees	10.50	10.50
Tax Audit Fees	2.00	2.00
GST Audit Fees	1.52	-
Certification	5.50	5.50
In other capacity:		
Reimbursement of Expenses	0.06	-
Total	19.58	18.00

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

Particulars	As at 31 March 2020	As at 31 March 2019
[A] Contingent Liabilities		
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	1.50	1.50
(ii) Bank Guarantees issued and outstanding	26.72	18.16
(iii) Letter of Credit issued and outstanding	87.33	52.53
[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 [₹ 610.97 Lakhs (March 2019 - ₹ 609.79 Lakhs) deposited with tax authorities]	690.35	690.35
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	1.08	1.08
(iii) (a) Sales tax matters in appeal	57.19	57.19
(b) Against which advance paid	36.17	36.17
[C] Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,030.65	2,664.39
Against which advance paid	296.45	414.06
(ii) Commitments under non-cancellable period of lease agreements	89.04	168.18

[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.

**Notes to the standalone financial statements for the year ended March 31, 2020**

₹ in Lakhs

41. The Company has availed credit facilities (both fund based and non-fund based) from a bank 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, 2020.

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

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

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

Particulars	31 March 2020	31 March 2019
a. Contribution to Employees Provident Fund*	209.25	171.93
b. Superannuation Fund*	35.45	26.46
	244.70	198.39

*Includes contribution of ₹ 23.22 lakhs (31st March, 2019 ₹ 11.40 lakhs) included in Director's Remuneration.

[B] Defined benefit plan:

Gratuity is payable to all the members at the rate of 15 days salary for each completed year of service.

1. Reconciliation of opening and closing balances of Gratuity obligation

a. Defined benefit obligation at the beginning of the year	540.17	463.46
b. Interest Cost	38.59	34.83
c. Current Service Cost	71.52	56.38
d. Past services cost	-	-
e. Benefits Paid from fund	(44.30)	(39.57)
f. Remeasurements - Financial assumptions and Experience adjustments	14.56	25.07
g. Defined benefit obligation at the end of the year	620.54	540.17

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	538.16	459.79
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	38.44	34.54
d. Contribution by the Employer	115.29	84.59
e. Benefits Paid from the funds	(44.30)	(39.57)
f. Remeasurements - Return on Assets	1.28	(1.19)
g. Fair Value of Plan Assets at the End of the year	648.87	538.16



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

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

Particulars	31 March 2020	31 March 2019
a. Current Service Cost	71.52	56.38
b. Past service cost	-	-
c. Interest Cost	38.59	34.83
d. Expected return on plan assets	(38.44)	(34.54)
e. Net Actuarial (Gain)/Loss	13.27	26.27
f. Total Expenses recognised in Statement of Profit and Loss	84.94	82.94

4. Amount recognised in the Balance Sheet

a. Present value of Benefit Obligation at the end of the year	(620.54)	(540.17)
b. Fair Value of Plan Assets at the End of the year	648.87	538.16
c. Funded Status Surplus / (Deficit)	28.33	(2.01)
d. Net (Liability) / Asset Recognised in the Balance sheet	28.33	(2.01)

5. Other Comprehensive Income (OCI)

Remeasurements - Financial assumptions and Experience adjustments	14.55	25.08
Remeasurements - Return on Assets	(1.28)	1.19
Total actuarial (Gain)/Loss recognised in OCI	13.27	26.27

6. Description of plan assets

a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	648.87	538.16
e. Total	648.87	538.16

7. Actuarial assumptions

a. Discount Rate	6.80%	7.45%
b. Salary Escalation Rate	4%	8%
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, 2020

₹ in Lakhs

8. Expected future cash flows as on:

Particulars	31 March 2020	31 March 2019
Projected benefits payable in future years from the date of reporting		
1 st following year	2.85	-
2 nd following year	42.54	-
3 rd following year	7.73	35.06
4 th following year	13.05	10.43
5 th following year	22.67	8.77
Years 6 to 10	531.70	485.92

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)	(35.43)	39.98	37.53	(33.94)
Variation in %	(5.71%)	6.44%	6.05%	(5.47%)

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, 2020

43. Tax Expense

₹ in Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Amounts recognised in statement of profit and loss		
Current year	(1,887.70)	(2,517.00)
Short/Excess provision for earlier years	5.50	-
Current tax expense (A)	(1,882.20)	(2,517.00)
Origination and reversal of temporary differences	320.46	128.28
Deferred tax expense (B)	320.46	128.28
Tax expense recognised in the current statement (A) + (B)	(1,561.74)	(2,388.72)

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. The company has opted to avail of the option, consequent to which the restatement of outstanding deferred tax liabilities have resulted in deferred tax credit amounting to ₹ 306.85 Lakhs was recognised during year ended 31st March, 2020.

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	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	(13.27)	3.34	(9.93)	(26.27)	9.18	(17.09)
Equity Instruments through Other Comprehensive Income	(10,931.49)	-	(10,931.49)	(16,754.07)	-	(16,754.07)
	(10,944.76)	3.34	(10,941.42)	(16,780.34)	9.18	(16,771.16)

(c) Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
	%	Amount	%	Amount
Profit before tax		7,763.06		8,036.55
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 34.944%)	25.17%	1,953.81	34.94%	2,808.29
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses				
Exempt income	(1.33%)	(102.95)	(1.90%)	(152.66)
Permanent Differences	0.31%	24.30	0.31%	25.10
Differential Tax for Investments Income recognised on Fair value	0.00%	-	(0.28%)	(22.69)
Incremental deduction allowed for research and development costs	0.00%	-	(0.34%)	(27.62)
Deductions u/s 80-IA	0.00%	-	(0.38%)	(30.16)
Capital Gains - Indexation difference and adjustment of deferred tax on leasehold land	0.00%	-	(2.46%)	(197.62)
Restatement of Opening Deferred tax Laibilities due to changes in Tax Rate	(3.95%)	(306.85)	-	-
Other adjustments	(0.01%)	(0.76)	0.25%	19.79
Tax relating to earlier years	(0.07%)	(5.50)	0.00%	-
Rate difference	0.00%	(0.31)	(0.42%)	(33.72)
	20.12%	1,561.74	29.72%	2,388.71



Notes to the standalone financial statements for the year ended March 31, 2020

(d) 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)	76.20	(853.11)
Leased Liabilities *	52.63	0.55		53.18	53.18	
Tax assets (Liabilities) (Net)	(1,044.19)	320.46	-	(723.73)	129.38	(853.11)

* 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 (Refer note 47)

(e) Movement in deferred tax balances

	Year ended 31 March 2019					
	Net balance 1 April 2018	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)	(1,275.40)	94.18		(1,181.22)		(1,181.22)
Employee benefits	3.62	(3.62)	-	-	-	
Liabilities allowable on payment basis	65.73	47.89		113.62	113.62	
Fair value of investments	(22.48)	(9.54)		(32.02)	-	(32.02)
Expected credit loss	3.43	(0.63)		2.80	2.80	-
Tax assets (Liabilities)	(1,225.10)	128.28	-	(1,096.82)	116.42	(1,213.24)
Reversal of Opening DTL	-					
Tax assets (Liabilities) (Net)	(1,225.10)	128.28	-	(1,096.82)	116.42	(1,213.24)

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.



Notes to the standalone financial statements for the year ended March 31, 2020

44 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 31.03.2020		AS AT 31.03.2019	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at cost:				
Investment in Subsidiary	1.00	1.00	-	-
Total Financial Assets at Cost (A)	1.00	1.00	-	-
Financial assets at amortised cost:				
Non-current financial assets				
Loans	-	-	300.00	300.00
Other Financial Assets	100.00	100.00	0.70	0.70
Current financial assets				
Trade receivables	3,924.24	3,924.24	3,302.89	3,302.89
Cash and cash equivalents	1,968.40	1,968.40	2,718.79	2,718.79
Other bank balances	67.90	67.90	70.35	70.35
Loans	3,428.05	3,428.05	759.51	759.51
Other Financial Assets	361.67	361.67	258.98	258.98
Total Financial Assets at Amortized Cost (B)	9,850.26	9,850.26	7,411.22	7,411.22
Financial assets Measured at fair value through other comprehensive income				
Non - current Investments				
Investments in quoted equity instruments at FVTOCI	7,239.92	7,239.92	18,171.40	18,171.40
Total financial assets at fair value through other comprehensive income (C)	7,239.92	7,239.92	18,171.40	18,171.40
Financial assets measured at fair value through profit and loss				
Non Current Investments				
Investments in quoted instruments (Mutual Funds) at FVTPL	396.38	396.38	194.60	194.60
Investment in Debentures	0.48	0.48	133.31	133.31
Current Investments				
Investments in quoted instruments (Mutual Funds) at FVTPL	2,888.11	2,888.11	4,701.22	4,701.22
Total financial assets at fair value through profit and loss (D)	3,284.97	3,284.97	5,029.13	5,029.13
Total financial assets (A+B+C+D)	20,376.15	20,376.15	30,611.75	30,611.75



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in lakhs

PARTICULARS	AS AT 31.03.2020		AS AT 31.03.2019	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial liabilities held at amortised cost:				
Non - Current financial liabilities				
Borrowings	2,025.00	2,025.00	-	-
Lease liabilities	619.91	619.91	-	-
Current financial liabilities				
Trade payables	2,929.12	2,929.12	2,186.90	2,186.90
Lease Liabilities	212.74	212.74	-	-
Other financial liabilities	862.96	862.96	785.65	785.65
Total financial liabilities carried at amortised cost	6,649.73	6,649.73	2,972.55	2,972.55

C Fair Value Hierarchy**Level wise disclosure of Financial Instruments**

The financial instruments are categorised into Three levels based on the inputs used to arrive at fair value measurements as described below:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using the valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2020	31.03.2019		
Investments in quoted equity instruments at FVTOCI	7,239.92	18,171.40	Level 1	Quoted bid price in an active market (*)
Investment in Debentures	0.48	133.31	Level 1	Quoted bid price in an active market (*)
Investments in quoted instruments (Mutual Funds) at FVTPL	3,284.49	4,895.82	Level 1	Quoted bid price in an active market
Derivative instrument - Forward contract	-	1.23	Level 2	Fair valuation
Investments in unquoted Equity Instruments at Cost	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 Amortized Cost	2,025.00	-	Level 2	Amortized Cost

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

- (*) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.



Notes to the standalone financial statements for the year ended March 31, 2020

44.1 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

Risk management framework

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investment in debt securities. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Ageing of Trade receivables

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Not due	3,000.41	2,821.33
0-3 months	773.69	418.34
3-6 months	59.91	30.39
6 months to 12 months	37.55	29.43
beyond 12 months	58.98	11.41
Allowance for doubtful trade receivables (Expected credit loss allowance)	(6.29)	(8.01)
Total	3,924.25	3,302.89

**Notes to the standalone financial statements for the year ended March 31, 2020**

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

Movement in provisions of doubtful debts

Particulars	₹ in lakhs	
	As at 31 March 2020	As at 31 March 2019
Opening provision	8.01	9.91
Add: Additional provision made	(1.72)	(1.90)
Closing provision	6.29	8.01

Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee)

Investment in debt securities

The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	As at	
	31 March 2020	31 March 2019
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	45.00%	42.00%

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1968.40 Lakhs as at 31st March, 2020 (31st March, 2019: ₹ 2718.79 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, 2020

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 2020		As at 31 st March 2019	
	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	-	2,025.00	-	-
Trade and other payables	2,929.11	-	2,186.89	-
Lease Liabilities	212.74	619.91	-	-
Other financial liabilities	862.96	-	785.65	-
Total non-derivative financial liabilities	4,004.81	2,644.91	2,972.54	-

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 2020 and 31st March 2019:

Particulars	in Lakhs					
	USD	EURO	GBP	SGD	CAD	AUD
Accounts Receivable						
As at :						
31 March 2020	9.40	0.01	0.06	-	0.03	-
31 March 2019	10.37	-	0.07	0.13	0.05	-
Accounts Payable						
As at :						
31 March 2020	8.45	0.09	-	-	-	-
31 March 2019	7.68	-	-	-	-	-
Cash and Cash Equivalents						
As at :						
31 March 2020	303.96	-	-	-	-	-
31 March 2019	387.95	-	-	-	-	-

**Notes to the standalone financial statements for the year ended March 31, 2020****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.

in Lakhs

Particulars	Average Exchange rate			
	USD	GBP	INR/USD	INR/GBP
Export Transactions				
As at :				
31 March 2020	132.68	0.71	70.75	89.68
31 March 2019	135.03	1.48	69.59	86.89
Import Transactions				
As at :				
31 March 2020	67.52	-	73.51	-
31 March 2019	61.48	0.04	71.47	77.93

Impact on profit or loss and total equity

₹ in lakhs

Particulars	USD impact	
	As at 31 March 2020	As at 31 March 2019
Increase in exchange rate by 5%	221.16	250.11
Decrease in exchange rate by 5%	(221.16)	(250.11)

Particulars	GBP impact	
	As at 31 March 2020	As at 31 March 2019
Increase in exchange rate by 5%	3.17	6.29
Decrease in exchange rate by 5%	(3.17)	(6.29)

Forward foreign exchange contracts

The Company has entered into Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables.

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

Outstanding contracts	As at	Foreign currency	Carrying amount
Derivative instruments			
Accounts Receivables (USD)	31 March 2020	-	-
	31 March 2019	1.00	68.58
Accounts Payables(USD)	31 March 2020	-	-
	31 March 2019	-	-



Notes to the standalone financial statements for the year ended March 31, 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, 2020	March 31, 2019
Fixed-rate instruments		
Financial Assets - measured at amortised cost	-	-
Investment in Bonds	-	-
Borrowings	2,025.00	-
Total	2025.00	-

45. Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2020

Sl. NO.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
1	SEGMENT REVENUE		
a	Laundry & Allied Products	26,178.15	26,751.91
b	IT Enabled Services	4,400.13	3,884.83
c	Windmill	310.34	339.13
	TOTAL	30,888.62	30,975.87
	Less : Inter Segment Revenue	(270.55)	(290.12)
	SALES/INCOME FROM OPERATIONS	30,618.07	30,685.75
2	SEGMENT RESULTS		
a	Laundry & Allied Products	6,157.76	6,033.34
b	IT Enabled Services	962.92	641.52
c	Windmill	155.10	185.99
	TOTAL	7,275.78	6,860.85
	Less: Interest and Finance Charges	(110.03)	(10.99)
	Less: Unallocated Expenditure (Net-off)	597.31	595.48
	Exceptional Item	-	591.21
	TOTAL PROFIT BEFORE TAX	7,763.06	8,036.55
3	SEGMENT ASSETS		
a	Laundry & Allied Products	19,084.77	13,159.37
b	IT Enabled Services	2,083.59	1,141.61
c	Windmill	1,000.62	1,023.18
d	Unallocated / Corporate	15,975.40	27,759.28
		38,144.38	43,083.44



Notes to the standalone financial statements for the year ended March 31, 2020

Sl. NO.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
4	Segment Liabilities		
a	Laundry & Allied Products	5,947.26	2,866.04
b	IT Enabled Services	1,044.53	368.46
c	Windmill	11.35	10.86
d	Unallocated / Corporate	893.27	1,349.34
		7,896.41	4,594.70
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	30,247.97	38,488.74

46 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 (wef 1 st August, 2019)
	Mr. Nimish Patel	Director	Non Executive Independent
	Mr. T.R Madhavan	Director	Non Executive Independent (upto 29 th July, 2019)
	Mr. Vinod G. Nehemiah	Director	Non Executive Independent (upto 29 th July, 2019)
	Mr. Navin M Ram	Director	Non Executive Independent
	Mr. S. Ragothaman	Director	Non Executive Independent (upto 13 th February, 2020)
	Mr. Rajeev M. Pandia	Director	Non Executive Independent
	Mr. C.R. Chandra Bob	Director	Non Executive Independent
	Dr.P. Arunasree	Director	Non Executive Independent (from 1 st April, 2019)
	Mr. Harsh R. Gandhi	Director	Non Executive Independent (from 1 st August, 2019)
	Mr. S. Ramanan	Chief Financial Officer	
	Mr. Kishore Kumar Sahoo	Company Secretary	



Notes to the standalone financial statements for the year ended March 31, 2020

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	
	Ahana LLC	
Relatives of Key Managerial Personnel	Mr. V. Bharathram	President(Operations), IT-Enabled Services and BPO activities Division
	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

	2019-20	2018-19
Sales		
<u>Goods, Materials and Services</u>		
Thirumalai Chemicals Limited	3.42	0.36
Remuneration paid to		
Mr. V. Bharathram	27.28	104.06
Ms. Meera Parthasarathy	72.87	62.18
Ms. Vidya Sampath	21.05	-
Remuneration to Key Managerial Personnel		
Mrs. Indira Sundararajan	-	50.95
Ms. Tara Parthasarathy	113.40	71.57
Mr. R. Senthilkumar	53.58	48.60
Mr. V. Bharathram (wef 1 st August, 2019)	77.20	-
Mr. S. Ramanan	29.24	32.74
Mr. Kishore Kumar Sahoo	14.45	16.25
Sitting fees & commission to Independent & Non-executive Directors	108.80	105.13
Rendering of Services to		
Thirumalai Chemicals Limited	12.79	7.58
Vedavalli Vidyalaya School	-	0.64
Ahana LLC,USA	14.61	62.21
Rent Paid to		
Thirumalai Chemicals Limited	36.53	38.21
Ms. Vidya Sampath	1.76	0.98
Receiving of services from		
Thirumalai Chemicals Limited	1.26	1.15
Thirumalai Charity Trust (Thirumalai Mission Hospital)	1.11	-
		129



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

	2019-20	2018-19
Reimbursement of Expense		
Lapiz Europe Ltd	0.31	-
TCL Global BV	19.77	-
Advance paid		
Ultramarine Specialty Chemicals Limited	0.50	-
Outstanding payables		
Thirumalai Chemicals Limited	3.28	3.78
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.51	-
TCL Global BV	6.95	-
Investment in Shares		
Ultramarine Specialty Chemicals Ltd	1.00	-
Directors Remuneration Payables		
Ms. Tara Parthasarathy	60.00	30.00
Mr. R. Senthilkumar	5.00	10.00
Non executive Directors commission	78.00	73.53
Remuneration Payable		
Mr. V. Bharathram	-	15.00
Outstanding receivables		
Ultramarine Specialty Chemicals Ltd	0.50	-
Vedavalli Vidyalaya School	-	-
Thirumalai Charity Trust	-	-
Thirumalai Chemicals Limited	4.83	0.83
Ahana LLC	-	21.42
Donations paid		
Thirumalai Charity Trust	120.00	88.00
Outstanding deposits receivables		
Ms. Vidya Sampath	0.70	0.70
Thirumalai Chemicals Limited	14.00	14.00

47 Leases

- i) On transition, with effect from 1st April 2019 the adoption of the new standard Ind AS 116 - Leases resulted in recognition of 'Right of Use' asset of ₹ 877.42 Lakhs and a lease liability of ₹ 1017.43 Lakhs. The cumulative effect of applying the standard, amounting to ₹ 156.46 Lakhs (net of deferred tax credit of ₹ 52.62 Lakhs) was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The difference between the lease obligation reported as of March 31, 2019 under Ind AS 17 disclosed under Note 43 of annual standalone financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

**Notes to the standalone financial statements for the year ended March 31, 2020**

₹ in Lakhs

The rate of interest implicit in the lease considered based on the government bond yield rate and incremental borrowing rate in the range of 10.25% - 9.87% based on the lease term has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	March 31, 2020
Balance at the beginning of the year	-
Lease liabilities recognised on initial application of Ind-AS 116	1,029.78
Finance cost accrued during the period	92.58
Payment of lease liabilities	(289.71)
Balance at the end	832.65
Lease Liability - Current	212.74
Lease Liability - Non-Current	619.91

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

The total cash outflow for leases is ₹ 298.26 Lakhs for the year ended March 31, 2020, 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 for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

ii	Particulars	31 st March, 2020	31 st March, 2019
	Payable		
	Within one year	305.48	291.56
	After one year but not more than five years	679.51	877.01
	More than five years	14.08	126.03

48 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company

Particulars	31 st March, 2020	31 st March, 2019
	INR	INR
Profit attributable to equity holders of the Company for basic and diluted earnings per share	6,201.32	5,647.83



Notes to the standalone financial statements for the year ended March 31, 2020

ii. Weighted average number of ordinary shares

Particulars	31 st March, 2020 INR	31 st March, 2019 INR
Number of Issued equity shares at April 1	292,00,000	292,00,000
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	292,00,000	292,00,000
Basic earnings per share	21.24	19.34

49 Research and Development Expenditure

Particulars	₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
The Company has Incurred Research and Development expenses as under:		
On Capital Account:		
Lab Equipment	12.00	28.43
On Revenue Account		
Salaries & Allowances	98.02	75.06
Contributions to Provident fund and other funds	7.54	4.92
Chemicals and Consumables	5.80	17.14
Other Expenses	23.72	32.56
Total	147.08	158.11

50 CSR Expenditure

- a) Gross amount required to be spent by the Company during the year – ₹ 118.41 Lakhs (31st March, 2019: ₹ 100.24 Lakhs)
- b) Amount spent during the year: ₹ 150.50 Lakhs (31st March, 2019: ₹ 107.00 Lakhs) out of which ₹ 120.00 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.

51 Exceptional items of ₹ 591.21 Lakhs represent Surplus on transfer of leasehold land during in the previous year.

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

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

Particulars	2019-20	2018-19
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	120.15	28.15
(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



Notes to the standalone financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	2019-20	2018-19
(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	0.03	NIL
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	0.03	NIL
(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

53 C I F Value of Imports

₹ in Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Raw Materials	4,072.47	4,443.89
Plant & Machinery	826.38	-
Machinery spares	9.54	0.40
Lab Equipment	-	1.24
Total	4,908.39	4,445.53

54. Expenditure in Foreign Currency

Travelling	47.33	35.00
Testing Charges	14.08	-
Employees' Training & seminar expenses	3.37	27.21
Legal & Professional Charges	31.59	36.29
Sales Promotion Expenses	29.37	9.05
Other Expenses	25.90	30.20
Total	151.64	137.75

55. Earnings in foreign currencies

Export of goods calculated on FOB basis	5,474.18	6,027.26
Income from IT enabled services	3,973.03	3,430.79
Total	9,447.21	9,458.05

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

For and on behalf of

Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Place: Chennai

Date : 1st June, 2020



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 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidate Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information ("the Consolidated financial statements").

1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, 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 Emphasis of Matter

3.1 We draw your attention to Note 2.F to the Consolidated financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. 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 for the current financial year. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

3.2 Our opinion is not modified in respect of this matter.

4 Key Audit Matters

4.1 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.

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

5.1 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.



- 5.2 Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 5.3 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.

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

- 6.1 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.
- 6.2 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.
- 6.3 Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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

- 7.1 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.
- 7.2 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.



- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f. Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the such entities included in the consolidated financial statements of which we are independent auditors. We remain solely responsible for our audit opinion.
- 7.3 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.
- 7.4 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.
- 7.5 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.

8 Report on Other Legal and Regulatory Requirements

- 8.1 As required by Section 143 (3) of the Act, based on our audit we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and the Subsidiary Company, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies; and



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

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

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

- i. The Group has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in Note 38 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

Place: Chennai
Date: 1st June, 2020

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 20203377AAAABW6391



ANNEXURE - "A" TO AUDITORS' REPORT

Referred to in paragraph 8.1 (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 31 March 2020 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, 2020, 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

Place: Chennai
Date: 1st June, 2020

R. Nagendra Prasad
Partner
Membership No.: 203377
UDIN : 20203377AAAABW6391

Consolidated Balance Sheet as at 31st March, 2020

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 March 2020
ASSETS			
(1)	Non-current assets		
	(a) Property, Plant and Equipment	4	8,454.38
	(b) Right of use asset	5	665.72
	(c) Capital work in progress	4	3,538.52
	(d) Intangible assets	6	14.85
	(e) Financial Assets		
	(i) Investments	7	7,636.78
	(ii) Loans		-
	(iii) Other financial assets	8	100.00
	(f) Other non-current assets	9	1,287.95
			<u>21,698.20</u>
(2)	Current assets		
	(a) Inventories	10	3,383.35
	(b) Financial Assets		
	(i) Investments	11	2,888.11
	(ii) Trade receivables	12	3,924.24
	(iii) Cash and cash equivalents	13	1,969.55
	(iv) Bank balances other than cash and cash equivalents	14	67.90
	(v) Loans	15	3,428.05
	(vi) Other financial assets	16	361.18
	(c) Current Tax Assets (Net)		-
	(d) Other current assets	17	423.46
			<u>16,445.84</u>
	Total Assets		<u>38,144.04</u>
EQUITY AND LIABILITIES			
Equity			
	(a) Equity Share capital	18	584.00
	(b) Other Equity	19	29,663.35
			<u>30,247.35</u>
LIABILITIES			
(1)	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	20	2,025.00
	(ii) Lease liabilities	21	619.91
	(b) Provisions	22	97.18
	(c) Deferred tax liabilities (net)	23	723.73
	(d) Deferred Income	24	35.16
			<u>3,500.98</u>
(2)	Current liabilities		
	(a) Financial Liabilities		
	(i) Trade payables	25	
	Total outstanding dues of micro enterprises and small enterprises		120.15
	Total outstanding dues of creditors other than micro enterprises and small enterprises		2,809.47
	(ii) Lease liabilities	26	212.74
	(iii) Other financial liabilities	27	862.96
	(b) Other current liabilities	28	365.16
	(c) Provisions	29	21.81
	(d) Deferred Income	30	3.42
			<u>4,395.71</u>
	Total Equity and Liabilities		<u>38,144.04</u>

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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Place: Chennai

Date : 1st June, 2020

Consolidated Statement of profit and loss for the year ended 31st March, 2020

₹ in Lakhs

Sl. No	Particulars	Note No.	Year ended 31 March 2020
I	Revenue From Operations	31	30,618.07
II	Other Income	32	1,151.53
III	Total Income (I+II)		31,769.60
IV	EXPENSES		
	Cost of materials consumed	33	13,414.59
	Changes in Inventories of Finished goods and work-in-progress	34	(106.50)
	Employee benefits expense	35	4,819.22
	Finance costs	36	110.14
	Depreciation and amortization expense	4-6	861.82
	Other expenses	37	4,908.11
	Total expenses (IV)		24,007.38
V	Profit before tax (III-IV)		7,762.22
VI	Tax expense:		
	(1) Current tax		(1,887.48)
	(2) Deferred tax		320.46
	(3) Excess/(Short) provision of earlier year		5.50
VII	Profit for the period (V-VI)		6,200.70
VIII	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		-
	- Remeasurement of Defined benefit plans		(13.27)
	- Equity instruments through other comprehensive income		(10,931.49)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		
	- Remeasurement of Defined benefit plans		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		-
IX	Total other comprehensive income (A (i - ii) + B(i - ii))		(10,941.42)
X	Total comprehensive income for the period (VII + IX)		(4,740.72)
XI	Earnings per equity share of face value of ₹ 2 each		
	(1) Basic		21.24
	(2) Diluted		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

Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Place: Chennai

Date : 1st June, 2020

Consolidated Statement of cash flows for the year ended 31st, March 2020

₹ in Lakhs

Particulars	For the year ended 31 March 2020
A Cash flow from operating activities	
Profit before tax	7,762.22
Adjustments for:	
Finance Cost	110.14
Depreciation and amortisation expenses	861.82
Interest Income	(325.87)
Dividend Income	(409.04)
Provision for Leave Encashment	(23.66)
Bad Debts and Provision for expected credit loss	12.87
Net gains on disposal of property, plant and equipment	15.29
Remeasurement of defined benefit liabilities	(13.27)
Receipt of government grant	(3.43)
Net gains on sale of Investments	(227.10)
Net gains arising on financial assets designated at FVTPL	(49.91)
Net gains on foreign currency transactions and translation	2.04
Operating profit before working capital changes	7,712.10
Movements in working capital:	
Adjustments for (increase)/decrease in operating assets:	
Inventories	(665.87)
Trade receivables	(649.74)
Current financial loans and advances	(60.20)
Other current assets	(227.66)
Non-current financial loans and advances	(99.30)
Other Non-current assets	(1.22)
Adjustments for increase/(decrease) in operating liabilities:	
Trade payables	764.20
Other current financial liabilities	(148.80)
Other current liabilities	20.00
Cash generated from operations	6,643.51
Direct taxes paid (net)	(1,885.51)
Net cash generated from operating activities (A)	4,758.00



Particulars		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)	(4,187.95)
	Payment for intangible assets (including intangible assets under development)	(26.28)
	Proceeds from disposals of PPE	8.35
	Purchase of non current investments	(200.00)
	Redemption of non current investments	131.38
	Purchase of current investments	(9,795.00)
	Redemption of current investments	11,884.78
	(Increase)/ decrease in deposit with companies	(2,365.73)
	Interest received	268.63
	Dividend received	409.04
	Net cash (used in) investing activities (B)	(3,872.78)
C	Cash flow from financing activities	
	Proceeds from Borrowings	2,025.00
	Payment of Lease Liabilities	(289.71)
	Interest paid	(17.56)
	Dividend paid	(3,344.20)
	Net cash (used in) financing activities (C)	(1,626.47)
D	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(741.25)
E	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	
	(represents cash & cash equivalents of the holding company as on 1 st April, 2019)	
	Balances with banks in current accounts & EEFC accounts and deposit accounts	536.70
	Cash on hand	1.09
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	2,181.00
	CASH AND CASH EQUIVALENTS AS PER NOTE No.13	2,718.79
F	Effect of exchange differences on translation of foreign currency cash & cash equivalents	(7.99)
G	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	
	Balances with banks in current accounts, EEFC accounts and deposit accounts	1,332.75
	Cash on hand	1.80
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	635.00
	CASH AND CASH EQUIVALENTS AS PER NOTE No. 13 [(D) + (E) + (F)]	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

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

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

Place: Chennai

Date : 1st June, 2020

**Consolidated Statement of changes in equity for the year ended 31st March, 2020****I Equity Share Capital**

₹ in Lakhs

	Amount
Balance as at 1 April 2019	584.00
Changes in equity share capital during the year	-
Balance as at 31st March 2020	584.00

II Other Equity

Particulars	Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31 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

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 : 1st June, 2020**TARA PARTHASARATHY**

Joint Managing Director

DIN :07121058

For and on behalf of the Board of Directors

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



Notes to the Consolidated financial statements for the year ended March 31, 2020

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) and Ambattur (Chennai District) and Wind Power Generators are also installed in the state of Tamilnadu. IT enabled services and BPO activities are carried out from offices situated in Chennai and Ranipet.

The Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 1st June, 2020.

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

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

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

List of subsidiaries and proportion of voting power held

Ultramarine Specialty Chemicals Limited – 100% Voting Power

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

A. Statement of compliance

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020****B. Functional and presentation currency**

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

C. Current and non-current classification:

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

D. Basis of measurement

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

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

E. Use of estimates and judgements

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

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

Property, plant and equipment and Intangible assets

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

Income taxes

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

Contingencies

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

Allowance for uncollected accounts receivable and advances

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

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 2020 is included in the following notes:



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

- Notes 38 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 – measurement of defined benefit obligations: key actuarial assumptions;

F. Estimation of Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business

On March 11, 2020 the World Health Organization declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country.

COVID-19 impacted the business operation of the Group since 17th March, 2020, by way of interruption in production due to closure / lock down of production facilities, unavailability of personnel and supply chain disruption resulting in reduction in economic activities. In accordance with the government guidelines, the Group has resumed its operations at its plants in a phased manner with limited availability of employees and in the process of scaling up its operations and focusing on controlling of costs and managing its resources to normalise its operations and its revenues.

The Group has assessed potential impact of Covid-19 on the carrying value of property, plant & equipment, trade receivable, inventories and other current assets appearing in the consolidated financial statements of the Group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Group as at the date of approval of these consolidated 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 for the current financial year ended 31st March, 2020.

In view of the highly uncertain economic environment, the actual impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

3. Significant Accounting Policies

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

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

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

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

Subsequent expenditure:

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

Depreciation methods, estimated useful lives and residual value:

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

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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

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

3.2. Intangible Assets:

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

The estimated useful life of the intangible assets and the amortization period are reviewed at each Balance Sheet date, with 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 is incurred.

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

De-recognition of intangible assets

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

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

3.3. Impairment of Tangible and Intangible assets:

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

3.4. Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

3.5. Foreign currency transactions and balances:

Initial recognition:

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

Conversion:

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

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

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

3.6. Financial Instruments:

Recognition and initial measurement:

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

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

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

Classification and subsequent measurement:

Financial assets:

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

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

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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

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

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

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

Financial assets: Subsequent measurement and gains and losses:

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

Impairment

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

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

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Derecognition:

Financial assets:

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

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

Financial liabilities:

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

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

Offsetting:

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

Derivative financial instruments and hedge accounting:

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

3.7. Inventories:

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

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

3.8. 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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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

Deferred Tax:

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

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

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

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

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

3.10. Revenue from Contract with Customers:

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

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

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

Income from services

- i. In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of time as per terms of contract and are net of service tax/Goods and Services Tax.
- ii. Income from BPO activities is recognized on the 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 benefits 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 are accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

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



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Dividend and Interest income:

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Sale of Scrap

Revenue from sale of scrap is recognized on sale.

3.11. Employee Benefits:

Defined contribution plans:

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

Defined benefit plans:

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

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

Retirement and other employee benefits:

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

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave 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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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

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

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

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

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

Contingent liabilities:

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

Contingent liabilities are disclosed for:-

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

Contingent assets:

Contingent assets are not recognized in the consolidated financial statements.

3.13. Borrowing costs:

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

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

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

3.14. Leases:

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.



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment as to 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.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the interest rate implicit in the lease or incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the interest rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the applicable accounting policies included as part of our Annual Report for year ended March 31, 2019.

The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application, excluded initial direct costs from measuring the right-of-use asset at the date of initial application, used hindsight when determining the lease term if the contract contains options to extend or terminate the lease and used a discount rate to leases of similar assets in similar economic environment and similar end date.

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 impact of adoption of Ind-AS 116 Standard is given in Note No.45 to the consolidated financial statements.

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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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

3.16. Cash Flow Statement

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

3.17. Segment Reporting

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

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

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

The Group accounts for inter segment revenues at current market prices.

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

3.18. Government Grants and Subsidies:

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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, 2020.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

4. Property Plant and Equipments

Property Plant and Equipment												₹ in Lakhs
Particulars	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equip-ments	Furniture & Fixtures	Leasehold Improve-ments	Office Equip-ments	Vehicles	Lab Equip-ment (Used for R&D)	Total	Capital Work-in progress
Gross Carrying Value:												
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
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	-
Net carrying amount:												
As at 31-03-2019	1,327.66	-	881.14	5,074.31	125.07	123.67	24.68	73.33	77.42	134.63	7,841.91	-
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	-

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

(ii) Additions to land represents land acquired during the year in the Industrial Park, Naidupet, Andhra Pradesh. The Group has paid full consideration and taken possession of land and registered sale agreement and in terms of policy, the company is entitled to use the land and right to offer as security. The title to the land shall be registered in the name of the Holding company on commencement of commercial operations of the expansion project.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

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

₹ in Lakhs

Tangible Assets under Construction in the nature of		
Buildings		1,149.83
Plant & Machinery		1,763.59
Electrical Installation		259.13
		3,172.55
Intangible Assets acquired		31.85
Project Expenditure - Direct		
Statutory Fee	17.77	
Salaries and Wages	116.25	
Professional & Consultancy Charges	51.99	
Travelling Expenses	31.71	
Other Direct Expenses	69.24	
Finance Costs	47.16	334.12
		3,538.52

5 Right of use asset - Building

Particulars	Leased Premises
Gross Carrying Value:	
Balance as at 31-03-2019	-
Additions	877.42
Disposals / Adjustments	-
Balance as at 31-03-2020	877.42
Accumulated depreciation:	
Balance as at 31-03-2019	-
Charge for the year	211.70
Other Adjustments	-
Balance as at 31-03-2020	211.70
Net carrying amount:	
As at 31-03-2019	-
As at 31-03-2020	665.72

6 Other Intangible assets

Particulars	Licensed Computer Software
Gross Carrying Value:	
Balance as at 31-03-2019	72.14
Additions	26.28
Disposals / Adjustments	5.13
Balance as at 31-03-2020	93.29
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
Net carrying amount:	
As at 31-03-2019	20.56
As at 31-03-2020	14.85

Notes to Consolidated Financial Statements for the year ended 31st March, 2020**7 Non-current Investment**

₹ in Lakhs

Particulars	As at 31 March 2020
Investment at fair value through Other comprehensive income (FVTOCI)	
Quoted Equity Shares	
2,04,51,770 equity shares of ₹ 1/- each fully paid up in Thirumalai Chemicals Limited.	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
Unquoted - Investment in Alternative Investment Fund	
2,80,084 Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	272.60
1,22,93,423 Class A2 - T units of UTI Structured Debt Opportunities Fund 1	123.78
Total	7,636.78
Notes:	
(a) Aggregate amount of Quoted Investments and market value thereof:	7,240.40
(b) Aggregate amount of unquoted investments-Mutual funds	396.38

8 Non-Current Advances

Unsecured, Considered Good

Deposits with a Bank

- Term Deposit *

Total	100.00
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* 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	296.45
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Income taxes (Net)*	728.90
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Security Deposits	98.50
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Deposits for the leased premises	128.94
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Prepaid expenses	35.16
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Total	1,287.95
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*Advance income tax is net of provision for tax ₹ 6,130.51 lakhs

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	Particulars	As at 31 March 2020
10 Inventories		
	Raw materials and components	1,156.93
	Raw materials in Transit	421.49
	Work in progress	717.25
	Finished goods	795.25
	Finished goods in Transit	80.27
	Packing materials	84.58
	Fuel	47.37
	Stores and spares	80.21
	Total	3,383.35
11 Investments		
	Investment at fair value through Profit and Loss (FVTPL)	
	Unquoted units of Mutual Funds	
	22,704 units of Kotak Liquid Fund	911.53
	65,660 units of ICICI Prudential Money Market Fund - Direct Plan	183.36
	4,095 units of L&T Liquid Fund	111.46
	6,382 units of TATA Liquid Fund	199.88
	35,104 units of SBI Liquid Fund	1,091.38
	1,05,827 units of UTI Spread Fund - Direct plan - Dividend	28.92
	8,933 units of BOI AXA Overnight Fund	90.07
	50,388 units of Aditya Birla Sun Life Money Manager Fund	135.62
	4,481 units of Nippon India Money Market Fund-Growth Plan	135.89
	Total	2,888.11
12 Trade Receivables		
	Trade Receivables	
	- Considered good - secured	-
	- Considered good - Unsecured	3,930.53
	- Having significant increase in Credit Risk	-
	- Credit impaired	-
		3,930.53
	Less: Provision for Expected Credit Loss	(6.29)
	Total	3,924.24
	Notes :	
	1) Trade Receivable includes receivables from Related party - ₹ 4.83 lakhs	
	2) In determining the allowances for doubtful trade receivables the Group has used practical expedience by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.	

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	Particulars	As at 31 March 2020
13	Cash & cash equivalents	
	(i) Cash on hand	1.80
	(ii) Balances with banks	
	In current account	710.80
	In EEFC accounts	220.59
	In deposit accounts with original maturity of less than 3 months	401.36
	In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	635.00
	Total	1,969.55
14	Bank balances other than cash and cash equivalents	
	Cash and cash equivalents	
	Margin money with banks	0.68
	Un-claimed dividend accounts*	67.22
	Total	67.90
15	Loans (Unsecured, considered good, unless stated otherwise)	
	Deposits with Corporates	
	- Considered good - secured	-
	- Considered good - Unsecured	3,382.00
	- Having significant increase in Credit Risk	-
	- Credit impaired	-
	Loans & Advances to Employees	
	- Considered good - secured	-
	- Considered good - Unsecured	8.97
	- Having significant increase in Credit Risk	-
	- Credit impaired	-
	Other Deposits	
	- Considered good - unsecured	37.08
	Total	3,428.05
16	Other Financial Assets	
	Advances recoverable in cash	167.92
	Unbilled revenue	7.55
	Export incentives receivable - duty free scrips	18.00
	Balance with Gratuity Fund	28.33
	Interest accrued on Deposits	139.38
	Total	361.18

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	Particulars	As at 31 March 2020
17 Other Current Assets		
Advances other than capital advances:		
Advance to suppliers		35.20
Balance with GST, customs, central excise & sales tax		284.43
Prepaid Expenses		103.83
Total		423.46
18 Share capital		
Authorised Shares		
5,00,00,000 equity shares of ₹ 2/- each		1,000.00
Issued, subscribed and fully paid-up shares		
2,92,00,000 Equity Shares of ₹ 2/- each fully paid up.		584.00
Total		584.00
18.1 Reconciliation of number of shares outstanding at the beginning and end of the year:		
Authorised share capital:	No. of shares	
Balance as at 1 st April, 2019	5,00,00,000	
Add / (Less): Changes during the year	-	
Balance as at 31st March, 2020	5,00,00,000	
Issued, Subscribed and Paid up share capital:	No. of shares	
Balance as at 1 st April, 2019	2,92,00,000	
Add / (Less): Changes during the year	-	
Balance as at 31st March, 2020	2,92,00,000	

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 16th March 2020, declared an interim dividend of ₹ 5/- per share on the nominal value of ₹ 2/-each for the financial year ended March 31, 2020 and paid to all the eligible shareholders on 30th March, 2020. The interim dividend paid is considered as the final dividend for the financial year ended 31st March, 2020.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- There is no change in issued and paid up share capital during the year.

18.3 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	34,82,557

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	Particulars	As at 31 March 2020
19 Other Equity		
	General reserve	4,105.00
	Retained Earnings	19,639.96
	Other Comprehensive Income	5,918.39
	Total	29,663.35
20 Borrowings		
	Secured	
	Term Loan from a Bank (refer note below)	2,025.00
	Less current maturity of long term loan (refer note 27)	-
	Total	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.		
21 Other non-current liabilities		
	Lease Liabilities (refer Note No.45)	619.91
	Total	619.91
22 Long term provisions		
	Provision for employee benefits :	
	Provision for compensated absences	97.18
	Total	97.18
23 Deferred tax liabilities (net)		
	Deferred tax liability:	
	On account of timing difference in Depreciation and amortisation	840.55
	Right of Use Assets - Leased premises	-
	Fair value adjustments of Investments	12.56
		853.11
	Deferred tax assets:	
	Liabilities allowable on payment basis	74.61
	Leased Liabilities (Refer Note no. 45)	53.18
	Expected credit loss	1.59
		129.38
	Total	723.73

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	Particulars	As at 31 March 2020
24	Deferred Income	
	Government Grant (Refer Note below)	35.16
	Total	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.	
25	Trade Payables	
	- Total outstanding dues of micro enterprises and small enterprises	120.15
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,809.47
	Total	2,929.62
	* Includes Trade payables to related parties ₹ 10.74 Lakhs	
26	Other Financial Liabilities - Lease	
	Lease Liabilities (Refer Note no. 45)	212.74
	Total	212.74
27	Other financial liabilities	
	Current maturity of long term borrowing (refer note 20)	-
	Unpaid dividends (Refer note below(i))	67.22
	Employee dues	260.87
	Dues to Directors - Commission payable	138.00
	Creditors for capital goods	384.97
	Deposit from Dealers	11.90
	Total	862.96
	Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.	
28	Other current liabilities	
	Statutory Dues	139.20
	Revenue received in advance	16.27
	Other Liabilities	209.69
	Total	365.16
29	Short term provisions	
	For Employee benefits	
	Provision for compensated absences	17.08
	For Others	
	Provision for tax	4.73
	Total	21.81
30	Deferred Income	
	Government Grant	3.42
	Total	3.42

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020
31 Revenue From Operations	
a) Sale of Products	
Manufactured Goods	25,995.74
Sale of Power from Wind turbine generators	39.78
Total Sale of Products	26,035.52
b) Sale of Services	
Income from IT enabled Services	4,030.29
Income from BPO activities	369.84
Total Sale of Services	4,400.13
c) Other Operating Revenues	
Export Incentives	182.42
Revenue from Operations	30,618.07
Disaggregate Revenue Information:	
(i) Manufactured goods	
Pigments	9,647.41
Detergents	474.21
Sulphonation	15,874.12
	25,995.74
(ii) Revenue from IT Enabled Service	
Revenue by contract type	
Fixed price	3,746.62
Other contract	283.67
	4,030.29
32 Other Income	
a) Interest Income	
Interest income earned on financial assets that are not designated as at FVTPL:	
Bank deposits	129.19
Deposits with Companies	143.38
Bonds	36.05
Interest on Financial Assets carried at amortized cost	12.37
Others	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	2.40
Credit balances and excess provision written back	41.02
Sundry receipts	4.63
Bad debts recovered	16.55
Insurance Claims received	17.83

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020
d) Other gains and losses	
Net gains arising on financial assets measured at FVTPL	49.91
Net gains on sale of Investments	227.10
Net gains on foreign currency transactions and translation	53.75
e) Government grant	3.43
Total	1,151.53

Note: Government grants are related to investments of the Holding Company in Property, Plant and Equipments of Manufacturing setup in Ranipet, Tamil Nadu, India. There are no unfulfilled conditions or other contingencies attached to these grants. The company did not benefit directly from any other forms of Government assistance.

33 Cost of material consumed

Opening Stock of Raw Materials	638.45
Add : Purchases	13,933.07
	14,571.52
Less : Closing Stock of Raw Materials	1,156.93
Total	13,414.59

34 Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress

Inventories at the end of the year	
Work-in-progress	717.25
Finished goods	875.52
Total	1,592.77

Inventories at the beginning of the year	
Work-in-progress	885.61
Finished goods	600.66
	1,486.27
Net (Increase)/ Decrease in Stocks	(106.50)

(Increase)/ Decrease in work in progress	
Pigments	37.70
Detergents	0.48
Sulphonation	130.18
Total	168.36

(Increase)/decrease in finished goods (Inclusive of finished goods in transit)	
Pigments	(300.41)
Detergents	(3.62)
Sulphonation	29.17
Total	(274.86)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	Year ended 31 March 2020
35 Employee Benefit Expense	
Salaries, Wages, Bonus and other benefits	3,971.68
Directors' Remuneration	243.32
Contribution to Provident Fund and other funds	268.71
Gratuity	71.67
Staff Welfare and amenities	263.84
Total	4,819.22
36 Finance Cost	
Interest on income tax payments	0.22
Interest on Term Loan	33.51
Interest on lease liabilities	92.58
Interest Others	17.34
	143.65
Less: Interest on term loan transferred to CWIP	(33.51)
Total	110.14
37 Other Expenses	
Consumption of Stores and Spares	286.61
Power and Fuel (is net of)	1,311.26
Repairs and Maintenance:	
Machinery	332.43
Buildings	124.78
Others	77.10
Packing Expenses and materials consumed	390.58
Data Processing Charges	222.80
Laboratory Expenses	43.33
Freight and Forwarding expenses	608.91
Insurance	81.34
Commission on sales	15.47
Advertisement and Sales Promotion expenses	130.32
Security Expenses	90.28
Software License Expenses	49.39
Water Charges	9.95
Rent	25.91
Rates & Taxes	82.23
Travelling & Conveyance expenses	238.65
Communication expenses	99.97
Legal and Professional Fees	131.54
Sitting fees to Directors	30.80
Commission to Non Executive Directors	78.00
Donation	5.10
Corporate Social Responsibility Expenditure	150.50
Assets Scrapped / Loss on Sale of Assets (net)	15.29
Bad Debts written off	14.59
Provision for expected credit Loss	(1.72)
Bank Charges	63.34
Sundry balances written off	0.65
Miscellaneous expenses	198.71
Total	4,908.11

Note:- 1. Power and Fuel is net of wind power generated and utilised of ₹ 270.55

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	As at 31 March 2020
38 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
(ii) Bank Guarantees issued and outstanding	26.72
(iii) Letter of Credit issued and outstanding	87.33
[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 [₹ 610.97 Lakhs deposited with tax authorities]	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
(b) Against which advance paid	36.17
[C] Commitments	
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for Against which advance paid	1,030.65 296.45
(ii) Commitments under non-cancellable period of lease agreements	89.04

[D] Pending Proceedings

The Groups's pending litigations 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.

- 39** The Group has availed credit facilities (both fund based and non-fund based) from a bank 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, 2020.

40 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	31 March 2020
a. Contribution to Employees Provident Fund*	209.25
b. Superannuation Fund*	35.45
	244.70

*Includes contribution of ₹ 23.22 lakhs included in Director's Remuneration.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	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	540.17
b. Interest Cost	38.59
c. Current Service Cost	71.52
d. Past services cost	-
e. Benefits Paid from fund	(44.30)
f. Remeasurements - Financial assumptions and Experience adjustments	14.56
g. Defined benefit obligation at the end of the year	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	538.16
b. Adjustment to Opening balance	-
c. Expected Return on Plan Assets	38.44
d. Contribution by the Employer	115.29
e. Benefits Paid from the funds	(44.30)
f. Remeasurements - Return on Assets	1.28
g. Fair Value of Plan Assets at the End of the year	648.87
3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits	
a. Current Service Cost	71.52
b. Past service cost	-
c. Interest Cost	38.59
d. Expected return on plan assets	(38.44)
e. Net Actuarial (Gain)/Loss	13.27
f. Total Expenses recognised in Statement of Profit and Loss	84.94
4. Amount recognised in the Balance Sheet	
a. Present value of Benefit Obligation at the end of the year	(620.54)
b. Fair Value of Plan Assets at the End of the year	648.87
c. Funded Status Surplus / (Deficit)	28.33
d. Net (Liability) / Asset Recognised in the Balance sheet	28.33
5. Other Comprehensive Income (OCI)	
Remeasurements - Financial assumptions and Experience adjustments	14.55
Remeasurements - Return on Assets	(1.28)
Total actuarial (Gain)/Loss recognised in OCI	13.27
6. Description of plan assets	
a. Government Bonds	-
b. Debt instruments & Corporate Bonds	-
c. Cash & Cash Equivalent	-
d. Insurance Fund	648.87
e. Total	648.87

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	31 March 2020
7. Actuarial assumptions	
a. Discount Rate	6.80%
b. Salary Escalation Rate	4%
c. Turnover Rate	10%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)

8. Expected future cash flows as on:

Maturity Profile of Defined Benefit Obligations	31 March 2020
Projected benefits payable in future years from the date of reporting	
1 st following year	2.85
2 nd following year	42.54
3 rd following year	7.73
4 th following year	13.05
5 th following year	22.67
Years 6 to 10	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)	(35.43)	39.98	37.53	(33.94)
Variation in %	(5.71%)	6.44%	6.05%	(5.47%)

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 offset 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, 2020

41. Tax Expense

₹ in Lakhs

Particulars	Year ended 31 March 2020
(a) Amounts recognised in statement of profit and loss	
Current year	(1,887.48)
Short/Excess provision for earlier years	5.50
Current tax expense (A)	(1,881.98)
Origination and reversal of temporary differences	320.46
Deferred tax expense (B)	320.46
Tax expense recognised in the current statement (A) + (B)	(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. The Holding Company has opted to avail of the option, consequent to which the restatement of outstanding deferred tax liabilities have resulted in deferred tax credit amounting to ₹ 306.85 Lakhs which was recognised during year ended 31st March, 2020.

(b) Amounts recognised in other comprehensive income

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

(c) Reconciliation of effective tax rate

	Year ended 31 March 2020	
	%	Amount
Profit before tax		7,762.22
Tax using the Holding Company's domestic tax rate	25.17%	1,953.59
Tax effect of:		
Non-deductible tax expenses		
Exempt income	(1.33%)	(102.95)
Permanent Differences	0.31%	24.30
Restatement of Opening Deferred tax Laibilities due to changes in Tax Rate	(3.95%)	(306.85)
Other adjustments	(0.01%)	(0.76)
Tax relating to earlier years	(0.07%)	(5.50)
Rate difference	0.00%	(0.31)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

20.12% 1,561.52

(d) 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)	76.20	(853.11)
Leased Liabilities *	52.63	0.55		53.18	53.18	
Tax assets (Liabilities) (Net)	(1,044.19)	320.46	-	(723.73)	129.38	(853.11)

* 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 (Refer note 45). 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.

42 Financial instruments

A Valuation:

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2020**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 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:		
Non-current financial assets		
Other Financial Assets	100.00	100.00
Current financial assets		
Trade receivables	3,924.24	3,924.24
Cash and cash equivalents	1,969.55	1,969.55
Other bank balances	67.90	67.90
Loans	3,428.05	3,428.05
Other Financial Assets	361.18	361.18
Total Financial Assets at Amortized Cost (A)	9,851.92	9,851.92
Financial assets Measured at fair value through other comprehensive income		
Non - current Investments		
Investments in quoted equity instruments at FVTOCI	7,239.92	7,239.92
Total financial assets at fair value through other comprehensive income (B)	7,239.92	7,239.92
Financial assets measured at fair value through profit and loss		
Non Current Investments		
Investment in Debentures	0.48	0.48
Investments in quoted instruments (Mutual Funds) at FVTPL	396.38	396.38
Current Investments		
Investments in quoted instruments (Mutual Funds) at FVTPL	2,888.11	2,888.11
Total financial assets at fair value through profit and loss (C)	3,284.97	3,284.97
Total financial assets (A+B+C)	20,376.81	20,376.81
Financial liabilities held at amortised cost:		
Non - Current financial liabilities		
Borrowings	2,025.00	2,025.00
Lease liabilities	619.91	619.91
Current financial liabilities		
Trade payables	2,929.62	2,929.62
Lease Liabilities	212.74	212.74
Other financial liabilities	862.96	862.96
Total financial liabilities carried at amortised cost	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:

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

- 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 arrive at the fair value of 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 31.03.2020	FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
Investments in quoted equity instruments at FVTOCI	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 (*)
Investments in quoted instruments (Mutual Funds) at FVTPL	3,284.49	Level 1	Quoted bid price in an active market
Derivative instrument - Forward contract	-		Fair valuation
Investments in unquoted Instruments at FVTPL	-		Fair valuation
Investments in unquoted Instruments at OCI	-		Fair valuation
Borrowings	2,025.00	Level 2	Amortized Cost

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

(*) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

42.1 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.



Notes to Consolidated Financial Statements for the year ended 31st March, 2020

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
		As at 31 March 2020
Particulars		
Not due		3,000.41
0-3 months		773.69
3-6 months		59.91
6 months to 12 months		37.55
beyond 12 months		58.98
Allowance for doubtful trade receivables (Expected credit loss allowance)		(6.29)
Total		3,924.25

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

Movement in provisions of doubtful debts

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

Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn is 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

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

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1968.40 Lakhs as at 31st March, 2020. 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 may encounter difficulty in meeting its obligations associated with financial liabilities, that are settled by delivering cash or such other financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring forecast and actual cash flows, maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.

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

Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31 st March 2020	
	Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year
Non-derivative financial liabilities		
Borrowings	-	2,025.00
Trade and other payables	2,929.61	-
Lease Liabilities	212.74	619.91
Other financial liabilities	862.96	-
Total non-derivative financial liabilities	4,005.31	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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

The following table analyzes foreign currency risk from financial instruments as of 31st March 2020 and 31st March 2019:

in Lakhs						
Particulars	USD	EURO	GBP	SGD	CAD	AUD
Accounts Receivable						
As at 31 March 2020	9.40	0.01	0.06	-	0.03	0.00
Accounts Payable						
As at 31 March 2020	8.45	0.09	-	-	-	-
Cash & Cash Equivalents						
As at 31 March 2020	303.96	-	-	-	-	-

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	GBP	INR/USD	INR/GBP
Export Transactions				
As at 31 March 2020	132.68	0.71	70.75	89.68
Import Transactions				
As at 31 March 2020	67.52	-	73.51	-

Impact on profit or loss and total equity

₹ in lakhs

Particulars	USD impact
	As at 31 March 2020
Increase in exchange rate by 5%	221.16
Decrease in exchange rate by 5%	(221.16)
Particulars	GBP impact
	As at 31 March 2020
Increase in exchange rate by 5%	3.17
Decrease in exchange rate by 5%	(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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

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 2020	-	-
Accounts Payables(USD)	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 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, 2020

Fixed-rate instruments	
Financial Assets - measured at amortised cost	-
Investment in Bonds	-
Borrowings	2,025.00
Total	2025.00

43. Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2020

Sl. NO.	Particulars	Year ended 31-03-2020
1	SEGMENT REVENUE	
a	Laundry & Allied Products	26,178.15
b	IT Enabled Services	4,400.13
c	Windmill	310.34
	TOTAL	30,888.62
	Less : Inter Segment Revenue	(270.55)
	SALES/INCOME FROM OPERATIONS	30,618.07
2	SEGMENT RESULTS	
a	Laundry & Allied Products	6,157.76
b	IT Enabled Services	962.92
c	Windmill	155.10
	TOTAL	7,275.78
	Less: Interest and Finance Charges	(110.03)
	Less: Unallocated Expenditure (Net-off)	596.47
	TOTAL PROFIT BEFORE TAX	7,762.22

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

₹ in lakhs

Sl. NO.	Particulars	Year ended 31-03-2020
3	SEGMENT ASSETS	
a	Laundry & Allied Products	19,084.49
b	IT Enabled Services	2,083.59
c	Windmill	1,000.62
d	Unallocated / Corporate	15,975.34
		38,144.04
4	Segment Liabilities	
a	Laundry & Allied Products	5,947.26
b	IT Enabled Services	1,044.53
c	Windmill	11.35
d	Unallocated / Corporate	893.55
		7,896.69
TOTAL CAPITAL EMPLOYED IN THE COMPANY		30,247.35

44 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 (wef 1 st August, 2019)
	Mr. Nimish Patel	Director	Non Executive Independent
	Mr. T.R Madhavan	Director	Non Executive Independent (upto 29 th July, 2019)
	Mr. Vinod G. Nehemiah	Director	Non Executive Independent (upto 29 th July, 2019)
	Mr. Navin M Ram	Director	Non Executive Independent
	Mr. S. Ragothaman	Director	Non Executive Independent (upto 13 th February, 2020)
	Mr. Rajeev M. Pandia	Director	Non Executive Independent
	Mr. C.R. Chandra Bob	Director	Non Executive Independent
	Dr.P. Arunasree	Director	Non Executive Independent (from 1 st April, 2019)
	Mr. Harsh R. Gandhi	Director	Non Executive Independent (from 1 st August, 2019)
	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		
	Ahana LLC		
Relatives of Key Managerial Personnel	Mr. V. Bharathram	President(Operations), IT-Enabled Services and BPO activities Division	
	Ms. Meera Parthasarathy	Vice President(Operations), BPO Division	
	Ms. Vidya Sampath	Vice President - Corporate Social Responsibility (CSR)	

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

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

₹ in Lakhs

	2019-20
Sales	
Goods, Materials and Services	
Thirumalai Chemicals Limited	3.42
Remuneration paid to	
Mr. V. Bharathram	27.28
Ms. Meera Parthasarathy	72.87
Ms. Vidya Sampath	21.05
Remuneration to Key Managerial Personnel	
Ms. Tara Parthasarathy	113.40
Mr. R. Senthilkumar	53.58
Mr. V. Bharathram (wef 1 st August, 2019)	77.20
Mr. S. Ramanan	29.24
Mr. Kishore Kumar Sahoo	14.45
Sitting fees & commission to Independent & Non-executive Directors	108.80
Rendering of Services to	
Thirumalai Chemicals Limited	12.79
Ahana LLC, USA	14.61
Rent Paid to	
Thirumalai Chemicals Limited	36.53
Ms. Vidya Sampath	1.76
Receiving of services from	
Thirumalai Chemicals Limited	1.26
Thirumalai Charity Trust (Thirumalai Mission Hospital)	1.11
Reimbursement of Expense	
Lapiz Europe Ltd	0.31
TCL Global BV	19.77
Outstanding payables	
Thirumalai Chemicals Limited	3.28
Thirumalai Charity Trust (Thirumalai Mission Hospital)	0.51
TCL Global BV	6.95
Directors Remuneration Payables	
Ms. Tara Parthasarathy	60.00
Mr. R. Senthilkumar	5.00
Non executive Directors commission	78.00
Outstanding receivables	
Thirumalai Chemicals Limited	4.83
Donations paid	
Thirumalai Charity Trust	120.00
Outstanding deposits receivables	
Ms. Vidya Sampath	0.70
Thirumalai Chemicals Limited	14.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2020**45 Leases**

- i) On transition, with effect from 1st April 2019 the adoption of the new standard IndAS 116 - Leases resulted in recognition of 'Right of Use' asset of ₹ 877.42 Lakhs and a lease liability of ₹ 1017.43 Lakhs. The cumulative effect of applying the standard, amounting to ₹ 156.46 Lakhs (net of deferred tax credit of ₹ 52.62 Lakhs) was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The rate of interest implicit in the lease considered based on the government bond yield rate and incremental borrowing rate in the range of 10.25% - 9.87% based on the lease term has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2020:

₹ in Lakhs

Particulars	March 31, 2020
Balance at the beginning of the year	-
Lease liabilities recognised on initial application of Ind-AS 116	1,029.78
Finance cost accrued during the period	92.58
Payment of lease liabilities	(289.71)
Balance at the end of the year	832.65
Lease Liability - Current	212.74
Lease Liability - Non-Current	619.91

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

The total cash outflow for leases is ₹ 298.26 Lakhs for the year ended March 31, 2020, 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 into by the Group majorly pertain to 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, 2020 on an undiscounted basis:

	₹ in lakhs
ii	
Particulars	31 st March, 2020
Payable	
Within one year	305.48
After one year but not more than five years	679.51
More than five years	14.08

46 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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2020**

average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Group

Particulars	₹ in lakhs
	31 March 2020
	INR
Profit attributable to equity holders of the Group for basic and diluted earnings per share	6,200.70

ii. Weighted average number of ordinary shares

Particulars	31 st March, 2020
	INR
Number of Issued equity shares at April 1	292,00,000
Effect of shares issued	-
Nominal value per share	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	292,00,000
Basic earnings per share	21.24

47 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 2020		Share in Profit or Loss Year/ Period Ended 31 st March 2020		Share in Other Comprehensive Income (OCI) Year/ Period Ended 31 st March 2020		Share in Total Comprehensive Income (OCI) Year/ Period Ended 31 st March 2020	
	%	Amount	%	Amount	%	Amount	%	Amount
Holding Company								
Ultramarine & Pigments Limited	100.00%	30,247.20	100.01%	6,201.55	100.00%	(10,941.42)	99.98%	(4,739.88)
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%	6,200.70	100.00%	(10,941.42)	100.00%	(4,740.73)

48 As the Group is presenting its consolidated financial results for the first time, the corresponding figures for the previous year are not furnished.

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 : 1st June, 2020

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



The Akshaya Vidya Trust

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994

Vedavalli Higher Secondary School, Walaja (State Board) 1999

Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School, Ranipet (CBSE) 2003

June 2019 saw the culmination of 25 years of Akshaya Vidya Trust. On the founder's day at the start of this year, we recognized the efforts of students who achieved the highest scores in science, commerce and humanities in their respective schools. With programmes such as orientation for teachers, Term 1 is always filled with activities for staff and students of all classes. Vedavalli Vidyalaya is known for the tours that expose the students to outside world and the interaction with guests that is organized for the students for knowledge gaining. This year, we have had a sizeable participation from parents of different professions which evidenced the variety of activities held on our school's special days and events. Staff from TCL also conducted seminars in both scholastic and co-scholastic areas for students of different levels. Term 1 was very eventful with events such as investiture ceremony, Independence Day, sports day and special days, filled to the brim.



New programmes such as the alumnus of the month, trustee of the month, parent participation programmes, gender sensitivity programme and a few other child development programmes were added this year with a view to creating new opportunities for interaction with different people that give students an exposure to new ideas and different views. Co-curricular activities such as silambam, karate, dance, mridangam and skating have also been brought back. Students could join science, art, literary, computer, ecology or any one of the 12 different clubs of their interest.



Term 1 concluded, on Teachers' day, with a grand felicitation to Ms. J. Nirmala, the Senior Principal of Vedavalli Vidyalaya Schools, who completed 25 long and magnificent years of service in our school. She is one of the first teachers to join during the inception of the school in 1994. A video montage of alumni, trustees and former teachers wishing her well was also shared with the audience.

Students of both campuses participated in many interschool, cluster, zonal, district and national level competitions. Many of them emerge victorious at many levels in a variety of athletic and sport events. We are proud that our student Pooja Vaishali received the silver medal in National Archery competition.



This year, we conducted several community outreach programmes, such as Gudimallur temple cleaning, visit to old age homes and an awareness campaign on adverse effects of substance abuse, which form an integral part of learning for both students and teachers. We are extremely proud to share that our Correspondent, Ms. Bhooma Parthasarathy, has been awarded Poorva Vidyarthini Rathna Award by Lady Sivaswami Ayyar Girls' Higher Secondary School, Mylapore, Chennai, for her outstanding contribution to the society. Thus far, only five awardees have been conferred upon with this honour since the inception of this 150-year-old institution.

Term 2 had some special days and events like Pongal, Christmas, Children's Day, Annual Day and Graduation Day. Our Walaja campus has been awarded the grant to open the Atal Tinkering Lab where students are given opportunities to experiment with electrical and electronic gadgets. The 1700 square feet laboratory was inaugurated on 3 January 2020. On 24 January 2020, the 13th Smt. C. R. Sathyabhama Memorial Seminar for teachers on 'Raising the Bar: Teachers' Standards impact learning' was conducted. Though the school came to an abrupt halt with Covid-19 novel corona virus, the staff were given a thorough briefing on how to keep themselves safe. Instruction pamphlets and assignments were sent to all students on safety measures during lockdown. As we wait for things to get back to normalcy, our efforts to reach out students, parents and teachers through live online classes continue.





Thirumalai Charity Trust

Ranipet



376 sessions for 13 patients in Dialysis Unit : service commenced on 4th December after installation, training of staff.

Founded in 1970, Thirumalai Charity Trust (TCT) has been undertaking many projects on health, education and rural development to create an everlasting impression on our community in and around Ranipet. We are extremely happy to let you all know that we shall be shortly commemorating our golden anniversary and are aiming at new horizons to serve our community both in the current context as well as through our existing programmes. We are proud to announce that we have successfully completed a decade of service at the Thirumalai Mission Hospital (TMH). Thanks to the constant support and encouragement that is being received from our donors and beneficiaries, not to leave out the outstanding involvement of our staff, TMH that had a humble beginning in a single-storied building with just one medical officer has now grown manifold in size and is now reaching out community with relevant facilities and services to cater to the needs of the society.

TMH offers medical facilities in general medicine, emergency & intensive medical care, general surgery, obstetrics & gynaecology, paediatrics, orthopaedics, ENT, and dentistry at its inpatient and outpatient departments. TMH offers excellent services in physiotherapy and dialysis through its state-of-the-art laboratory and diagnostic facilities. As part of our commitment to the welfare of deprived section of our society, the N.R. Swamy Centenary Rehabilitation Centre at TMH runs an exemplary de-addiction programme for alcoholics and offers counselling and education services to adolescents and tobacco users in villages. Our research unit has been conducting health surveys for non-communicable diseases too. We are proud to say that TMH has been accredited by NABH.

The uniqueness of TCT lies in its ability to offer integrated primary and secondary health services, with the hospital as the base, and reach the community through a committed network of field staff and volunteers to serve around 35,000 families with a population of approximately 160,000 people in 315 villages of Vellore and Ranipet districts of Tamil Nadu. The integrated model of healthcare, especially for management and control of non-communicable diseases, such as diabetes, hypertension, osteoporosis, cancer screening and detection, has received wide recognition from our peers as well.

For the year, a total of 29,378 outpatients and 1,151 inpatients have been benefitted and 11,286 patients have availed our services of our targeted community at near-free concessional rates in camps and other services at TMH. Twenty-one patients have been benefitted through our dialysis service. Around 153 alcoholics have been rehabilitated at our rehabilitation centre.

As part of our completely charitable services for the villages, we reach out to all the families in the villages on a regular basis in order to identify those who need care, refer them for treatment and follow them up even after treatment. Our educational services are designed for young mothers, women, adolescents, youth, school students and senior citizens. Our family care volunteers and community-based organizations actively engage in all of the village-level programmes and support our staff in discharging their duties well.

We have expanded our emergency and laboratories by adding two more floors specifically to the emergency block.

Now, we take time to express our heartfelt gratitude and warm appreciation to your organization's untiring and constant help and support in all of our activities. You are most welcome to visit our website to know more about us and also to send us feedback to improve ourselves at www.thirumalaimissionhospital.org