

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

CIN: U24300TN2019PLC133064

Manufacturers of inorganic pigments

(A wholly owned subsidiary of ULTRAMARINE & PIGMENTS LIMITED)

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the members of ULTRAMARINE SPECIALTY CHEMICALS LIMITED will be held at the registered office of the Company at No. 556, Vanagaram Road, Ambattur, Chennai – 600053 on Thursday, 12th day of August, 2021 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Ms. Tara Parthasarathy (DIN: 07121058), who retires by rotation and, being eligible, offers herself for re-appointment.

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy should, however, be deposited not less than forty-eight (48) hours before the commencement of the meeting.
2. The proxy holder shall prove his/her identity at the time of attending the meeting. When a member appoints a proxy and both the member and proxy attend the meeting, proxy stands automatically revoked.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

Regd. Office: 556, Vanagaram Road,
Ambattur, Chennai -600053.
Phone: 0091- 44- 26136700/26136704
Fax: 0091 -44-26821201

Factory: No.59A, 60 & 61
Block No.C, Road No.13, APIIC Industrial Park
Naidupet -524126

4. The Members/Proxies should fill the Attendance Slip for attending the Meeting.
5. Proxies registers are open for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting. Inspection shall be allowed between 11.00 A.M. and 5.00 P.M.
6. All documents referred to in the notice are open for inspection at the Registered office of the Company on all the working days of the Company between 11:00 AM and 1:00 PM up to the date of Annual General meeting.

**By the Order of the Board
For Ultramarine Specialty Chemicals Limited,**



**V. Bharathram
Director
[DIN.08444583]**

Regd. Office:
No. 556, Vanagaram Road,
Ambattur, Chennai - 600053
20th May, 2021

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

CIN : U24300TN2019PLC133064.

Manufacturers of inorganic pigments.

[A wholly owned subsidiary of ULTRAMARINE & PIGMENTS LIMITED]

Director's Report

To

Dear Members,

Your Directors are pleased to present the 2nd Annual Report and the audited financial statement of the Company for financial year ended March 31, 2021.

FINANCIAL RESULTS:

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

Amount (Rs.)

Particulars	Year ending 2020-21	Year ending 2019-20
Revenue from operations	--	--
Expenses	--	84,550
Profit before tax	--	(84,550)
Tax Expenses	--	--
Profit after Tax	--	(84,550)

OPERATIONS:

The greenfield project "Sapphire" to manufacture pigments at Andhra Pradesh Industrial Infrastructure Corporation (APIIC) Industrial Park, Naidupet, Nellore district in the state of Andhra Pradesh (AP) is under implementation.

Project details:

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

SHARE CAPITAL:

The Company's paid up capital is Rs.1,00,000 (10,000 fully paid up equity shares of Rs.10/- each). There were no issue of shares with differential voting rights.

DIRECTORS:

There is no change in the directorship. The first Directors are continuing as Directors.

Director retiring by rotation and re-appointment

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

MEETINGS:

- During the year five Board meetings were held on 01.06.2020, 29.09.2020, 02.12.2020, 07.01.2021 and 19.03.2021.
- One Extra-Ordinary General Meeting of the Company was held on 27th March 2021 for obtaining approval of the Shareholders
 - i) To increase authorized share capital of the Company from Rs.10,00,000 to Rs. 44,10,00,000.
 - ii) To issue preference shares (7.5% 2,20,000 Non cumulative redeemable preference shares of Rs.1000/- each).
 - iii) To borrow funds pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013.
 - iv) To create charge on the assets of the Company to secure borrowings pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013.

STATUTORY AUDITORS:

M/s. Brahmayya & Co. Chartered accountants, Chennai was appointed as the auditors of the Company to hold office for a period of 5 years from the conclusion of 1st Annual General Meeting (AGM) of the Company held on 21st August 2020 till the conclusion of AGM for the year 2025-26.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

i) in the preparation of the annual accounts for the year ended March 31, 2021 the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii] appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit/ Loss 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.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Nil

RELATED PARTY TRANSACTIONS

The details relating to related party transactions are provided in the note no.19 to financial statements. 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

No. of complaints: Nil

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT- 9 are given in Annexure – 1 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: Nil.

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: Nil.

ACKNOWLEDGEMENT

Your Directors thank the various Central and State Government Departments, Organisations and Agencies for the co-operation extended by them.

**On Behalf of the Board
For Ultramarine Specialty Chemicals Limited,**



Tara Parthasarathy
Director
[DIN: 07121058]



V. Bharathram
Director
[DIN: 08444583]

Place: Chennai
Date: 20th May, 2021

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2021

[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	U24300TN2019PLC133064
Registration Date	09.12.2019
Name of the Company	Ultramarine Specialty Chemicals Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	No.556, Vanagaram Road, Ambattur, Chennai – 600053, Ph: 0091-44-26136700 – 26136704, Fax: 0091-44-26821201
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

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:- Nil

S. No.	Name and Description of main products / services	NIC Code of the* Product/ service	% to total turnover of the company
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* 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 & Pigments Limited	L24224MH1960PLC011856	Holding	100	2 (46)

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

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	-	60	60	0.06	-	60	60	0.06	0.00
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	9,940	9940	99.94	-	9940	9940	99.94	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other – Trust	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	-	10,000	100.00	-	10,000	10,000	100.00	0.00
(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)	-	-	10,000	100.00	-	10,000	10,000	100.00	0.00

[illegible]

share capital up to Rs. 2 lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	-	-	-	-	-	-	-	-
(c) Others (Specify)									
IEPF	-	-	-	-	-	-	-	-	-
Escrow Account	-	-	-	-	-	-	-	-	-
Clearing members	-	-	-	-	-	-	-	-	-
Hindu undivided families	-	-	-	-	-	-	-	-	-
NRI	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Public = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	10,000	100.00	-	10,000	10,000	100.00	0.00

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Chang 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.	Ultramarine & Pigments Ltd	9,940	99.94	-	9,940	99.94	-	-
2.	R. Sampath	10	0.01	-	10	0.01	-	-
3.	Indira Sundararajan	10	0.01	-	10	0.01	-	-
4.	R. Parthasarathy	10	0.01	-	10	0.01	-	-
5.	V. Bharathram	10	0.01	-	10	0.01	-	-
6.	Tara Parthasarathy	10	0.01	-	10	0.01	-	-
7.	R. Senthil Kumar	10	0.01	-	10	0.01	-	-

[Sl. No. 2 to 7 are the Nominees of Ultramarine & Pigments Limited]

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Directors and KMP Date wise Increase / Decrease in Shareholding 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. R. Sampath, Director				
	At the beginning of the year	10	0.01	10	0.01
	At the End of the year	10	0.01	10	0.01
2.	Mr. V. Bharathram , Director				
	At the beginning of the year	10	0.01	10	0.01
	At the End of the year	10	0.01	10	0.01
3.	Ms. Tara Parthasarathy, Director				

	At the beginning of the year	10	0.01	10	0.01
	At the End of the year	10	0.01	10	0.01

IV. INDEBTEDNESS:

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

	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	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil


B. Remuneration to other Directors: Nil

VI. 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		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

**On Behalf of the Board
For Ultramarine Specialty Chemicals Limited,**


Tara Parthasarathy
Director
[DIN: 07121058]


V. Bharathram
Director
[DIN: 08444583]

Place: Chennai
Date: 20th May, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of Ultramarine Speciality Chemicals Limited

Report on the Financial Statements

1. Opinion

1.1 We have audited the financial statements of **Ultramarine Speciality Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information ("the financial statements").

1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2021, and NIL Profit / Loss, 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 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Key Audit Matters

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

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

4.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

4.2 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



4.3 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

4.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5.1 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5.2 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

5.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

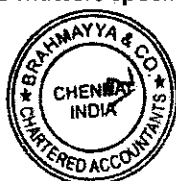
6.1 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

6.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the 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.

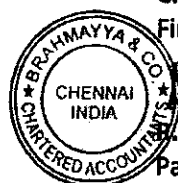
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 6.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 6.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- 7 Report on Other Legal and Regulatory Requirements**
- 7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



7.2 As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- 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, no remuneration is paid by the Company to its directors during the year and hence, provisions of section 197 of the Act are not applicable.
- 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: and
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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.

Place: Chennai
Date: 20th May, 2021



For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No: 0005115

N. Nagendra Prasad
Nagendra Prasad
Partner

Membership No: 203377
UDIN: 21203377AAAADW7024

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]

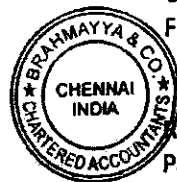
On the basis of such checks as considered appropriate and in terms of the information and explanation furnished to us, we state as under:

- 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 verified all items of fixed assets acquired during the year.
- ii. In our opinion and according to the information and explanations given to us, the Company does not have any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.
- 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, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- 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. The company has not carried out any activities during the year and hence the maintenance of cost records under section 148(1) of the Act does not arise and accordingly paragraph 3(vi) of the order is not applicable;
- 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 Income-tax, Goods and Services Tax, duty of customs, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2021, for a period of more than six months from the date they became payable. The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employee State Insurance Act, 1948 and Provident fund are not applicable to the company.
- (b) According to the records of the company and information and explanations given to us, there are no outstanding amounts in respect of goods and services tax, income tax, duty of customs that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, the company did not avail any loan or borrowings from banks or financial institutions and also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 3(viii) of the Order are not applicable;



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the company has not availed any term loans during the year and accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- 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 not paid/provided for managerial remuneration during the year and accordingly the provisions of clause 3(xi) are not applicable.
- 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 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.

Place: Chennai
Date: 20th May, 2021



For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No: 0005115

R. N. Prasad
R. N. Prasad

Partner

Membership No: 203377

UDIN: 21203377AAAADW7024

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

Place: Chennai
Date: 20th May, 2021



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

R. Nagendra Prasad
R. Nagendra Prasad

Partner

Membership No: 203377

UDIN: 21203377AAAADW7024

Ultramarine Specialty Chemicals Limited
Balance Sheet as at 31st March, 2021

S. No	Particulars	Note No	As at	
			31st March 2021	31st March 2020
(1)	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment	4	0.49	-
	(b) Right of use asset		-	-
	(c) Capital work in progress	4	712.33	-
	(d) Intangible assets		-	-
	(e) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other financial assets		-	-
	(f) Other non-current assets	5	437.70	-
			1,150.52	-
(2)	Current assets			
	(a) Inventories		-	-
	(b) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Cash and cash equivalents	6	81.22	1.15
	(iv) Bank balances other than cash and cash equivalents	7	60.00	-
	(v) Loans	8	0.11	-
	(vi) Other financial assets	9	0.86	-
	(c) Current Tax Assets (Net)		-	-
	(d) Other current assets	10	9.10	-
			151.29	1.15
	Total Assets		1,301.81	1.15
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	11	1.00	1.00
	(b) Other Equity	12	1,199.15	(0.85)
			1,200.15	0.15
(1)	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Lease liabilities		-	-
	(b) Provisions		-	-
	(c) Deferred tax liabilities (net)		-	-
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	13	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		2.34	0.50
	(ii) Lease liabilities		-	-
	(iii) Other financial liabilities	14	76.21	0.50
	(b) Other current liabilities	15	23.11	-
	(c) Provisions		-	-
			101.66	1.00
	Total Equity and Liabilities		1,301.81	1.15

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

For Brahmaya & Co
Chartered Accountants
Firm Regn. No. 0005115
CHENNAI
INDIA
GENDRA PRASAD
Partner
Membership No. 203377
Place: Chennai
Date : 20th May 2021

TARA PARTHASARATHY
Director
DIN : 07121058

For and on behalf of Board of Directors

V BHARATHRAM
Director
DIN : 08444583

Ultramarine Specialty Chemicals Limited
Statement of Profit and Loss for the year ended 31st March, 2021

S. No	Particulars	Note No.	Year ended 31st March 2021	Period ended 31st March 2020
I	Revenue From Operations		-	-
II	Other Income		-	-
III	Total Income (I+II)		-	-
IV	EXPENSES			
	Cost of materials consumed		-	-
	Changes in Inventories of Finished goods and work-in-progress		-	-
	Employee benefits expense		-	-
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Other expenses		-	0.85
	Total expenses (IV)	16	-	0.85
V	Profit / (Loss) before exceptional items (III-IV)		-	(0.85)
VI	Exceptional items		-	-
VII	Profit / (Loss) before tax (V+VI)		-	(0.85)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit / (Loss) for the period (VII-VIII)		-	(0.85)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	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))		-	-
XII	Total comprehensive Income for the period (IX + XI)		-	(0.85)
XIII	Earnings per equity share of face value of ₹ 10 each			
	Weighted average number of shares for calculation of basic and diluted earnings per share		10,000	3,066
	(1) Basic		-	(0.00)
	(2) Diluted		-	(0.00)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Brahmayya & Co

Chartered Accountants

Firm Regn. No. 000511S

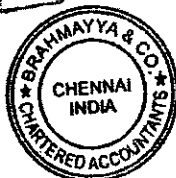
R. N. Prasad
R. NAGENDRA PRASAD

Partner

Membership No. 203377

Place: Chennai

Date : 20th May 2021



Tara Parthasarathy
TARA PARTHASARATHY
 Director
 DIN : 07121058

For and on behalf of the Board of Directors

V. Bharathram

V BHARATHRAM
 Director
 DIN : 08444583

Ultramarine Specialty Chemicals Limited
Statement of cash flows for the year ended 31st. March 2021

SLNo.	Particulars	For the period ended 31st March 2021	For the period ended 31st March 2020
A	Cash flow from operating activities		
	Profit before tax	-	(0.85)
	Operating profit before working capital changes	-	(0.85)
	Movements in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	-	-
	Trade receivables	-	-
	Current financial assets	(60.97)	-
	Other current assets	(9.10)	-
	Non Current financial assets	-	-
	Other Non-current assets	-	-
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payable	1.84	0.50
	Other current financial liabilities	47.91	0.50
	Other current liabilities	23.11	-
	Current provisions	-	-
	Cash generated from operations	2.79	0.15
	Direct taxes paid (net)	-	-
	Net cash generated from operating activities (A)	2.79	0.15
B	Cash flows from Investing activities		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(1,122.72)	-
	Net cash (used in) Investing activities (B)	(1,122.72)	-
C	Cash flow from financing activities		
	Proceeds from Issue of equity instruments of the company	1,200.00	1.00
	Net cash (used in) financing activities (C)	1,200.00	1.00
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ((A) + (B) + (C))	80.07	1.15
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Balances with banks in current accounts & EEFC accounts and deposit accounts	1.15	-
	Cash on hand	-	-
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	-	-
	CASH AND CASH EQUIVALENTS	1.15	-
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts, EEFC accounts and deposit accounts	81.22	1.15
	Cash on hand	-	-
	Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	-	-
	CASH AND CASH EQUIVALENTS AS PER NOTE No. 6	81.22	1.15

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

For Brahmayya & Co
Chartered Accountants
Firm Regn. No. 0005115
AGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 20th May 2021

For and on behalf of Board of Directors

TARU PARTHASARATHY
Director
DIN :07121058

V BHARATHRAM
Director
DIN : 08444583



Ultramarine Specialty Chemicals Limited
Statement of changes in equity for the year ended 31st March, 2021

I Equity Share Capital

Balance as at 9th Dec 2019		-
Changes in equity share capital during the period		1,00,000
Balance as at 31st March 2020		1,00,000
Changes in equity share capital during the year		-
Balance as at 31st March 2021		1,00,000

II Other Equity

Particulars	Share application money pending allotment	Surplus		Items of Other comprehensive income	Total Equity
		General Reserve	Retained Earnings		
As at 9th Dec 2019	-	-	-	-	-
Profit / (Loss) for the year	-	-	(0.85)	-	(0.85)
Other Comprehensive Income	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-
Total comprehensive income for the Period	-	-	(0.85)	-	(0.85)
As at 31st March 2020	-	-	(0.85)	-	(0.85)
Profit for the year	0	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
Other comprehensive income for the Period	-	-	-	-	-
Total comprehensive income for the Period	-	-	-	-	-
Share Application Money received during the year	1,200.00	-	-	-	1,200.00
As at 31st March 2021	1,200.00	-	(0.85)	-	1,199.15

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Brahmayya & Co

Chartered Accountants

Firm Regn. No. 000511S

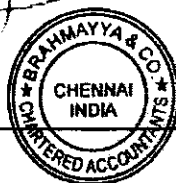
R. NAGENDRA PRASAD

Partner

Membership No. 203377

Place: Chennai

Date : 20th May 2021



For and on behalf of the Board of Directors

TARA PARTHASARATHY

Director

DIN : 07121058

V BHARATHRAM

Director

DIN : 08444583

Ultramarine Specialty Chemicals Limited
Notes to the financial statements for the period ended March 31, 2021

All amounts are in INR unless otherwise stated

1. General Information

Ultramarine Specialty Chemicals Limited (the 'Company') is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company incorporated with the objective of manufacturing and selling of Pigments. The company is yet to commence its operations. It's a wholly owned subsidiary of Ultramarine & Pigments Limited.

The registered office of the Company is located at No.556, Vanagaram Road, Ambattur, Chennai. During the month of June 2020 the company has commenced implementation of a greenfield project for manufacture of Pigments in Naidupet in the State of Andhra Pradesh. The Holding Company has committed an investment to an extent of ₹ 4400 Lakhs in the form of Equity and Preference shares and the Holding Company have so far invested an amount of Rs.1250 Lakhs for the period ended 31st March, 2021.

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

2. Basis of preparation

A. Statement of compliance

These 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.

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

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

C. Current and non-current classification:

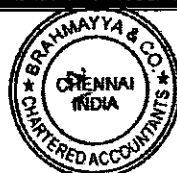
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash 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 financial statements have been prepared on a historical cost basis except that certain financial assets and liabilities that are measured at the fair value.

E. Use of estimates and judgements

The preparation of the 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 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.



Ultramarine Specialty Chemicals Limited
Notes to the financial statements for the period ended March 31, 2021

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 financial statements:

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 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.

Assumptions and estimation uncertainties

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

- Note 17- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

3. Significant Accounting Policies

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

Company'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 recognized 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.

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

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.



Ultramarine Specialty Chemicals Limited
Notes to the financial statements for the period ended March 31, 2021

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. 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 financial statements.

Contingent liabilities are disclosed for: -

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

Contingent assets:

Contingent assets are not recognized in the financial statements.



Ultramarine Specialty Chemicals Limited
Notes to the financial statements for the period ended March 31, 2021

3.3. Earnings per share:

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

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

3.4 Cash and cash equivalents:

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

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

3.5 Cash Flow Statement

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

3.6

Taxation:

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

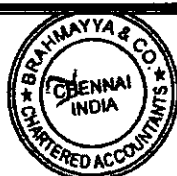
Current Tax:

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.

3.7 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 assets 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.



Ultramarine Specialty Chemicals Limited
Notes to the financial statements for the period ended March 31, 2021

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

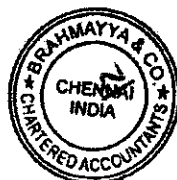
Credit for Minimum Alternative Tax (MAT) if any is recognized as a part of deferred tax assets.

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.

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

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



Ultramarine Specialty Chemicals Limited

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

4 Property Plant and Equipments

₹ in Lakhs

Particulars	Computer Equipments	Furniture & Fixtures	Total	Capital Work-in progress
Gross Block:				
As at 01-04-2020	-	-	-	-
Additions (Note ii)	0.37	0.13	0.50	
Disposals / Adjustments			-	
Balance as at 31-03-2021	0.37	0.13	0.50	712.33
Accumulated depreciation:				
Balance as at 01-04-2020	-	-	-	
Charge for the year	0.01	0.00	0.01	
Other Adjustments			-	
Balance as at 31-03-2021	0.01	0.00	0.01	
Net carrying amount:				
As at 31-03-2020	-	-	-	
As at 31-03-2021	0.36	0.13	0.49	



₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
5	Other Non - Current Assets Unsecured, Considered Good Capital Advances Income taxes (Net) Deposits for the leased premises	437.33 0.07 0.30	- - -
	Total	437.70	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
6	Cash & cash equivalents Cash and cash equivalents (i) Cash on hand (ii) Balances with banks in current account	- 81.22	- 1.15
	Total	81.22	1.15

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
7	Bank balances other than cash and cash equivalents Margin money with banks for LC	60.00	-
	Total	60.00	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
8	Loans & Advances to Employees - Considered good - Unsecured	0.11	-
	Total	0.11	-

₹ in Lakhs

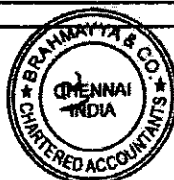
S. No	Particulars	As at	
		31st March 2021	31st March 2020
9	Other Financial Assets Interest accrued on Deposits	0.86	-
	Total	0.86	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
10	Other Current Assets Advances other than capital advances: Balance with GST, customs, central excise & sales tax	9.10	-
	Total	9.10	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
11	Share capital Authorised 2,21,00,000 (31st March 2020: 1,00,000) Equity Shares of ₹ 10/- each. (31st March 2020: ₹ 10/- each) 2,20,000 (31st March 2020- Nil) Non Cumulative Redeemable Preference shares of ₹ 1,000/- each (31st March 2020- Nil) carrying coupon rate of 7.5% Issued, subscribed and fully paid-up shares 10,000 (31st March 2020: 10,000) Equity Shares of ₹ 10/- each (31st March 2020: ₹ 10/- each) fully paid up.	2,210.00 2,200.00 1.00	10.00 - 1.00
	Total	1.00	1.00



11.1 Reconciliation of number of shares outstanding at the beginning and end of the year:		
	Equity Shares of ₹10 Each	Preference Shares of ₹1,000 Each
Issued, Subscribed and Paid up share capital:		
Balance as at 9th December, 2019	10,000	-
Add / (Less): Changes during the year	-	-
Balance as at 1st April, 2020	10,000	-
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2021	10,000	-
11.2 Terms/rights attached to Shares		
(a) Equity Shares		
(i) The Equity shares are having a par value of ₹ 10/- and each holder of equity shares is entitled to one vote per share.		
(ii) 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.		
(b) Non Cumulative Redeemable Preferential Shares (NCRPS)		
(i) The Non Cumulative Redeemable Preferential shares are having a par value of ₹ 1,000/-		
(ii) The Holder of NCRPS shall be entitled to preferential dividend of 7.5 % per annum (non cumulative) on the face value of NCRPS		
(iii) The Redemption shall be from FY 2027-28 (3 Yearly instalments) or such other period as may be agreed		
11.3 Details of shareholders holding more than 5% shares		
Equity shares	Number of fully paid equity shares as on 31st Mar 21	Number of fully paid equity shares as on 31st Mar 20
Ultramarine & Pigments Limited - Holding Company As at 31st March, 2021- 100% (31st March 2020-100%)	10,000	10,000

₹ In Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
12	Other Equity		
	Share Application Money Pending allotment	1,200.00	-
	General reserve	-	-
	Retained Earnings	(0.85)	0.85
	Other Comprehensive Income	-	-
	Total	1,199.15	0.85

S. No	Particulars	As at	
		31st March 2021	31st March 2020
13	Trade Payables		
	Trade payables :		
	- Total outstanding dues of micro enterprises and small enterprise	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	2.34	0.50
	Total	2.34	0.50

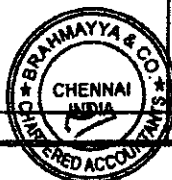
₹ In Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
14	Other financial liabilities		
	Creditors for capital goods	27.80	-
	Other financial liabilities	48.41	0.50
	Total	76.21	0.50

* Amounts payable to Holding Company ₹ 48.41 Lakhs (₹ 0.50 Lakhs)

₹ In Lakhs

S. No	Particulars	As at	
		31st March 2021	31st March 2020
15	Other current liabilities		
	Statutory Dues	3.54	-
	Other Liabilities	19.57	-
	Total	23.11	-



₹ in Lakhs

16	Other Expenses		-	0.23
	Professional Fees			
	Audit Fees		-	0.50
	-Statutory Audit		-	0.11
	Printing & Stationery			
				0.85

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

[A] Contingent Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	-	-
(ii) Bank Guarantees issued and outstanding	-	-
(iii) Letter of Credit issued and outstanding	46.99	-

[B] Commitments

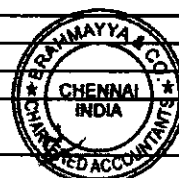
Particulars	As at 31 March 2021	As at 31 March 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,334.30	-
Against which advance paid	437.33	-
(ii) Commitments under non-cancellable period of lease agreements	-	-

18 Financial instruments

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

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:				
Non-current financial assets				
Current financial assets				
Trade receivables	-	-	-	-
Cash and cash equivalents	81.22	81.22	1.15	1.15
Other bank balances	60.00	60.00	-	-
Loans	0.11	0.11	-	-
Other Financial Assets	0.86	0.86	-	-
Total Financial Assets at Amortized Cost (A)	142.19	142.19	1.15	1.15
Financial assets Measured at fair value through other comprehensive income				
Non - current investments				
Total financial assets at fair value through other comprehensive income (B)	-	-	-	-
Financial assets measured at fair value through profit and loss				
Non Current Investments	-	-	-	-
Current Investments	-	-	-	-
Total financial assets at fair value through profit and loss (C)	-	-	-	-
Total financial assets (A+B+C)	142.19	142.19	1.15	1.15
Financial liabilities held at amortised cost:				
Non - Current financial liabilities				
Current financial liabilities				
Trade payables	2.34	2.34	0.50	0.50
Other financial liabilities	76.21	76.21	0.50	0.50
Total financial liabilities carried at amortised cost	78.54	78.54	1.00	1.00



19 Related party disclosures

1 Names of related parties and nature of relationship:

Nature of relationship	Name of related party	
Holding Company	Ultramarine & Pigments Ltd	
Key Management Personnel	Mr. R. Sampath	Director - Non- Executive
	Ms. Tara Parthasarathy	Director - Non- Executive
	Mr. V. Bharatram	Director - Non- Executive

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

Nature of transactions	Related parties	
	2020-21	2019-20
Share Application Money Received Ultramarine & Pigments Limited	1,200.00	-
Advance Received Ultramarine & Pigments Limited	47.92	0.50
Subscription to Equity Shares Ultramarine & Pigments Limited	-	1.00
Professional Fees paid Mr. R. Sampath	28.80	-
Balances Outstanding:		
Ultramarine & Pigments Limited - Share Application Money	1,200.00	-
Ultramarine & Pigments Limited - Advance Received	48.41	0.50

20 Segment Reporting

The company is proposed to engage in the manufacture of Pigments and accordingly has only one reportable segment. Hence, there are no additional disclosures to be provided under Ind AS 108 'Operating Segments'.

21 C I F Value of Imports

Particulars	₹ In Lakhs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Raw Materials	-	-
Plant & Machinery	-	-
Capital Equipments	-	-
Total	-	-

22 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

	31 March 2021	31 March 2020
Profit attributable to equity holders of the Company for basic and diluted earnings per share	-	(0.85)

ii. Weighted average number of ordinary shares

	31 March 2021 INR	31 March 2020 INR
Number of Issued equity shares at 9th Dec 2019	-	-
Effect of shares issued as	10,000	10,000
Nominal value per share	10	10
Weighted average number of shares at March 31 for basic and diluted earnings per shares	10,000	3,066
Basic earnings per share	-	(0.00)



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

Nature of transactions	Related parties	
	2020-21	2019-20
23 Disclosures required as per Micro, Small and Medium Enterprises Development Act, 2006 .		
The disclosure regarding Micro and Small Enterprises has been made to the extent such parties have been identified		
Particulars	2020-21	2019-20
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	NIL	NIL
(ii) The amount of interest paid by the buyer in terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	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

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

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

R. N. Nagendra Prasad

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

For and on behalf of Board of Directors

Tara Parthasarathy

TARA PARTHASARATHY
Director
DIN : 07121058

V Bharathram

V BHARATHRAM
Director
DIN : 08444583

