

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

CIN : U24300TN2019PLC133064.

Manufacturers of inorganic pigments.

[A wholly owned subsidiary of ULTRAMARINE & PIGMENTS LIMITED]

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

Director's Report

Dear Members,

Your Directors are pleased to present the 3rd Annual Report and the audited financial statement of the Company for financial year ended March 31, 2022.

FINANCIAL RESULTS:

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

Amount (Rs. Lakhs)

Particulars	Year ending 2021-22	Year ending 2020-21
Revenue from operations	--	--
Expenses	2.02	--
Profit before tax	(2.02)	--
Tax Expenses relating to prior years	(0.23)	--
Profit after Tax	(2.25)	--

OPERATIONS:

During the year, implementation of the greenfield project "Sapphire" to manufacture 1500 MT of Pigments at Andhra Pradesh Industrial Infrastructure Corporation (APIIC) Industrial Park, Naidupet, Nellore district in the state of Andhra Pradesh (AP) gathered momentum. The Company has tied up the funding for smooth execution. The installation and testing of machineries have been completed and trial production was taken successfully. The Company expects necessary approval from State Government authorities to commence the operation before 31st July 2022. The Company will be in a position to utilize the capacity to meet the export demand for fine grades. This is a green field project eligible to avail a concessional corporate tax of 15%.

SHARE CAPITAL:

During the year under review, the Board at its meeting held on May 28, 2021; November 25, 2021; March 03, 2022 has made allotment of the following:

- i) 2,20,00,000 fully paid up equity shares of Rs.10/- each.
- ii) 7.5% 2,20,000 non -cumulative redeemable preference shares of Rs.1,000/- each, fully paid up.

After the said allotment, the paid up capital of the Company rose to Rs.44,01,00,000.

MEETINGS:

During the year eight Board meetings were held on 20.05.2021, 28.05.2021, 25.06.2021, 24.08.2021, 25.11.2021, 05.01.2022, 03.03.2022 and 22.03.2022.

DIRECTORS:

There is no change in the directorship during the year.

Director retiring by rotation and re-appointment

As per the provisions of Companies Act, 2013, Mr. V. Bharathram (DIN.08444583), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

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, 2022 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii] appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2022 and of the profit/ 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

During the year under review, in accordance with Section 180 (1)(c) of Companies Act, 2013, the Board at its meeting held on March 03, 2022 has approved to avail unsecured term Loan of Rs.900 Lakhs and short term advance of Rs.100 Lakhs (total of Rs. 1,000 Lakhs) @ 6.75% p.a. from Ultramarine and Pigments Ltd, Holding Company towards implementation of green field project at Naidupet.

The above transaction was carried out in arm's length basis and in ordinary course of business of the Company. The loans availed was within the limits as envisaged under the aforesaid provision.

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2022

[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
Nil			

* 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)

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	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(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 (Corporate)	-	-	-	-	-	-	-	-	-
(j) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding	-	-	-	-	-	-	-	-	-

(ii) Shareholding of Promoters:

S.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.	Ultramarine & Pigments Ltd							
	Equity Shares							2,20,00,000
	Preference Shares	9,940	99.94	-	2,20,09,940	99.01	-	Shares
		-	-	-	2,20,000	0.99	-	2,20,000
								Shares
2.	R. Sampath	10	0.01	-	10	0.00	-	
3.	Indira Sundararajan	10	0.01	-	10	0.00	-	
4.	R. Parthasarathy	10	0.01	-	10	0.00	-	-
5.	V. Bharathram	10	0.01	-	10	0.00	-	
6.	Tara Parthasarathy	10	0.01	-	10	0.00	-	
7.	R. Senthil Kumar	10	0.01	-	10	0.00	-	
	Total	10,000	100.00		2,22,30,000	100.00	-	2,22,20,000

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

(iii) Change in Promoters' Shareholding (please specify, if there is no change): Refer (ii) above.

(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	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

Indebtedness at the end of the financial year				
i) Principal Amount	1,125.00	550.00		1,675.00
ii) Interest due but not paid	6.45	2.34	-	8.79
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,131.45	552.34	-	1,683.79

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: 24th May, 2022

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 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the 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, 2022, and 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 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 year. 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 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 the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy 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, 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:
 - i. The Company does not have any pending litigations as at 31st March, 2022 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not paid/declared any dividends during the year under review. Hence, compliance of section 123 of the Act is not applicable.

Place : Chennai
Date : 24th May 2022



For BRAHMAYYA & CO.,
Chartered Accountants
Firm's Regn. No.0005118

R. Nagendra Prasad
R. Nagendra Prasad
Partner

Membership No: 203377
UDIN :22203377AKEGWJ9239

Annexure – 'A' to Independent Auditors' Report

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

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

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

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Plot No. 59A 14.59 Acres of Land in Industrial Estate S.No.266(P) & 24(P) & 12(P), 13(P) Doc No. No.721/2022	972.24	Andhra Pradesh Industrial Investment Corporation (APIIC)	No	2020	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to conditions like construction of space and commencement of production. (Refer Note No. 4(i))

- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



- (ii) (a) As explained to us, the management has conducted physical verification of inventory at reasonable intervals which in our opinion the coverage and procedure of such verification by the management is appropriate having regard to the size and nature of business and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification ;
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year from a bank or financial institutions on the basis of security of current assets at any point during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a),(b),(c),(d),(e) and (f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or given any security or made any investments to the parties covered under section 185 and 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) The maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are not applicable to the company since the company is yet to commence commercial production.
- (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 2022, for a period of more than six months from the date they became payable.
- (b) According to the records of the company and information and explanations given to us, there are no outstanding amounts in respect of sales tax, service tax, duty of customs, goods and services tax and other statutory that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company has not been declared wilful defaulter by the bank or financial institution or government or any government authority.

- (c) The company has availed term loan during the year from bank and the term loan have been applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, the company has not raised funds on short term basis and accordingly reporting under clause 3(ix)(d) of the order is not applicable.
- (e) The company has not taken any funds from any entity or any other person on account of or to meet the obligations of its subsidiary company and the company does not have any joint ventures or associate companies.
- (f) The company has not raised any loan during the year on pledge of securities held in its subsidiary and the company does not have any joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or any fraud on the company has been noticed or reported during the year under report.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (b) The company did not have an internal audit system for the period under audit. Hence, reporting under clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or

persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- (b) In our opinion, the company is not a core investment company and there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of ₹ 2.25 Lakhs during the financial year (primarily on account of charging of administrative expenses and the company is yet to commence its commercial operations as on date) but not in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Since the company is yet to commence its commercial operations and no revenues from operations, provisions of Corporate Social Responsibility under Section 135 of the said Act are not applicable and accordingly, reporting under clause 3(xx) (a) and (b) of the Order is not applicable.
- (xxi) The company is not having investments in subsidiaries/ associates or joint ventures and therefore not required to draw any consolidated financial statements. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

Place : Chennai
Date : 24th May 2022



For BRAHMAYYA & CO.,
Chartered Accountants
Firm's Regn. No.000511S

R. N. Prasad
R. Nagendra Prasad
Partner

Membership No: 203377
UDIN :22203377AKEGWJ9239

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 of **Ultramarine Specialty Chemicals Limited** ("the Company") as of 31 March 2022 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 24th May 2022



For BRAHMAYYA & CO.,
Chartered Accountants

Firm's Regn. No.000511S

R. N. Prasad
R. Nagendra Prasad
Partner

Membership No: 203377

UDIN :22203377AKEGWJ9239

S. No	Particulars	Note No	As at	
			31st March 2022	31st March 2021
	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	4	974.84	0.49
	(b) Right of use asset		-	-
	(c) Capital work in progress	4	5,446.59	712.33
	(d) Intangible assets		-	-
	(e) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other financial assets	5	9.00	-
	(f) Other non-current assets	6	19.22	437.70
			6,449.65	1,150.52
(2)	Current assets			
	(a) Inventories	7	54.53	-
	(b) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Cash and cash equivalents	8	181.47	81.22
	(iv) Bank balances other than cash and cash equivalents	9	-	60.00
	(v) Loans	10	0.48	0.11
	(vi) Other financial assets	11	112.29	0.86
	(c) Current Tax Assets (Net)			
	(d) Other current assets	12	761.25	9.10
			1,110.02	151.29
	Total Assets		7,559.67	1,301.81
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	13	2,201.00	1.00
	(b) Other Equity	14	130.90	1,199.15
			2,331.90	1,200.15
(1)	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	3,875.00	-
	(ii) Lease liabilities		-	-
	(iii) Other financial liabilities	16	66.12	19.52
	(b) Provisions		-	-
	(c) Deferred tax liabilities (net)		-	-
			3,941.12	19.52
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	17	34.20	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		72.53	2.34
	(iii) Lease liabilities		-	-
	(iv) Other financial liabilities	18	1,176.86	76.21
	(b) Other current liabilities	19	3.06	3.59
	(c) Provisions		-	-
			1,286.65	82.14
	Total Equity and Liabilities		7,559.67	1,301.81

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

R. NAGENDRA PRASAD
Partner
Membership No. 203372
Place: Chennai
Date : 24th May 2022



S. Ramaran
Company Secretary

For and on behalf of Board of Directors

TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 0844583

S. No	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
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	20	0.03	-
	Depreciation and amortization expense		-	-
	Other expenses	21	1.99	-
	Total expenses (IV)		2.02	-
V	Profit / (Loss) before exceptional items (III-IV)		(2.02)	-
VI	Exceptional items		-	-
VII	Profit / (Loss) before tax (V+VI)		(2.02)	-
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) Income tax expense relating to prior years		(0.23)	-
IX	Profit / (Loss) for the period (VII-VIII)		(2.25)	-
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)		(2.25)	-
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	29	1,35,55,205	10,000
	(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 Brahmaya & Co

Chartered Accountants

Firm Regn. No. 0005115

R. N. Prasad

R. NAGENDRA PRASAD

Partner

Membership No. 203377

Place: Chennai

Date : 24th May 2022

S. Ramanan
Company Secretary

For and on behalf of the Board of Directors

TARA
TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 08444583

Sl.No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A	Cash flow from operating activities		
	Profit before tax	(2.02)	-
	Operating profit before working capital changes	(2.02)	-
	Movements in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(54.53)	-
	Trade receivables	-	-
	Current financial assets	(51.81)	(60.97)
	Other current assets	(752.15)	(9.10)
	Non Current financial assets	(9.00)	-
	Other Non-current assets	-	-
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payable	104.38	1.84
	Other current financial liabilities	920.18	47.91
	Other current liabilities	(0.53)	3.59
	Current provisions	-	-
	Other non-current liabilities	46.59	19.52
	Cash generated from operations	201.11	2.79
	Direct taxes paid (net)	(0.23)	-
	Net cash generated from operating activities (A)	200.88	2.79
B	Cash flows from investing activities		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(5,109.63)	(1,122.72)
	Net cash (used in) investing activities (B)	(5,109.63)	(1,122.72)
C	Cash flow from financing activities		
	Proceeds from issue of equity instruments to holding company	1,134.00	1,200.00
	Proceeds from issue of preference shares to holding company	2,200.00	-
	Proceeds from Term loan from holding company	550.00	-
	Proceeds from Borrowings from a Bank	1,125.00	-
	Net cash (used in) financing activities (C)	5,009.00	1,200.00
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	100.25	80.07
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Balances with banks in current 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	81.22	1.15
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts	181.47	81.22
	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. 8	181.47	81.22

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

R.N. Prasad
Partner
Membership No. 201372
Place: Chennai
Date : 24th May 2022

S. Ramanan
Company Secretary

For and on behalf of Board of Directors

TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 08444583

Ultramarine Specialty Chemicals Limited
Statement of changes in equity for the year ended 31st March, 2022

I Equity Share Capital

Balance as at 31st March 2020	1,00,000
Changes in equity share capital due to prior period errors	-
Restated balance at the 31st March 2020	1,00,000
Changes in equity share capital during the year	-
Balance as at 31st March 2021	1,00,000
Changes in equity share capital due to prior period errors	-
Restated balance at the 31st March 2021	1,00,000
Changes in equity share capital during the year	22,00,00,000
Balance as at 31st March 2022	22,01,00,000

II Other Equity

₹ in Lakhs

Particulars	Share application money pending allotment	Surplus		Items of Other comprehensive	Total Equity
		General Reserve	Retained Earnings		
As at 31st March 2020	-	-	(0.85)	-	(0.85)
Changes in equity share capital due to prior period errors	-	-	-	-	-
Restated balance at the 31st March 2020	-	-	(0.85)	-	(0.85)
Profit for the year	-	-	-	-	-
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
Changes in equity share capital due to prior period errors	-	-	-	-	-
Restated balance at the 31st March 2021	1,200.00	-	-0.85	-	1,199.15
Profit for the year	0	-	(2.25)	-	(2.25)
Other Comprehensive Income	-	-	-	-	-
Other comprehensive income for the Period	-	-	-	-	-
Total comprehensive income for the Period	-	-	(2.25)	-	(2.25)
Share Application Money received during the year	134.00	-	-	-	134.00
Share Application Money transferred to share capital	(1,200.00)	-	-	-	(1,200.00)
As at 31st March 2022	134.00	-	(3.10)	-	130.90

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

R. NAGENDRA PRASAD

Partner

Membership No. 203377

Place: Chennai

Date : 24th May 2022



S. Ramanathan
Company Secretary

TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 08444583

For and on behalf of the Board of Directors

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 ₹ 7320 Lakhs in the form of Equity and Preference shares and the Holding Company invested fully in the form of Equity and Preference shares apart from above it has committed to provide Term Loan of ₹ 900 Lakhs to meet out the escalation in project cost.

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

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.

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 2022 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.

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.



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.



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 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

(i) Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and the impact is not expected to be material on its financial statements.

(ii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact on account of change, if any shall be dealt with in the year of commencement of commercial production.

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



4 Property Plant and Equipments

₹ in Lakhs

Particulars	Land	Computer Equipments	Office Equipment	Furniture & Fixtures	Total	Capital Work-in progress
Gross Block:						
As at 01-04-2020						
Additions	-	0.37	-	0.13	0.50	
Disposals / Adjustments	-				-	
Balance as at 31-03-2021	-	0.37	-	0.13	0.50	712.33
Additions (Refer Note below)	972.23	0.71	1.12	0.99	975.05	
Disposals / Adjustments	-				-	
Balance as at 31-03-2022	972.23	1.08	1.12	1.12	975.55	5,446.59
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	
Charge for the year		0.22	0.32	0.16	0.70	
Other Adjustments					-	
Balance as at 31-03-2022	-	0.23	0.32	0.16	0.71	
Net carrying amount:						
As at 31-03-2021	-	0.36	-	0.13	0.49	
As at 31-03-2022	972.23	0.85	0.80	0.96	974.84	
Note: The cost of land has been transferred by holding company on getting necessary approval from APIIC for re-allotment of land and registration of sale agreement in the name of company. In terms of the policy, the company is entitled to use the land and right to offer the land as security. The title to the said land shall be registered in the name of company subject to commencement of commercial operation and compliance to other terms and conditions.						

Break up of capital work in progress

Amount (₹ in lakhs)

Particulars	31st March 2022	31st March 2021
Tangible Assets under Construction in the nature of		
Buildings	1,102.41	534.67
Plant & Machinery	4,038.08	85.21
Project Expenditure - Direct		
Professional & Consultancy charges	69.29	35.13
Salaries & wages	83.93	11.66
Travelling expenses	11.65	0.48
Finance cost	32.22	-
Other direct expenses	109.01	45.18
	5,446.59	712.33



4.1 CWIP ageing schedule

CWIP	Amount in CWIP for a period of						Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress:											
Sapphire Project 1	4,734.26	712.33	-	-	5,446.59		712.33	-	-	-	712.33
Projects temporarily suspended	-	-	-	-	-		-	-	-	-	-
Total	4,734.26	712.33	-	-	5,446.59		712.33	-	-	-	712.33

4.2 CWIP, whose completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in						To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Sapphire Phase 1	5,446.59	-	-	-	5,446.59		-	-	-	-	-
Total	5,446.59	-	-	-	5,446.59		-	-	-	-	-

Note: Original budget Rs.6650 lakhs and revised budget Rs.7550 lakhs.



Ultramarine Specialty Chemicals Limited
Notes to financial statements for the year ended 31st March, 2022

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
5	Other Financial Assets - Non - Current Unsecured, Considered Good Security deposit	9.00	-
	Total	9.00	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
6	Other Non - Current Assets Unsecured, Considered Good Capital Advances	18.51	437.33
	Income taxes (Net)	0.58	0.07
	Deposits for the leased premises	0.13	0.30
	Total	19.22	437.70

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
7	Inventories Raw Material	51.35	-
	Fuel	1.94	-
	Packing Material	1.24	-
	Total	54.53	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
8	Cash & cash equivalents Cash and cash equivalents (i) Cash on hand	-	-
	(ii) Balances with banks In current account	181.47	81.22
	Total	181.47	81.22

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
9	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 2022	31st March 2021
10	Loans Loans & Advances to Employees - Considered good - Unsecured	0.48	0.11
	Total	0.48	0.11



₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
11	Other Financial Assets - Current Interest accrued on Deposits Other amounts receivable*	- 112.29	0.86
	Total	112.29	0.86

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

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
12	Other Current Assets Advances other than capital advances:		
	Balance with GST, customs, central excise & sales tax	760.95	9.10
	Advance to suppliers	0.16	-
	Prepaid expenses	0.14	-
	Total	761.25	9.10



S. No	Particulars	₹ in Lakhs	
		As at 31st March 2022	31st March 2021
13	Share capital		
	Authorised		
	2,21,00,000 (31st March 2021: 2,21,00,000) Equity Shares of ₹ 10/- each	2,210.00	2,210.00
	2,20,000 (31st March 2021: 2,20,000) Non Cumulative Redeemable Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	2,200.00	2,200.00
	Issued, subscribed and fully paid-up shares		
	2,20,10,000 (31st March 2021: 10,000) Equity Shares of ₹ 10/- each fully paid up.	2,201.00	1.00
	2,20,000 (31st March 2021: Nil) Non Cumulative Redeemable Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	2,200.00	-
		4,401.00	1.00
	Less: Reclassification of Preference Share Capital as Non Current Financial Liability (Refer Note 15)	(2,200.00)	-
	Total	2,201.00	1.00



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

Authorised share capital:

	Equity Shares of ₹ 10 each	No. of shares Preference Shares of ₹ 1000 each
Balance as at 1st April, 2020	10,000	-
Add / (Less): Changes during the year	2,20,00,000	2,20,000
Balance as at 31st March, 2021	2,20,10,000	2,20,000
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2022	2,20,10,000	2,20,000

Issued, Subscribed and Paid up share capital:

	Equity Shares of ₹ 10 each	Preference Shares of ₹ 1000 each
Balance as at 1st April, 2020	10,000	-
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2021	10,000	-
Add / (Less): Changes during the year	2,20,00,000	2,20,000
Balance as at 31st March, 2022	2,20,10,000	2,20,000

13.2 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 mutually

13.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid-up shares as on 31st Mar 22	Number of fully paid-up shares as on 31st Mar 21
Equity shares of Rs. 10 each - Ultramarine & Pigments Limited - Holding Company	2,20,10,000	10,000
As at 31st March, 2022- 100% (31st March 2021-100%)		

13.4 Details of shareholding of promoters

Promotor Name	As at 31st Mar 2022		As at 31st Mar 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Equity shares					
Ultramarine & Pigments Limited - Holding Company	2,20,10,000	100%	10,000	100%	0%
Total	2,20,10,000	100%	10,000	100%	0%
Promotor Name	As at 31st Mar 2022		As at 31st Mar 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Preference shares					
Ultramarine & Pigments Limited - Holding Company	2,20,000	100%	-	0%	100%
Total	2,20,000	100%	-	0%	100%

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
14 Other Equity			
	Share Application Money Pending allotment	134.00	1,200.00
	General reserve	-	-
	Retained Earnings	(3.10)	(0.85)
	Other Comprehensive Income	-	-
	Total	130.90	1,199.15

S. No	Particulars	₹ in Lakhs	
		As at	
		31st March 2022	31st March 2021
15	Long Term Borrowings		
	Borrowings:		
	Term Loan:		
	From Bank (Refer note 15.1)	1,125.00	-
	From Holding Company (Refer note 15.2)	550.00	-
	Financial Liabilities:		
	7.50% Non Cumulative Redeemable Preference Share capital (Refer note 15.3)	2,200.00	-
	Total	3,875.00	-

15.1 The company availed term loan of ₹ 1125 Lakhs during the year out of sanctioned term loan of ₹ 2250 Lakhs by Axis Bank. The loan is secured by mortgage of industrial plot of Land, movable fixed assets and current assets of the company and charge has been created for fixed and current assets. The company is in the process of creating charge on the Land. The loan carries interest rate of 6.75% p.a and has a moratorium period of 24 months and is repayable in 16 quarterly instalments beginning from October, 2023.

15.2 The company has availed a term loan of ₹ 550 Lakhs out of sanctioned term loan of ₹ 900 Lakhs by the holding company during the year carrying interest rate of 6.75% p.a with 2 years of moratorium from the last disbursement amount and is repayable in 16 quarterly instalments beginning from the month of April, 2024.

15.3 Non Cumulative Redeemable Preference Share capital (NCRPS) shall be entitled to preferential dividend of 7.5 % per annum (non cumulative). The NCRPS shall be redeemed beginning from the Financial Year 2027-28 in 3 Yearly instalments or such other period as may be agreed mutually between both the parties.

S. No	Particulars	₹ in Lakhs	
		As at	
		31st March 2022	31st March 2021
16	Other financial liabilities - Non Current		
	Retention money payable	66.12	19.52
	Total	66.12	19.52

S. No	Particulars	₹ in Lakhs	
		As at	
		31st March 2022	31st March 2021
17	Trade Payables		
	Trade payables :		
	- Total outstanding dues of micro enterprises and small enterprises	34.20	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises*	72.53	2.34
	Total	106.73	2.34

* Amounts payable to Holding Company ₹ 7.10 Lakhs (₹ Nil Lakhs)

		₹ in Lakhs					
	Particulars	Net Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
17.1	Trade payables ageing schedule for the year ended 31st March 2022						
	(i) MSME		34.20	-	-	-	34.20
	(ii) Others		72.53	-	-	-	72.53
	(iii) Disputed dues - MSME		-	-	-	-	-
	(iv) Disputed dues - Others		-	-	-	-	-
	Total		106.73	-	-	-	106.73
17.2	Trade payables ageing schedule for the year ended 31st March 2021						
	(i) MSME		-	-	-	-	-
	(ii) Others		2.34	-	-	-	2.34
	(iii) Disputed dues - MSME		-	-	-	-	-
	(iv) Disputed dues - Others		-	-	-	-	-
	Total		2.34	-	-	-	2.34



₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
18	Other financial liabilities - Current		
	Creditors for capital goods	180.48	27.80
	Interest payable on Term Loan (refer note (i))	8.79	-
	Amount payable to Holding Company (refer note (iii))	980.82	-
	Employees dues	6.41	-
	Other financial liabilities (refer note (ii))	0.36	48.41
	Total	1,176.86	76.21

Note (i) : Interest payable on term loan includes interest payable to Holding company ₹ 2.34 lakhs (31st March 2021 Nil)

(ii) Amounts payable to Holding Company ₹ 981.18 Lakhs (31st March 2021: ₹ 48.41 Lakhs)

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
19	Other current liabilities		
	Statutory Dues	3.06	3.54
	Other Liabilities	-	0.05
	Total	3.06	3.59



Ultramarine Specialty Chemicals Limited

Notes to financial statements for the year ended 31st March, 2022

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
20	Finance Cost		
	Interest on income tax payments	0.03	-
	Interest on Term Loan	32.22	-
	Less: Transferred to CWIP	(32.22)	
	Total	0.03	-

₹ in Lakhs

S. No	Particulars	As at	
		31st March 2022	31st March 2021
21	Other Expenses		
	Miscellaneous expenses (Note (i) below)	1.99	
	Total	1.99	-
	(i) Payment to Auditors (included in miscellaneous expenses)		
	As Auditors		
	Audit Fees	1.25	
	Certification	0.60	
	Total	1.85	-



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

(A) Contingent Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
(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 31st March 2022	As at 31st March 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	383.56	5,334.30
Against which advance paid	38.51	487.33
(ii) Commitments under non-cancellable period of lease agreements	-	-

23 Financial Instruments

A Valuation:

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

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

B Financial Instruments by category

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

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:				
Non-current financial assets				
Other Financial Assets - Security Deposit	9.00	9.00	-	-
	9.00	9.00	-	-
Current financial assets				
Trade receivables	-	-	-	-
Cash and cash equivalents	181.47	181.47	81.22	81.22
Other bank balances	-	-	60.00	60.00
Loans	0.48	0.48	0.11	0.11
Other Financial Assets - Other Receivable	112.29	112.29	0.86	0.86
	294.24	294.24	142.19	142.19
Total Financial Assets at Amortised Cost	303.24	303.24	142.19	142.19
Financial liabilities held at amortised cost:				
Non-current financial liabilities				
Borrowings - Term loan from a Bank	1,175.00	1,175.00	-	-
Borrowings - Term loan from Holding Company	550.00	550.00	-	-
7.50% Non Cumulative Redeemable Preference Share capital (Refer note 15.3)	2,200.00	2,200.00	-	-
Other financial liabilities	66.12	66.12	-	-
	3,941.12	3,941.12	-	-
Current financial liabilities				
Trade payables	306.73	306.73	2.34	2.34
Other financial liabilities	1,176.86	1,176.86	76.21	76.21
	1,383.59	1,383.59	78.55	78.55
Total financial liabilities carried at amortised cost	5,324.71	5,324.71	78.55	78.55

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
	31.03.2022	31.03.2021		
Borrowings including Current Borrowings	1,675.00	-	Level 2	Amortised Cost
7.50% Non Cumulative Redeemable Preference Share capital	2,200.00	-	Level 3	Valued at Cost

24 Financial risk management

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

- Liquidity risk
- Interest rate risk



A Liquidity risk

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

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	Carrying amount-	Contractual cash	Carrying amount-	Contractual
	Upto 1 year	More than 1 year	Upto 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	-	1,675.00	-	-
7.50% Non Cumulative Redeemable Preference Share capital	-	3,200.00	-	-
Trade and other payables	206.73	-	2.34	-
Other financial liabilities	1,176.89	66.12	76.21	-
Total non-derivative financial liabilities	1,383.69	3,941.12	78.55	-

B Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

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.

Particulars	₹ in Lakhs	
	March 31, 2022	March 31, 2021
Floating Rate Instrument		
Borrowings	1,675.00	-
Fixed Rate Instrument		
7.50% Non Cumulative Redeemable Preference Share capital	550.00	-
	3,225.00	-

25 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. Bharadwaj	Director - Non-Executive
	Mr. S. Ramanathan	Company Secretary

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

Nature of transactions	Related parties	
	2021-22	2020-21
Purchase of goods		
Ultramarine & Pigments Limited	60.21	-
Share Application Money Received		
Ultramarine & Pigments Limited	134.00	1,200.00
Advance Received		
Ultramarine & Pigments Limited	-	68.41
Reimbursement of Expenses		
Ultramarine & Pigments Limited	979.84	-
Term Loan Received from Holding Company		
Principal	550.00	-
Interest Expense	2.34	-



Subscription to Equity Shares Ultramarine & Pigments Limited	2,200.00	-
Subscription to Preference Shares Ultramarine & Pigments Limited	2,200.00	-
Professional Fees paid Mr. S. Sampath	28.80	28.80
Balances Outstanding: Ultramarine & Pigments Limited - Cost of Land and other related cost payable	980.81	-
Ultramarine & Pigments Limited - Interest on Term Loan Payable	2.94	-
Ultramarine & Pigments Limited - Others	7.48	48.41

26 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'.

27 C I F Value of Imports

Particulars	₹ in Lakhs	
	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw Materials	-	-
Plant & Machinery	32.49	-
Total	32.49	-

28 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.

1. Profit attributable to Equity holders of Company

	31st March 2022	31st March 2021
Profit attributable to equity holders of the Company for basic and diluted earnings per share	(2.23)	-

5. Weighted average number of ordinary shares

	31st March 2022 (in lakhs)	31st March 2021 (in lakhs)
Number of issued equity shares at 1st April 2021	-	-
Effect of shares issued as Nominal value per share	2,20,00,000	10,000
Weighted average number of shares at March 31 for basic and diluted earnings per share	1,35,55,205	10,000
Basic earnings per share	(5.00)	-

29 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	2021-22	2020-21
(i) Principal amount and interest payable to the suppliers as at the end of the accounting year	94.20	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

30 The Company has availed credit facilities (both fund based and non-fund based) from a Bank (Axis Bank Rs. 5 Crores) and are secured by first charge on hypothecation of stocks (raw materials and finished goods) and book debts of the company and second charge on fixed assets including land and building. However, no amount is outstanding (fund based and non fund based) as on 31st March, 2022

31 As per the Andhra Pradesh Industrial Development Policy 2010-2025, the company is entitled to the below mentioned benefits on commencement of commercial production.

- Reimbursement of 100% stamp duty for purchase of land, mortgages and hypothecation.
- Supply of uninterrupted quality power.
- Fixed power cost reimbursement @ Rs. 1.00 per unit for 5 years from the date of commencement of Commercial Production (CCCP).
- 100% reimbursement of net 3037 accrued to the state for 5 years from the date of CCCP or realization of 100% capital investment whichever is earlier.
- 15% investment subsidy on fixed capital investment or limit up to Rs.20 lakhs whichever is lower subject to the following conditions like 3 years of continuous operation with atleast 80% efficiency in all parameters: employment, production etc.
- Interest subsidy of 3% on the term loan taken for fixed capital investment for 5 years from the date of CCCP.



32 Net Debt Reconciliation

Particulars	₹ Lakhs	
	As at 31.03.2022	As at 31.03.2021
	Lakhs	Lakhs
Cash and Cash equivalents	181.47	81.22
Current Borrowings	-	-
Non-Current borrowings including Current Maturities	3,875.00	-
Other Financial Liabilities - Interest Payable	8.79	-
	3,883.79	-
Net debt	3,702.32	(81.22)

This section sets out an analysis of net debt and the movements in net debt for the period presented.

Particulars	Other assets	Liabilities from financing activities		Net Debt
	Cash and Cash equivalents	Non-Current borrowings	Current borrowings	
Net debt as at 31st March 2020	1.15	-	-	-1.15
Cash flows	80.07	-	-	80.07
Foreign exchange adjustments	-	-	-	-
Interest Expenses	-	-	-	-
Interest paid	-	-	-	-
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
Net debt as at 31st March 2021	81.22	-	-	(81.22)
Cash flows	100.25	3,875.00	-	3,774.75
Foreign exchange adjustments	-	-	-	-
Interest expenses (capitalized)	-	32.22	-	32.22
Interest paid	-	-23.43	-	-23.43
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
Net debt as at 31st March 2022	181.47	3,883.79	-	3,702.32

33 Ratios

Ratio	Numerator	Denominator	F.Y. 2021-22	F.Y. 2020-21	% Variance	Reason for variance by more than 25% as compared to p.y.
(i) Current Ratio	Current Assets	Current Liabilities	0.88	1.84	-52%	
(ii) Debt to Equity Ratio	Total Debt	Shareholder's Equity	1.46	-	40%/0%	
The following ratios are not applicable for the company as the company is yet to commence its commercial production.						
(iii) Debt Service Coverage Ratio	The company is yet to commence commercial production and hence the operating ratios and other turnover are not applicable to the current financial year.					
(iv) Return on Equity Ratio						
(v) Inventory Turnover Ratio						
(vi) Trade Receivables Turnover Ratio						
(vii) Trade Payables Turnover Ratio						
(viii) Net Capital Turnover Ratio						
(ix) Net Profit Ratio						
(x) Return on Capital Employed						
(xi) Return on Investment	No investments made during the year.					

34 Corporate Social Responsibility

As per Section 135 (1) of the Companies Act, 2013, a company, meeting the applicability threshold during the immediately preceding financial year, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Since the threshold limit is not met, the CSR provisions are not applicable to the company during the current financial year.

35 Other statutory information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company has not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity (i.e.), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Company has not received any fund from any person(s) or entity (i.e.), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company does not have any subsidiary and hence clause (d) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.
- The Company is not declared willful defaulter by any bank or financial institution or lender during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has obtained working capital credit facility against its current assets and has filed Quarterly returns or statements of current assets with banks or financial institutions.
- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date except:



Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in name of company
Property Plant & Equipment	Plot No. 55A-54-59 Acres of Land in Industrial Estate, Menakur	972.23	Andrapradesh Industrial Investment Corporation (APIIC)	No	2 nd March 2022	The Sale Agreement is registered in the name of the company and Sale deed will be executed by APIIC on compliance to other terms and conditions. (Refer Note 4)

36. 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. 0005113

R. N. PRAKASH
Partner
Membership No. 203377
Place: Chennai
Date : 28th May 2022



S. Ramen
Company Secretary

TARA PARTHASARATHY
Director
DIN : 07133058

For and on behalf of Board of Directors

V. BHARATHIRAM
Director
DIN : 03444593

Ratio	Numerator	2021-22	2020-21	Denominator	2021-22	2020-21	Variance 2021-22	Variance 2020-21
(A) Current Ratio	Inventories Financial Assets (i) Investments (ii) Trade receivables (iii) Cash and cash equivalents (iv) Bank balances other than cash and cash equivalents (v) Loans (vi) Other financial assets Current Tax Assets Other Current Assets	54.53 - - 183.47 - 0.48 112.29 - 761.25	- - - 81.22 60.00 0.11 0.86 - 9.30	Financial Liabilities (i) Borrowings (ii) Lease liabilities (iii) Trade payables Total outstanding dues of micro enterprises and small enterprises Total outstanding dues of creditors other than micro enterprises and small enterprises (iv) Other financial liabilities Other Current Liabilities Provisions	- - - 34.20 72.53 1,176.86 3.06 - -	- - - - 2.34 79.21 3.58 - -	- - - - - - - -	- - - - - - - -
		1,108.08	335.29		1,286.65	82.14	0.88	1.84
(B) Debt-Equity Ratio	(A) Financial Liabilities (i) Borrowings (ii) Lease liabilities (iii) Other financial liabilities	3,875.00 - - -	- - - -	Equity Share Application Money Pending allotment Retained Earnings	2,001.00 134.00 (3.30)	1.00 1,200.00 (5.85)	- - -	- - -
		3,875.00	-		2,931.90	1,200.15	1.68	-
(C) Debt Service Coverage Ratio	Net Profit after taxes Non-cash operating expenses - Depreciation and Amortization Interest Other adjustments Loss on sale of fixed assets	(2.25) - - 0.08 - - -	- - - - - -	Interest & Lease Payments Principal Repayments	0.08 -	- -	- -	- -
		(2.25)	-		0.08	-	(84.70)	-
(D) Return on Equity Ratio	Net Profit after taxes Less: Preference Dividend	(2.25) -	- -	Average Shareholder's Equity Equity Share Application Money Pending allotment Retained Earnings	2,001.00 134.00 (3.30)	1.00 1,200.00 (5.85)	- - -	- - -
		(2.25)	-		2,931.90	1,200.15	(0.00)	-
(E) Inventory Turnover Ratio	Cost of goods sold OR Sales	-	-	Average Inventory (Opening + Closing balance/2)	27.27	-	-	-
(F) Trade Receivables Turnover Ratio	Net Credit Sales (Gross Credit Sales minus Sales Return)	-	-	Average Accounts Receivable (Opening + Closing balance/2)	-	-	-	-
(G) Trade Payables Turnover Ratio	Net Credit Purchases (Gross Credit Purchases minus Purchase Return)	-	-	Average Trade Payables (Opening + Closing balance/2)	-	108.06	1.42	-
(H) Net Capital Turnover Ratio	Net Sales (Total Sales minus sales returns)	-	-	Working Capital (Current assets minus current liabilities)	(176.62)	68.33	-	-
(I) Net Profit Ratio	Net Profit (Profit after tax)	(2.25)	-	Net Sales (Total Sales minus sales returns)	-	-	-	-
(J) Return on Capital Employed	Earning before interest and taxes	(1.99)	-	Capital Employed Tangible Net Worth Total Debt Deferred Tax Liability	6,279.02 3,941.12 - -	1,219.68 19.52 - -	- - - -	- - - -
		(1.99)	-		10,214.14	1,239.20	(0.00)	-
(K) Return on Investment (Time Weighted Rate of Return)	Market value as at 31.03.2022 Less: Market value as at 01.04.2021 Less: Cash inflow, outflow	71,965.52 29.23 -	29.23 - -	Market value as at 01.04.2021 Add: Weight of the net cash inflow or outflow (i) Market value as at 31.03.2022 (ii) Less: Specific date falling between 31.03.22 and 01.04.21 (iii) Market value as at 31.03.2022 (iv) Divisor: = (1+(ii)/(i)) (v) Cash inflow, Cash outflow on specific date (vi) Multiply: = (iv)/(v)	(29.23) - 71,965.52 - 71,965.52 1.00 - -	- - 29.23 - 29.23 1.00 -	- - - - - -	- - - - - -
		71,994.79	29.23		(29.23)	-	(2,449.34)	-

