

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

**5th Annual Report
2023-2024**

ULTRAMARINE SPECIALTY CHEMICALS LIMITED

CIN: U24300TN2019PLC133064

Corporate Information:

Board of Directors:

Mr. R. Sampath

Mr. V. Bharathram

Ms. Tara Parthasarathy

Mr. Navin M. Ram

Mr. S. Srinivasan

Company Secretary

Mr. S. Ramanan

Chief Financial Officer

Mr. A. Paslanisamy

Statutory Auditors:

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

Internal Auditors:

M.S. Krishnaswamy & Co.
Chartered Accountants
D1, Hansa Enclave,
Bharthi Nagar, Thiruvanmiyur
Chennai - 600041

Bankers:

Hong Kong and Shanghai Banking Corporation
Rajalakshmi, Tower No.5
7, Cathedral Road, Chennai - 600086

Axis Bank Ltd
Corporate Banking Branch
Anna Salai, Chennai - 600002

Registered Office:

No. 556, Vanagaram Road, Ambattur,
Chennai – 600053
Tel: +91-44-26136700 -704.

Factory:

Plot No.59A, APIIC Industrial Park
Block C, Road No.13, Naidupeta,
Andhra Pradesh, 524421

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NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of the members of ULTRAMARINE SPECIALTY CHEMICALS LIMITED will be held at the registered office of the Company at No. 556, Vanagaram Road, Ambattur, Chennai – 600053 on July 22, 2024 at 11.00 am(IST) with the option of video conferencing facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2024, the reports of the Board of Directors and Auditors' thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT the audited financial statements of the Company for the financial year ended on March 31, 2024, together with the reports of the Board of Directors and Auditors' thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."

2. To appoint a Director in place of Mr. V. Bharathram (DIN:08444583), who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. V Bharathram (DIN: 08444583), Director, who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

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

Approval to the appointment of Mr. S Srinivasan (DIN:10653211) as an Executive Director – Operations.

"RESOLVED THAT pursuant to the provisions of Section 149,152,196,197 of the Companies Act, 2013 read with Rules thereunder and provisions of Articles of Association of the Company and based on the recommendation of the Board of Directors, consent of the shareholders is hereby accorded to the appointment of Mr. S. Srinivasan (DIN:10653211) as an Executive director-operations for a period of 3 years with effect from June 05, 2024 on the following terms and Conditions and shall be liable to retire by rotation.

i) Salary per month Rs. 95,800/-


ii) In addition to the above remuneration, Mr. Srinivasan shall be entitled to perquisites like HRA, medical reimbursement, leave travel concession for self and family, NPS, Special allowances, Group Medical insurance, Others (Conveyance, Telephone, Uniform, Driver's reimbursement) etc., in accordance with the rules of the Company.

(iii) Variable pay as per the achievement of Target.

(iv) company's contribution to provident fund, Gratuity payment shall not be included in the computation of limits for remuneration or perquisites as aforesaid and Mr. Srinivasan shall be entitled to the same.

RESOLVED FURTHER THAT any of the directors of the company Secretary of the company is hereby authorized to do all such acts, deeds, things as may be required to effectuate the above resolution."

By the Order of the Board
For Ultramarine Specialty Chemicals Ltd


S. Ramanan
Company Secretary

Regd. Office
No.556, Vanagaram Road,
Ambattur, Chennai – 600053
Date: May 13, 2024

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy should, however, be deposited not less than forty-eight (48) hours before the commencement of the meeting.



2. The Register of Members will remain closed from July 15, 2024 to July 22, 2024 (both the days inclusive).
3. The proxy holder shall prove his/her identity at the time of attending the meeting. When a member appoints a proxy and both the member and proxy attend the meeting, proxy stands automatically revoked.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Members/Proxies should fill the Attendance Slip for attending the Meeting.
6. Proxies registers are open for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting. Inspection shall be allowed between 11.00 A.M. and 5.00 P.M.
7. All documents referred to in the notice are open for inspection at the Registered office of the Company on all the working days of the Company between 11:00 A.M and 1:00 P.M. up to the date of Annual General meeting.

Explanatory statement pursuant to section 102 (1) of the Companies act 2013

As required by sub section 1 of Section 102 of the Companies Act, 2013, the following explanatory statement set out all the material facts relating to Notice dated May 13, 2024.

Item No.3

Mr. S Srinivasan is working with the Company Since 2020 as Assistant Vice President-Technology and was responsible for successful commercial production of Sapphire I and Complex inorganic pigments at Naidupeta with an installed capacity of 1500 MT and 550 MT respectively. Presently, he is in charge of Sapphire II Project which is under implementation.


Keeping in view the experience and expertise of Mr. S. Srinivasan, the Board considers it desirable that the Company continues to avail of the services of Mr. Srinivasan and accordingly recommends the resolution for approval by the members.

Save and except Mr. S Srinivasan, being an appointee and his relatives none of the directors/Key Managerial Personnel of the company/their relatives are, in any way, concerned or interested, financially or otherwise.

The Board of directors recommends the resolution at item no.3 as an ordinary resolution for the approval of the members.

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

Regd. Office:
No. 556, Vanagaram Road,
Ambattur, Chennai – 600053
May 13, 2024


S. Ramanan
Company Secretary



ULTRAMARINE SPECIALTY CHEMICALS LIMITED

Manufacturers of inorganic pigments.

[A wholly owned subsidiary of ULTRAMARINE & PIGMENTS LIMITED]

Director's Report

Dear Members,

Your Directors are pleased to present the 5th Annual Report and the audited financial statement of the Company for financial year ended March 31, 2024.

Financial Highlights:

A summary of the Company's Financial Results for the financial year ended March 31, 2024 is as under:

Amount (Rs. Lakhs)

Particulars	Financial year ended March 31, 2024	Financial year ended March 31, 2023
Revenue from operations	3,764	1,615
Expenses	3,321	1,253
Profit before tax	463	365
Deferred tax	(81)	(64)
Profit after Tax	381	301

State of affairs of the company:

During the year under review, the company commenced the commercial production of complex inorganic pigments project with an installed capacity of 550 MT at Andhra Pradesh Industrial Infrastructure Corporation (APIIC) Industrial Park, Naidupet, Nellore district in the state of Andhra Pradesh (AP). Project to add additional capacity of 1500 MT of pigments with a capital outlay of Rs.80 Crores is under implementation and will commence commercial in a phased manner over a period of 18 months, a part of the capacity will be added in FY 2024-25.

Dividend:

In order to conserve reserves for working capital, no dividend on equity and preference dividend is recommended by the Board for the fiscal year ended March 31, 2024.

Capital Structure:

a. Authorized share capital:

The authorized share capital of the Company as on March 31, 2024 stood at Rs 88,30,00,000 consisting of Rs 5,20,00,000 (Five Crore Twenty lakhs) Equity Shares of Rs.10/- each and 3,63,000 (Three Lakhs Sixty three thousand) 7.5% Non- cumulative redeemable and optionally convertible preference shares of Rs. 1,000/-.

b. Paid up capital:

During the year under review, the Board at its meeting held on May 31, 2023, February 07, 2024 and March 23, 2024 has made the following allotments to Ultramarine & Pigments Ltd, holding company:

- i. 45,00,000 equity shares of Rs. 10/- each aggregating to Rs 4,50,00,000.
- ii. 50,000 7.5% non-cumulative redeemable preference shares of face value of Rs 1,000 each aggregating to Rs. 5,00,00,000.
- iii. 93,33,333 equity shares of Rs.15/- each (including premium of Rs 5/ each)
- iv. 20,000 7.5% non-cumulative redeemable preference shares of face value of Rs 1,000 each aggregating to Rs. 2,00,00,000.

The Company has obtained a valuation report from a registered valuer for allotment of 14,00,00,000 equity share capital as mandated under Section 62 of Companies Act, 2013. The value arrived at Rs. 15/- each per equity shares (Rs. 10/- as face value & Rs. 5/- as security premium).

Major events occurred during the financial year 2023-24

The Company by virtue of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became a material subsidiary during the financial year ended March 31, 2024.

Meetings:

During the year following nine board meetings were held:

May 18, 2023	May 31, 2023	July 25, 2023
September 16, 2023	November 08, 2023	February 07, 2024
March 07, 2024	March 23, 2024 (two meetings)	

Directors:

There has been no change in the composition of the directors. The following directors continue to hold the directorship as on March 31, 2024:

- a. Mr. R Sampath, Non-Executive director
- b. Ms. Tara Parthasarathy, Non-Executive director
- c. Mr. V Bharathram, Non-Executive director
- d. Mr. Navin M Ram, Independent director

Change in composition of Board of directors and Key Managerial Personnel after the financial year:

- The meeting of Board of directors held on May 13, 2024 approved the appointment of Mr. S Srinivasan (DIN- 10653211) as the Chief executive officer and at the meeting of Board of directors held on June 05, 2024 approved the appointment as an Executive Director-operations, subject to the approval of shareholders at the ensuing Annual General Meeting.
- The meeting of Board of directors held on May 13, 2024 approved the appointment of Mr. A Palanisamy, a qualified cost accountant as the Chief financial officer of the company in accordance with Section 203 of Companies Act, 2013.

Details of deposits:

During the year under review, the Company has not accepted any deposits from the public and no amount of principal and interest were outstanding as on March 31, 2024.

Reporting of frauds by auditors:

During the year under review, no fraud was reported by the Statutory Auditor, Secretarial Auditor and Cost Auditor to the Audit Committee, as required under Section 143 (12) of the Companies Act, 2013.

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, 2024 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, 2024 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.

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Particulars of Loans, Guarantee or Investments

During the year under review, no loans, guarantee as envisaged under Section 186 of Companies Act, 2013 were made.

Related Party Transactions

The details relating to related party transactions are provided in the note no. 38 to financial statements. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC -2 is not applicable.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

No. of complaints: Nil

Material changes that occurred after the financial year but before the date of the report:

The following material changes occurred after the financial year but before the date of the report:

Mr. S Srinivasan, Assistant Vice President-Technology development was appointed as the Chief executive officer and Mr. A Palanisamy as the Chief financial officer of the company at the meeting of Board of directors held on May 13, 2024 as envisaged under section 203 of Companies Act, 2013

Extract of Annual Return

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

Secretarial audit report

The unqualified Secretarial audit report of the company for the fiscal year ended March 31, 2024 issued by RLS & Associates, Practicing Company Secretaries dated May 13,2024 is part of Annexure-2 to this report.

Statutory auditors:

M/s. Brahmayya & Co. Chartered accountants, Chennai was appointed as the statutory auditors of the Company to hold office for a period of 5 years from the conclusion of 1st Annual General Meeting (AGM) of the Company held on 21st August 2020 till the conclusion of 6th AGM to be held in the calendar year 2025.

Internal auditors:

M/s M S Krishnaswamy & Co., (Firm Registration no. 1552-S) , Practicing Chartered accountants was appointed to review and enhance internal financial controls across the company in order to prevent and detect frauds and errors.

Particulars of Employees

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company: Nil.

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

i) **Conservation of Energy**

Your company is focusing more on environment protection and energy conservation. Operational units are accredited to integrated management systems & certifications.

ii) **Technology absorption, adaptation, innovation**

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

iii) **Foreign exchange earnings & outgo**

Your Company is constantly exploring new markets to enhance the exports of its products. Earnings in Foreign Exchange from Exports are given in Notes forming part of Accounts.

Rs. in Lakhs

Particulars	FY 2023-24	FY 2022-23
Foreign exchange earnings	2302.35	1079.35
Foreign exchange outgo	10.68	--

Acknowledgement

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

On Behalf of the Board
For Ultramarine Specialty Chemicals Limited,

Tara Parthasarathy
Director
[DIN: 07121058]

V. Bharathram
Director
[DIN: 08444583]

Place: Chennai

Date: 13th May 2024

EXTRACT OF ANNUAL RETURN

For the fiscal year ended March 31, 2024

[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:-

S. No.	Name and Description of main products / services	NIC Code of the* Product/ service	% to total turnover of the Company
1	Manufacturing of chemicals	202	100%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	Ultramarine & Pigments Limited	L24224MH1960PLC011856	Holding	100	2 (46)

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

Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF Equity Shares	-	60	60	0.06	-	60	60	0.00	0.00
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp. Ultramarine & Pigments Ltd Equity Shares	-	3,32,49,940	3,32,49,940	99.22		4,70,83,273	4,70,83,273	99.30	0.08%
Preference Shares	-	2,58,000	2,58,000	0.78		328,000	328,000	0.70	
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other Trust	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	3,35,08,000	3,35,08,000	100%		4,74,11,333	4,74,11,333	100%	0.008%
(2) Foreign									

(a) NRIs Individuals	-	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter = (A) (1) + (A) (2)	-	3,35,08,000	3,35,08,000	100%		4,74,11,333	4,74,11,333	100%	0.008%	

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 (Coporate)	-	-	-	-	-	-	-	-	-
(j) Others (Specify)	-	-	-	-	-	-	-	-	-

Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non- Institutionss									
(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 nominal share capital in excess of Rs. 2 lakh	-	-	-	-	-	-	-	-	-
(c) Others (Specify)									
IEPF	-	-	-	-	-	-	-	-	-
Escrow Account	-	-	-	-	-	-	-	-	-
Clearing members	-	-	-	-	-	-	-	-	-
Hindu undivided families	-	-	-	-	-	-	-	-	-
NRI	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Public = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	3,35,08,000	3,35,08,000	100%		4,74,11,333	4,74,11,333	100%	0.008%

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of 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	3,35,07,940	99.94%	-	4,74,11,273	99.94%	-
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	3,35,08,000	100.00		4,74,11,333	100.00	

[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 reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. R. Sampath, Director				
	At the beginning of the year	10	0.01	10	0.01
	At the End of the year	10	0.01	10	0.01
2.	Mr. V. Bharathram, Director				
	At the beginning of the year	10	0.01	10	0.01

	At the End of the year	10	0.01	10	0.01
3.	Ms. Tara Parthasarathy, Director				
	At the beginning of the year	10	0.01	10	0.01
	At the End of the year	10	0.01	10	0.01
4.	Mr. S Ramanan, Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

IV. 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

V. 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,**

Place: Chennai / Date: 13th May, 2024

Tara Parthasarathy
Director
[DIN: 07121058]

V. Bharathram
Director
[DIN: 08444583]

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ULTRAMARINE SPECIALTY CHEMICALS LIMITED
No. 556, Vanagaram Road, Ambattur,
Chennai 600053

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ULTRAMARINE SPECIALTY CHEMICALS LIMITED [Corporate Identity No. U24300TN2019PLC133064.] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and explanations by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowings during the Financial Year under review;
- (iii) I have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

The Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI); During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. mentioned above.

I further report that

The Board of director has been duly constituted with one independent director. However, as on the date of the report, the company is in the process of evaluating CEO/CFO in order to comply with Section 203 of Companies Act, 2013. The Company has not appointed Managing Director/ Whole Time Director/Manager During the year under review and there was no change in Directors.

Adequate notice is given to all Directors before schedule of the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors and there were no dissenting members views recorded in the minutes. Further, in the minutes of the General Meetings, the members who voted against the resolution(s) if any have been properly recorded.

I further report that:

- a) the company has modified the charge ID 100601403 created in favor of The Hongkong and Shanghai Banking Corporation Limited on 28th February 2024 and filed necessary form for modification of Charge with ROC.
- b) the Company has increased authorized share capital from Rs.72,70,00,000 (Divided into 3,64,00,000 equity shares of Rs.10 each, 3,63,000 7.5% Non-Cumulative Redeemable Preference Shares of Rs. 1,000 each) to Rs.74,05,00,000 (Divided into 3,77,50,000 equity shares of Rs.10 each, 3,63,000 7.5% Non-Cumulative Redeemable Preference Shares of Rs. 1,000 each) and further increased to Rs.88,30,00,000 (Divided into 5,20,00,000 equity shares of Rs.10 each, 3,63,000 7.5% Non-Cumulative Redeemable Preference Shares of Rs.1,000 each) filed necessary forms with ROC.
- c) the Company has allotted 45,00,000 equity shares of Rs.10 each on 31st May 2023 and 93,33,333 equity shares of Rs.15 each (including premium at 5 per share) on 23rd March 2024 to M/s. Ultramarine & Pigments Limited and filed necessary forms with ROC.
- d) the Company has allotted 50,000 7.5% Non-Cumulative Redeemable Preference shares of Rs.1000 each on 07th February 2024 and 20,000 7.5% Non-Cumulative Redeemable Preference shares of Rs.1000 each on 23rd March 2024 to M/s. Ultramarine & Pigments Limited and filed necessary forms with ROC.
- e) the Company has appointed M/s M.S Krishnaswamy & Co, (Firm Registration no. 1552-S), Practicing Chartered Accountants, Chennai as Internal Auditor for the financial year 2023-24.

f) Based on the verification of records of the Company and as per information received, the holding Company M/s. Ultramarine & Pigments Ltd has given fund for project implementation as and when required. The Company has not made any private placement during the year. However, the company has issued further capital in the form of equity and preference shares to its holding company during the year and the requirements of Section 62 of companies Act 2013 have been complied except for allotment of shares beyond the stipulated period and the funds raised have been used for the purpose for which the funds were raised,

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

FOR RLS & ASSOCIATES
RAJIBLOCHAN SARANGI
PRACTICING COMPANY SECRETARY
M No. A20312, CP NO. 17498
UDIN-A020312F000450885(25.05.2024)

Place: Chennai
Date: 13th May 2024

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

ANNEXURE-"A"

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provides a reasonable basis for opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same had been subjected to review by the statutory financial audit and other designated professionals.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

FOR RLS & ASSOCIATES
RAJIBLOCHAN SARANGI
PRACTICING COMPANY SECRETARY
M No. A20312, CP NO. 17498
UDIN-A020312F000450885(25.05.2024)

Place: Chennai
Date: 13th May 2024

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 2024, and the Statement of Profit and Loss (including other comprehensive income), the 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 Material 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 Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended, "(Ind AS)" and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2 Basis for Opinion

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

3 Key Audit Matters

- 3.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 Other Information

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



6 Auditor's Responsibilities for the Audit of the 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 scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Management.
 - d. Conclude on the appropriateness of Management and Board of Directors' 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 7.2 As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 7.2(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rule, 2014
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows 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 Companies (Indian Accounting Standard) Rules, 2015 as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) In our opinion, the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 7.2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 7.2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.



- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
- 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 as amended, 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, 2024 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(s) or entity(ies), 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(s) or entity(ies), 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.



vi. Based on our examination which included test checks, except for the instance mentioned below and as explained in note 48 of the financial statements, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software and we did not come across any instance of the audit trail feature being tampered with :


a). The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of accounts.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March 2024.

vii. 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.

Place: Chennai
Date: 13th May 2024

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


R. Nagendra Prasad
Partner
Membership No: 203377
UDIN: 24203377BKCQUW276



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, Naidupet S.No.266(P) & 24(P) & 12(P), 13(P) Doc No. No.721/2022	972.24	Andhra Pradesh Industrial Infrastructure Corporation limited (APIIC)	No	2022	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))



PPE	Plot No. 59 BLOCK-C 7.71 Acres of Land in Industrial Estate, Menakur	613.26	Andhra Pradesh Industrial Infrastructure Corporation (APIIC)	No	2024	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(i))
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- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Prohibition of Benami Property Transactions 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limit from the financial institutions.
- (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 are not applicable to the company.
- (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 2024, 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 dues 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) As per the information and explanations given to us, there was no default in repayment of loans or other borrowings (no amounts due during the financial year) and the company has not defaulted in the payment of interest thereon.
- (c) The company has not been declared wilful defaulter by the bank or financial institution or government or any government authority.
- (d) The company has availed term loan during the year from banks and holding company and the term loan have been applied for the purpose for which the loans were obtained.
- (e) According to the information and explanations given to us, no funds raised on short term basis have been utilised for long term purposes during the year.

Since the company does not have any Subsidiary, joint venture or associate companies and hence the reporting under clause 3(ix) (e) & (f) is not applicable.

- (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 given to us and based on our examination of the records of the Company, the Company has not made any private placement during the year. However, the company has issued further capital in the form of equity and preference shares to its holding company during the year and the requirements of Section 42 and Section 62 of Companies Act, 2013 have been complied except for allotment of shares beyond the stipulated period. The funds raised have been used for the purpose for which the funds were raised.



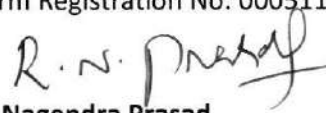
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, and during the course of our examination of the books and records of the Company, there have been no cases of fraud by the company or any fraud on the company noticed or reported during the year under report.
- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013 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 up to 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 up to 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 Ind AS.
- (xiv) (a) In our opinion, the Company is not required to have an internal audit system as per the provisions of the Act. However, during the year, the company has introduced internal audit system and the internal audit system is adequate and commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- (b) In our opinion, the company is not a core investment company and there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and 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) As per information and explanations given to us, Since the threshold limit as specified by section 135 (1) of the companies Act, 2013 is not met, the CSR provisions are not applicable to the company during the current financial year. and accordingly, reporting under clause 3(xx) (a) and (b) of the Order is not applicable.

Place: Chennai
Date: 13th May 2024

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


R. Nagendra Prasad
Partner

Membership number: 203377
UDIN: 24203377BKCAUW2796



ANNEXURE - "B" TO AUDITORS' REPORT

Referred to in paragraph 7.2 (g) under 'Report on Other Legal and Regulatory requirements' of our report of even date

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

1. We have audited the internal financial controls with reference to financial statements of Ultramarine Speciality chemicals Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

2. The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 for Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

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


Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

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


R. Nagendra Prasad
Partner
Membership number: 203377
UDIN: 24203377BKCQUW2796



Place: Chennai
Date: 13th May 2024

Ultramarine Specialty Chemicals Limited
Balance Sheet as at 31st March, 2024

₹ in Lakhs

S. No	Particulars	Note No	As at	
			31st March 2024	31st March 2023
	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	4	9,605.49	8,120.82
	(b) Capital work in progress	4	2,705.28	888.94
	(c) Other Intangible Assets	5	0.73	1.68
	(d) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other financial assets	6	33.06	13.65
	(e) Deferred tax asset	7	-	-
	(f) Other non-current assets	8	110.07	146.17
			12,454.63	9,171.26
(2)	Current assets			
	(a) Inventories	9	1,027.59	838.61
	(b) <u>Financial Assets</u>			
	(i) Investments		-	-
	(ii) Trade receivables	10	457.67	178.48
	(iii) Cash and cash equivalents	11	157.47	111.71
	(iv) Bank balances other than cash and cash equivalents	12	-	7.65
	(v) Loans	13	0.29	0.29
	(vi) Other financial assets	14	8.65	5.31
	(c) Current Tax Assets (Net)		-	-
	(d) Other current assets	15	1,217.92	1,024.34
			2,869.59	2,166.39
	Total Assets		15,324.22	11,337.65
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	16	4,708.33	3,325.00
	(b) Other Equity	17	1,194.39	597.80
			5,902.72	3,922.80
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	7,414.27	6,427.63
	(ii) Lease liabilities		-	-
	(iii) Other financial liabilities	19	68.91	6.83
	(b) Provisions	20	5.84	2.41
	(c) Deferred tax liabilities (net)	7	146.24	64.27
			7,635.26	6,501.14
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	900.07	434.24
	(ii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	22	210.05	14.00
	Total outstanding dues of creditors other than micro enterprises and small enterprises		356.03	110.55
	(iii) Lease liabilities		-	-
	(iv) Other financial liabilities	23	283.34	336.96
	(b) Other current liabilities	24	32.95	15.88
	(c) Provisions	25	3.80	2.08
			1,786.24	913.71
	Total Equity and Liabilities		15,324.22	11,337.65

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
R. NAGENDRA PRASAD
Partner
Membership No. 203377
Place: Chennai
Date : 13th May 2024



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 Profit and Loss for the year ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
I	Revenue From Operations	26	3,764.84	1,615.02
II	Other Income	27	19.69	3.60
III	Total Income (I+II)		3,784.53	1,618.62
IV	EXPENSES			
	Cost of materials consumed	28	768.17	483.70
	Changes in Inventories of Finished goods and work-in-progress	29	(197.05)	(543.15)
	Power and Fuel		567.60	315.06
	Employee benefits expense	30	307.58	144.49
	Finance costs	31	441.12	209.14
	Depreciation and amortization expense	4	574.01	298.88
	Other expenses	32	859.95	345.26
	Total expenses (IV)		3,321.38	1,253.38
V	Profit before exceptional items (III-IV)		463.15	365.24
VI	Exceptional items		-	-
VII	Profit before tax (V+VI)		463.15	365.24
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(81.96)	(64.27)
	(3) Income tax expense relating to prior years		-	-
IX	Profit for the period (VII-VIII)		381.19	300.97
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		(1.27)	(0.07)
	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))		(1.27)	(0.07)
XII	Total comprehensive income for the period (IX + XI)		379.92	300.90
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	44	3,72,41,803	2,71,52,958
	(1) Basic	44	1.02	1.11
	(2) Diluted	44	1.02	1.11

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
R. NAGENDRA PRASAD
Partner
Membership No. 203377
Place: Chennai
Date : 13th May 2024



S. Ramanan
Company Secretary

For and on behalf of the Board of Directors

TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 08444583

Ultramarine Specialty Chemicals Limited
Statement of cash flows for the year ended 31st March 2024

		₹ in Lakhs	
Sl.No.	Particulars	For the year ended 31st Mar 2024	For the year ended 31st March 2023
A	Cash flow from Operating Activities		
	Profit before tax / (loss)	463.15	365.24
	Adjustments for:		
	Finance Cost	441.12	209.14
	Depreciation and Amortisation Expenses	574.01	298.88
	Provision for Leave Encashment	5.15	4.49
	Remeasurement of defined benefit liabilities	(1.27)	(0.07)
	Provision for Doubtful Advances	10.54	-
	Net gains on Foreign Currency Transactions and Translation	(0.95)	(0.47)
	Operating Profit before Working Capital Changes	1,491.75	877.21
	Movements in Working Capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(188.98)	(784.08)
	Trade receivables	(278.07)	(178.01)
	Current financial assets	4.31	100.82
	Other current assets	(193.57)	(263.09)
	Non Current financial assets	(29.95)	(4.65)
	Other Non-current assets	37.50	(128.11)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade Payable	441.39	10.61
	Other Current Financial Liabilities	15.99	5.79
	Other Current Liabilities	17.07	13.98
	Current Provisions	-	-
	Other Non-Current Financial Liabilities	62.08	(59.28)
	Cash generated from operations	1,379.52	(408.81)
	Direct taxes paid (net)	(1.41)	(0.15)
	Net cash generated from / (used in) operating activities (A)	1,378.11	(408.96)
B	Cash flows from investing activities		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(3,896.91)	(3,766.55)
	Net cash (used in) Investing Activities (B)	(3,896.91)	(3,766.55)
C	Cash flow from Financing Activities		
	Proceeds from issue of equity instruments to holding company	1,600.00	1,290.00
	Proceeds from issue of preference shares to holding company	700.00	380.00
	Proceeds from Borrowings - Holding Company	847.00	955.00
	Repayments of Borrowings - Holding Company	(892.38)	-
	Proceeds from Borrowings - Banks	1,298.00	-
	Repayments of Borrowings - Banks	(281.25)	1,352.00
	Proceeds / (Repayment) of working capital - a Bank	(148.91)	229.87
	Proceeds / (Repayment) of working capital from Holding Company	(70.00)	70.00
	Interest paid (net of interest capitalised ₹ 3.90 Lakhs (PY ₹ 56.62 Lakhs) included in Capital Work-In-Progress)	(487.90)	(171.15)
	Net cash from / (used in) financing activities (C)	2,564.56	4,105.72
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	45.76	(69.79)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Balances with banks in current accounts	111.34	181.47
	Cash on hand	0.37	0.03
	Add: Bank deposits	-	-
	CASH AND CASH EQUIVALENTS	111.71	181.50
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts	157.36	111.34
	Cash on hand	0.11	0.37
	Add: Bank deposits	-	-
	CASH AND CASH EQUIVALENTS AS PER NOTE No. 11	157.47	111.71

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. 203377
Place: Chennai
Date : 13th May 2024



S. Ramanan
Company Secretary

For and on behalf of Board of Directors

TARA PARTHASARATHY
Director
DIN : 07121058

V BHARATHRAM
Director
DIN : 08444583

I Equity Share Capital		₹ In lakhs
Restated balance as at 1st April 2022		2,201.00
Changes in equity share capital during the year		1,124.00
Balance as at 31st March 2023		3,325.00
Changes in equity share capital due to prior period errors		-
Restated balance as at 1st April 2023		3,325.00
Changes in equity share capital during the year		1,383.33
Balance as at 31st March 2024		4,708.33

II Preference share capital		₹ In lakhs
Type of Preference Share		
As at 1st April 2022		
Changes in preference share capital during the year		380.00
Balance as at 31st March 2023		380.00
As at 1st April 2023		
Changes in preference share capital during the year		380.00
Balance as at 31st March 2024		380.00

III Other Equity		₹ In Lakhs				
Particulars	Share application money pending allotment	General Reserve	Securities Premium*	Retained Earnings	Items of Other comprehensive income (OCI)	Total Equity
Restated balance as at 1st April 2022	134.00	-	-	(3.10)	-	130.90
Changes in accounting policy or prior period errors						
Profit for the year ending 31st March, 2023	-	-	-	300.97	-	300.97
Other Comprehensive Income						
- Remeasurement of Return on Assets (Net of Taxes)	-	-	-	-	(0.07)	(0.07)
Total comprehensive income for the Period	-	-	-	300.97	(0.07)	300.90
Share Application Money received during the year	1,670.00	-	-	-	-	1,670.00
Share Application Money transferred to share capital	(1,504.00)	-	-	-	-	(1,504.00)
Appropriation						
Final dividend - 2022-23	-	-	-	-	-	-
As at 31st March 2023	300.00	-	-	297.87	(0.07)	597.80
Changes in equity share capital due to prior period errors						
Restated balance as at 1st April 2023	300.00	-	-	297.87	(0.07)	597.80
Changes in accounting policy or prior period errors						
Profit for the year ending 31st March, 2024	-	-	-	381.19	-	381.19
Other Comprehensive Income						
- Remeasurement of Return on Assets (Net of Taxes)	-	-	-	-	(1.27)	(1.27)
Total comprehensive income for the Period	-	-	-	381.19	(1.27)	379.92
Share Application Money received during the year	2,300.00	-	-	-	-	2,300.00
Share Application Money transferred to share capital	(2,550.00)	-	466.67	-	-	(2,083.33)
Appropriation						
Final dividend - 2023-24	-	-	-	-	-	-
Balance as at 31st March 2024	50.00	-	466.67	679.06	(1.34)	1,194.39

*Note : Securities premium received on issue of 93,33,333 lakhs equity shares having face value of Rs.10/- each at premium of Rs.5 per share.

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. 203377

Place: Chennai

Date : 13th May 2024



[Signature]
S. Ramanan
Company Secretary

For and on behalf of the Board of Directors

[Signature]
TARA PARTHASARATHY
Director
DIN : 07121058

[Signature]
V BHARATHRAM
Director
DIN : 08444583

1. General Information

Ultramarine Specialty Chemicals Limited (the 'Company') is a Public Limited Company domiciled in India, incorporated under the provisions of the Companies Act, 2013, applicable in India. The Company was incorporated with an objective of manufacturing and selling pigments. The registered office of the Company is located at No.556, Vanagaram Road, Ambattur, Chennai.

The Holding Company has committed an investment to an extent of ₹4,548 lakhs in the form of Equity shares, Preference shares and Term loan to meet out the capacity expansion project of Pigments. Out of this commitment ₹ 3,298 lakhs have been funded during the year and balance of ₹1,250 lakhs will be funded in next year.

The financial statements were approved at the meeting of Board of directors held on May 13, 2024.

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 Material 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 for the following:

- 1.certain financial assets and liabilities that are measured at the fair value
2. Defined benefit plans – Plan assets measured at 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:

Property, plant and equipment and Intangible assets

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

Contingencies and Provisions

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

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 2024 is included in the following notes:

- Note 33– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 34 - measurement of defined benefit obligations: key actuarial assumptions;

3. Material accounting policy information

3.1 Property, Plant, and Equipment: (PPE)

Initial Recognition

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 an item of Property, Plant and Equipment includes its purchase price (after deducting trade discounts and rebates), import duties and non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets on qualifying assets and asset retirement costs.

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 and expenditure meet the recognition criteria.

Depreciation methods, estimated useful lives and residual value:

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

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

Individual assets costing less than ₹ 10,000/- are fully depreciated in the year of purchase.

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

Derecognition:

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

3.2 Intangible Assets:

Initial Recognition

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

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

Subsequent measurement and Amortization

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

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

De-recognition of intangible assets

An Intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between

the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is de-recognized.

3.3 Impairment of Tangible and Intangible assets

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

3.4 Foreign currency transactions and balances:

Initial recognition:

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

Translation:

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

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

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

3.5 Financial Instruments:

Recognition and initial measurement:

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

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

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

Classification and subsequent measurement:



Financial assets:

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

- Amortised cost or
- Fair value through profit or Loss (FVTPL)

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

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

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

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

Financial assets: Subsequent measurement and gains and losses:

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

Impairment

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

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

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



Derecognition:

Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities:

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

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

Offsetting:

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

Derivative financial instruments and hedge accounting:

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

3.6 Inventories:

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

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

3.7 Cash and cash equivalents:

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

3.8 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 applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax 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 of the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

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

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

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

3.9 Revenue

The Company's revenue was primarily comprised of sale of inorganic pigments & complex inorganic colour pigments.

Revenue is measured based on the transaction price after netting trade discounts, volume discounts, sales returns and goods and service tax excluding the estimates of variable consideration that is allocated to that performance obligation. Revenue from sale of goods is recognized upon transfer of control of promised goods or services to customers.

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

Export benefits:



The benefit accrued under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'. Export benefits available under prevalent schemes are recognized in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

Interest income:

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

Sale of Scrap

Revenue from sale of scrap is recognized on sale.

3.10 Employee Benefits:

Defined contribution plans:

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

Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Retirement and other employee benefits:

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

- (i) A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains

with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

- (iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

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

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

3.12 Borrowing costs:

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

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

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

3.13 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.

3.14 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.

3.15 Events after reporting date

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

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

3.16 Segment Reporting

In accordance with Ind AS 108, Operating Segments, the company identified manufacturing of chemicals as the only reportable segment.

3.17 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



4 Property Plant and Equipment

								₹ in Lakhs
Particulars	Land	Building	Plant & Machinery	Computer Equipments	Office Equipment	Furniture & Fixtures	Total	Capital Work-in progress
Gross Block:								
Balance as at 01-04-2022	972.23			1.08	1.12	1.12	975.55	5,446.59
Additions	-	2,320.85	5,049.41	21.69	3.41	49.69	7,445.05	
Disposals / Adjustments	-						-	
Balance as at 31-03-2023	972.23	2,320.85	5,049.41	22.77	4.53	50.81	8,420.60	888.94
Additions	613.26	629.87	790.28	3.22	4.28	16.83	2,057.74	
Disposals / Adjustments	-						-	
Balance as at 31-03-2024	1,585.49	2,950.72	5,839.69	25.99	8.81	67.64	10,478.34	2,705.28
Accumulated depreciation:								
Balance as at 01-04-2022	-	-	-	0.23	0.32	0.16	0.71	
Charge for the year (refer note (ii))		58.30	227.20	2.90	2.03	8.64	299.07	
Other Adjustments							-	
Balance as at 31-03-2023	-	58.30	227.20	3.13	2.35	8.80	299.78	
Charge for the year (refer note (ii))	-	112.98	434.76	11.85	3.10	10.38	573.07	
Other Adjustments							-	
Balance as at 31-03-2024	-	171.28	661.96	14.98	5.45	19.18	872.85	
Net carrying amount:								
As at 31-03-2023	972.23	2,262.55	4,822.21	19.64	2.18	42.01	8,120.82	
As at 31-03-2024	1,585.49	2,779.44	5,177.73	11.01	3.36	48.46	9,605.49	
<p>Note: (i) The Company acquired the land in the Industrial Park, Naidupet, Andhra Pradesh and is in possession of land and registered the sale agreement for the said land. In terms of policy, the company is entitled to use the land and right to offer the land as security. The company has already commenced commercial production during July, 2022. The title to the said land shall be registered in the name of the company subject to fulfilment of other terms and conditions.</p> <p>(ii) Depreciation capitalised during the year NIL (previous year ₹ 0.36 lakhs)</p>								

(iii) Break up of capital work in progress

			₹ in Lakhs
Particulars	31st March 2024	31st March 2023	
Tangible Assets under Construction in the nature of :			
Land	-	101.14	
Buildings	873.02	20.83	
Plant & Machinery	1,806.04	753.62	
Project Expenditure - Direct			
Professional & Consultancy charges	22.32	3.00	
Finance cost (Net of capitalized)	3.90	7.63	
Other direct expenses		2.72	
Total	2,705.28	888.94	



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4.1 CWIP ageing schedule

CWIP	F.Y. 2023-24				₹ in Lakhs
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress: Pigments	2,483.80	221.48	-	-	2,705.28
Projects temporarily suspended	-	-	-	-	-
Total	2,483.80	221.48	-	-	2,705.28

	F.Y. 2022-23				₹ in Lakhs
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	888.94	-	-	-	888.94
	-	-	-	-	-
Total	888.94	-	-	-	888.94

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

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	-	-	-	-	-
Total	-	-	-	-	-

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	-	-	-	-	-
	-	-	-	-	-



Ultramarine Specialty Chemicals Limited

Notes to financial statements for the year ended 31st March, 2024

5 Other intangible assets

₹ in Lakhs

Particulars	Computer Software
Gross Block:	
Balance as at 01-04-2022	-
Additions	1.86
Disposals / Adjustments	
Balance as at 31-03-2023	1.86
Additions	(0.00)
Disposals / Adjustments	
Balance as at 31-03-2024	1.86
Accumulated Amortisation:	
Balance as at 01-04-2022	-
Charge for the year	0.18
Other Adjustments	-
Balance as at 31-03-2023	0.18
Charge for the year	0.94
Other Adjustments	-
Balance as at 31-03-2024	1.13
Net carrying amount:	-
As at 31-03-2023	1.68
As at 31-03-2024	0.73



Ultramarine Specialty Chemicals Limited
Notes to financial statements for the quarter ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
6	Other Financial Assets - Non - Current		
	Unsecured, Considered Good	-	-
	Security deposit	33.06	13.65
	Total	33.06	13.65

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
7	Deferred tax liability (net)		
	Deferred tax liability:		
	Depreciation	259.07	148.41
		259.07	148.41
	Deferred tax assets:		
	Unabsorbed business loss	-	-
	Unabsorbed depreciation	102.38	74.55
	Preliminary Expense u/s 35D	5.71	7.62
	Expense disallowed u/s 43B		
	- Bonus	2.09	1.20
	- Leave Encashment	1.65	0.77
	- Dues to MSME	1.00	-
		112.83	84.14
	Total	146.24	64.27

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
8	Other Non - Current Assets		
	Unsecured, Considered Good		
	Capital Advances	109.95	135.59
	Less: Provision for Capital Advances	(10.54)	-
	Income taxes (Net)	2.13	0.73
	Export Incentives Receivable	1.63	-
	Prepaid expenses	6.90	9.85
	Total	110.07	146.17

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
9	Inventories		
	Raw materials and components	106.79	115.74
	Fuel	3.65	3.60
	Packing Material	10.12	6.73
	Stores & Spares	54.83	57.44
	Work in progress	483.59	444.64
	Finished goods	243.80	144.17
	Finished goods in Transit	124.81	66.29
	Total	1,027.59	838.61



Ultramarine Specialty Chemicals Limited
Notes to financial statements for the quarter ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
10	Trade Receivables		
	- Considered good - secured	-	-
	- Considered good - Unsecured	457.67	178.48
	- Having significant increase in Credit Risk	-	-
	- Credit impaired	-	-
		457.67	178.48
	Less: Provision for Expected Credit Loss	-	-
	Total	457.67	178.48

*Amount receivable from Holding Company ₹101.13 Lakhs (Previous year Nil)

Trade Receivables ageing schedule as at 31.03.2024

₹ in Lakhs

	Particulars	Not Due	Outstanding for following periods from due date of payment				Total
			6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good	457.61	0.06	-	-	-	457.67
(ii)	Undisputed Trade Receivables - significant increase in Credit Risk	-	-	-	-	-	-
(iii)	Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - significant increase in Credit Risk	-	-	-	-	-	-
	Total	457.61	0.06	-	-	-	457.67

Trade Receivables ageing schedule as at 31.03.2023

₹ in Lakhs

	Particulars	Not Due	Outstanding for following periods from no due date of payment				Total
			6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good	178.48	-	-	-	-	178.48
(ii)	Undisputed Trade Receivables - significant increase in Credit Risk	-	-	-	-	-	-
(iii)	Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - significant increase in Credit Risk	-	-	-	-	-	-
	Total	178.48	-	-	-	-	178.48



Ultramarine Specialty Chemicals Limited
Notes to financial statements for the quarter ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
11	Cash & cash equivalents		
	Cash and cash equivalents		
	(i) Cash on hand	0.11	0.37
	(ii) Balances with banks		
	In current accounts	157.36	111.34
	Total	157.47	111.71

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
12	Bank balances other than cash and cash equivalents		
	Margin money with banks*	-	7.65
	Total	-	7.65

* Under Lien to avail Letter of Credit facilities.

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
13	Loans		
	Loans & Advances to Employees	-	-
	- Considered good - Unsecured	0.29	0.29
	Total	0.29	0.29



₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
14	Other Financial Assets - Current		
	Interest accrued on Deposits	1.40	0.65
	Deposits for leased premises	1.31	1.31
	Balance with Gratuity Fund (Net)	5.94	3.35
	Total	8.65	5.31

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
15	Other Current Assets		
	Advances other than capital advances:		
	Balance with GST & Customs	986.20	993.24
	GST Refund Receivable on Export	187.69	-
	Advance to suppliers	17.39	14.25
	Prepaid expenses	11.21	7.46
	Export incentives receivable - duty free scrips	15.43	9.39
	Total	1,217.92	1,024.34



₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
16	Share capital		
	Authorised		
	5,20,00,000 (31st March 2023: 3,64,00,000) Equity Shares of ₹ 10/- each	5,200.00	3,640.00
	3,25,000 (31st March 2023 : 3,25,000) Non Cumulative Redeemable Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	3,250.00	3,250.00
	38,000 (31st March 2023 : 38,000) Non Cumulative Convertible Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	380.00	380.00
		8,830.00	7,270.00
	Issued, subscribed and fully paid-up shares		
	4,70,83,333 (31st March 2023: 3,32,50,000) Equity Shares of ₹ 10/- each fully paid up.	4,708.33	3,325.00
	2,90,000 (31st March 2023- 2,20,000) Non Cumulative Redeemable Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	2,900.00	2,200.00
	38,000 (31st March 2023- 38,000) Non Cumulative Optionally Convertible Preference shares of ₹ 1,000/- each carrying coupon rate of 7.5%	380.00	380.00
		7,988.33	5,905.00
	Less: Reclassification of Preference Share Capital as Non Current Financial Liability (Refer Note 18)	(3,280.00)	(2,580.00)
	Total	4,708.33	3,325.00

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

Authorised share capital:

	Equity Shares of ₹ 10 each	Non Cumulative Redeemable Preference shares of ₹1,000/- each	No. of shares Non Cumulative Optionally Convertible Preference shares of ₹1,000/- each
Balance as at 1st April 2022	2,21,00,000	2,20,000	-
Add / (Less): Changes during the year	1,43,00,000	1,05,000	38,000
Balance as at 31st March, 2023	3,64,00,000	3,25,000	38,000
Add / (Less): Changes during the year	1,56,00,000	-	-
Balance as at 31st Mar, 2024	5,20,00,000	3,25,000	38,000

Issued, Subscribed and Paid up share capital:

	Equity Shares of ₹ 10 each	Non Cumulative Redeemable Preference shares of ₹1,000/- each	No. of shares Non Cumulative Optionally Convertible Preference shares of ₹1,000/- each
Balance as at 1st April 2022	2,20,10,000	2,20,000	-
Add / (Less): Changes during the year	1,12,40,000	-	38,000
Balance as at 31st March, 2023	3,32,50,000	2,20,000	38,000
Add / (Less): Changes during the year	1,38,33,333	70,000	-
Balance as at 31st Mar, 2024	4,70,83,333	2,90,000	38,000



16.2 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 Preference Shares (NCRPS)

- (i) The Non Cumulative Redeemable Preference shares are having a par value of ₹ 1,000/-
- (ii) The Holder of NCRPS shall be entitled to 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

(c) Non Cumulative Optionally Convertible Preference Shares (NCOCPS)

- (i) The Non Cumulative Optionally Convertible Preference shares are having a par value of ₹ 1,000/-
- (ii) The Holder of NCOCPS shall be entitled to dividend of 7.5 % per annum (non cumulative) on the face value of NCOCPS
- (iii) The NCOCPS shall be redeemed or converted (as mutually agreed) after the Financial Year 2027-28 or such other period as may be agreed mutually between both the parties.

16.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid-up shares as on 31st Mar 24	Number of fully paid-up shares as on 31st Mar 23
Ultramarine & Pigments Limited - Holding Company As at 31st March, 2024- 100% (31st March 2023-100%)	4,70,83,333	3,32,50,000

16.4 Details of shareholding of promoters

Promotor Name	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Equity shares					
Ultramarine & Pigments Limited - Holding Company	4,70,83,333	100%	3,32,50,000	100%	0%
Total	4,70,83,333	100%	3,32,50,000	100%	0%
Promotor Name	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Non Cumulative Redeemable Preference shares of ₹1,000/- each					
Ultramarine & Pigments Limited - Holding Company	2,90,000	100%	2,20,000	100%	0%
Total	2,90,000	100%	2,20,000	100%	0%
Promotor Name	As at 31st Mar 2024		As at 31st Mar 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Non Cumulative Optionally Convertible Preference shares of ₹1,000/- each					
Ultramarine & Pigments Limited - Holding Company	38,000	100%	38,000	0%	100%
Total	38,000	100%	38,000	0%	100%



S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
17	Other Equity		
	Share Application Money Pending allotment	50.00	300.00
	Securities Premium (Refer Note 17.1)	466.67	-
	General reserve	-	-
	Retained Earnings	679.06	297.87
	Other Comprehensive Income - Remeasurement of defined benefit liabilities	(1.34)	(0.07)
	Total	1,194.39	597.80
17.1	During the year company has issued 93,33,333 lakhs equity shares having face value of Rs.10/- each at premium of Rs.5 per share.		

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
18	Borrowings - Non-current		
	Secured		
	Term Loan from Banks (Refer note 18.1, 18.2 and 18.3)	3,493.75	2,477.01
	Less: Current maturity of borrowings	(594.17)	(122.92)
	Unsecured		
	Term loan from Holding Company (Refer note 18.4)	1,459.63	1,505.00
	Less: Current maturity of borrowings	(224.94)	(11.46)
	Financial Liabilities:		
	2,90,000 (220,000) 7.50% Non Cumulative Redeemable Preference Share capital (Refer note 18.5)	2,900.00	2,200.00
	38,000 (38,000) 7.50% Non Cumulative Optionally Convertible Preference Share capital (Refer note 18.6)	380.00	380.00
	Total	7,414.27	6,427.63
18.1	Paripasu first ranking charge by way of deposit of title deeds of freehold land having carrying cost of ₹972.24 Lakhs of the company situated at Plot No. 59A 14.59 Acres of Land in Industrial Estate, Menakur in favour of Axis Bank and HSBC Bank.		
18.2	The company has availed term loan of ₹ 2250 Lakhs from Axis Bank, read with note 18.1, the loan is secured by hypothecation of movable fixed assets and current assets of the company and charge has been created for fixed and current assets. The loan carries interest rate in the range of 6.75% to 9.25% p.a and has a moratorium period of 24 months and is repayable in 16 quarterly instalments beginning from October, 2023.		
18.3	The company availed term loan of ₹ 1,525 Lakhs by HSBC Bank, read with note 18.1 The loan is secured by hypothecation of movable fixed assets and current assets of the company and charge has been created for fixed and current assets. The loan carries interest rate in the range of 8.34% to 8.82 % p.a and has a moratorium period of 24 months and is repayable in 48 monthly instalments beginning from June, 2024.		
18.4	The company has availed a term loan of ₹ 2,042 Lakhs out of sanctioned term loan of ₹ 2,042 Lakhs by the holding company, carrying interest rate in the range of 6.75% to 9.25% p.a with 2 years of moratorium from the last disbursement amount and is repayable in 16 quarterly instalments beginning from the month of March, 2024. During the year, ₹548 Lakhs was prepaid to the holding company due to change in Financial structure of the projects.		
18.5	Non Cumulative Redeemable Preference Share capital (NCRPS) shall be entitled to 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. No dividend was recommended and declared during the year.		
18.6	Non Cumulative Optionally Convertible Preference Share Capital (NCOCPS) shall be entitled to dividend of 7.5 % per annum (non cumulative). The NCOCPS shall be redeemed or converted (as mutually agreed) after financial year 2027-28 or such other period as may be agreed mutually between both the parties. No dividend was recommended and declared during the year.		



₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
19	Other financial liabilities - Non Current Retention money payable	68.91	6.83
	Total	68.91	6.83

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
20	Provisions - Non-current Provision for employee benefits Provision for compensated absences	- 5.84	- 2.41
	Total	5.84	2.41

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
21	Borrowings - Current		
	Secured		
	Term Loan from Banks - Current maturities of borrowings (Refer note 18)	594.17	122.92
	Working capital loan from a Bank (Refer Note 21.2)	80.96	229.87
	UnSecured		
	Term Loan from Holding Company - Current maturities of borrowings (Refer note 18)	224.94	11.46
	Working Capital - Bridge loan from holding company	-	70.00
	Total	900.07	434.25

21.1	The Company has availed credit facilities (both fund based and non-fund based) from a Bank (Axis Bank-Rs.1 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, 2024.
21.2	The Company has availed credit facilities (both fund based and non-fund based) from a Bank (HSBC Bank-Rs.5 Crores) and are secured by charge on hypothecation of stocks (raw materials and finished goods) and book debts of the company.

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
22	Trade Payables Trade payables : - Total outstanding dues of micro enterprises and small enterprises	210.05	14.00
	- Total outstanding dues of creditors other than micro enterprise and small enterprises	356.03	110.55
	Total	566.08	124.55
22.1	Amounts payable to Holding Company ₹ 161.02 Lakhs (PY ₹ 7.10 Lakhs)		
22.2	MSME Creditors include Capital creditors of ₹ 181.46 Lakhs (PY ₹ 7.13 Lakhs)		



₹ in Lakhs

	Particulars	Not 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
22.1	Trade payables ageing schedule for the year ended 31st Mar 2024						
	(i) MSME	74.36	135.69	-	-	-	210.05
	(ii) Others	236.60	118.77	0.56	0.10	-	356.03
	(iii) Disputed dues - MSME	-	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-	-
	Total	310.96	254.46	0.56	0.10	-	566.08
22.2	Trade payables ageing schedule for the year ended 31st Mar 2023						
	(i) MSME	-	14.00	-	-	-	14.00
	(ii) Others	22.27	88.18	0.10	-	-	110.55
	(iii) Disputed dues - MSME	-	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-	-
	Total	22.27	102.18	0.10	-	-	124.55

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
23	Other financial liabilities - Current		
	Creditors for capital goods	194.66	45.24
	Interest payable on Term Loan (refer note 23.1)	-	46.78
	Amount payable to Holding Company (refer note 23.2)	-	130.82
	Retention money payable	58.94	100.38
	Employees dues	29.74	13.74
	Total	283.34	336.96
23.1	Interest payable on term loan includes interest payable to Holding company Nil (31st March 2023 ₹ 46.78 lakhs)		
23.2	Amounts payable to Holding Company Nil (31st March 2023: ₹ 130.82 Lakhs)		

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
24	Other current liabilities		
	Statutory Dues	30.61	12.62
	Revenue received in advance	-	-
	Other Liabilities	2.34	3.26
	Total	32.95	15.88

₹ in Lakhs

S. No	Particulars	As at	
		31st Mar 2024	31st Mar 2023
25	Short-term Provision		
	For Employee benefits		
	Provision for compensated absences	3.80	2.08
	For Others		
	Provision for tax (net of advance tax)	(0.00)	(0.00)
	Total	3.80	2.08



Ultramarine Specialty Chemicals Limited
Notes To Financial Statements For The year Ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
26	Revenue From Operations		
	a) Sale of Products		
	Sale of Manufactured Goods	3,717.41	1,592.35
	b) Other Operating Revenues		
	Export Incentives	47.43	22.67
	Total	3,764.84	1,615.02

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
26.1	Disaggregate Revenue Information:		
	Manufactured Goods		
	Pigments	3,717.41	1,592.35
	Total	3,717.41	1,592.35

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
27	Other Income		
	A) Interest Income		
	Interest On Deposit	1.52	0.65
	Interest On It Refund	0.04	0.01
	B) Other Non-Operating Income (Net Of Expenses Directly Attributable To Such Income)		
	Sundry Balance Written Back	0.20	0.27
	Sundry Receipts	0.12	0.57
	C) Other Gains And Losses		
	Net Gains On Foreign Currency Transactions And Translation	17.81	2.10
	Total	19.69	3.60

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
28	Cost of materials consumed		
	Opening stock of Raw Materials	115.74	51.35
	Add: Purchase of Materials (Refer Note 28.1)	759.22	548.09
		874.96	599.44
	Less: Closing stock of Raw Materials	106.79	115.74
	Total	768.17	483.70



Ultramarine Specialty Chemicals Limited
Notes To Financial Statements For The year Ended 31st March, 2024

₹ in Lakhs

28.1	The following materials consumed & expense incurred during the period of test & trial production which were not included in the respective expenditure accounts.		
	Consumption of Raw Material	-	115.62
	Salaries & Wages	-	37.68
	Payment to Contractors	-	17.47
	Power & Fuel	-	57.19
	Total	-	227.96

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
29	Changes In Inventories Of Finished Goods, Stock-In-Trade And Work-In-Progress		
	Inventories At The End Of The Year		
	Work-In-Progress	483.59	444.64
	Finished Goods including in transit	368.56	210.46
	Total	852.15	655.10
	Inventories At The Beginning Of The Year		
	Work-In-Progress (Refer Note 29.1)	444.64	111.95
	Finished Goods including in transit	210.46	-
	Total	655.10	111.95
	Total	(197.05)	(543.15)
29.1	Value of products produced during the period of test & trial production in previous year		

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
30	Employee Benefit Expense		
	Salaries, Wages, Bonus And Other Benefits	257.09	119.26
	Contribution To Provident Fund And Other Funds	22.28	10.20
	Gratuity	2.39	1.12
	Staff Welfare And Amenities	25.82	13.91
	Total	307.58	144.49

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
31	Finance Cost		
	Interest On Term Loans From Banks	276.85	174.49
	Interest On Term Loan From Holding Company	151.39	83.26
	Interest On Working Capital Loan	12.07	5.51
	Interest On Working Capital Loan From Holding Company	4.36	2.32
	Interest - Others	0.35	0.18
		445.02	265.76
	Less: Transferred to Capital Work-in-Progress	(3.90)	(56.62)
	Total	441.12	209.14



Ultramarine Specialty Chemicals Limited
Notes To Financial Statements For The year Ended 31st March, 2024

₹ in Lakhs

S. No	Particulars	For the year ended	
		31st Mar 2024	31st Mar 2023
32	Other Expenses		
	Consumption Of Stores And Spares	61.21	40.04
	Packing Materials Consumed	42.69	26.42
	Technical Royalty Fee (Refer Note No. 49)	148.69	-
	Payment To Contractors	227.56	117.55
	Repairs And Maintenance:		
	Machinery	78.67	38.90
	Buildings	8.59	4.17
	Others	4.41	1.60
	Laboratory Expenses	4.15	3.37
	Insurance	27.73	6.83
	Freight And Forwarding Expenses	49.11	22.70
	Sitting Fees To Directors	1.60	-
	Rent	2.50	0.92
	Rates & Taxes	33.56	13.47
	Books & Periodicals	2.79	-
	Printing & Stationery	4.13	0.62
	Travelling & Conveyance Expenses	21.27	5.13
	Communication Expenses	4.80	1.95
	Legal And Professional Fees	67.42	27.32
	Donation	2.00	-
	Bank Charges	11.31	1.74
	Commission On Sales	5.32	3.49
	Advertisement And Sales Promotion Expenses	-	0.07
	Provision For Doubtful Advances	10.54	-
	Security Expenses	18.99	6.17
	Miscellaneous Expenses (Note (i) Below)	20.91	22.80
	Total	859.95	345.26
	(i) Payment to Auditors (included in miscellaneous expenses)		
	As Auditors		
	Audit Fees	3.00	2.00
	Tax audit fees	0.50	-
	Other services		
	- Limited Review	0.75	0.50
	- Certification Fees	0.55	-
	- Other Services	1.00	1.50
	Total	5.80	4.00



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

[A] Contingent Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	-	-
(ii) Bank Guarantees issued and outstanding	36.95	-
(iii) Letter of Credit issued and outstanding	-	-

[B] Commitments

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Property, Plant & Equipment - Estimated amount of contracts remaining to be executed on capital account and not provided for	1,258.39	652.57
Against which advance paid	99.41	115.67
(ii) Other Commitments - For Natural Gas procurement	181.24	-

34 Employee Benefits

[A] Defined Contribution Plan

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

The company has recognised the following amounts in the statement of profit and loss:

Particulars	As at 31 March 2024	As at 31 March 2023
a. Contribution to Employees Provident Fund	15.32	10.20
	15.32	10.20

[B] Defined Contribution Plan

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

1. Reconciliation of opening and closing balances of Gratuity obligation

Particulars	As at 31 March 2024	As at 31 March 2023
a. Defined benefit obligation at the beginning of the year	1.29	-
b. Interest Cost	0.10	-
c. Current Service Cost	2.88	0.78
d. Benefits payments Due but unpaid	-	-
e. Past services cost	-	0.51
f. Benefits Paid directly by employer	-	-
g. Remeasurements - Financial assumptions and Experience adjustments	1.24	-
h. Defined benefit obligation at the end of the year	5.51	1.29

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

Particulars	As at 31 March 2024	As at 31 March 2023
a. Fair Value of Plan Assets at the Beginning of the year	4.65	-
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	0.59	0.18
d. Contribution by the Employer	6.25	4.54
e. Benefits Paid from the funds	-	-
f. Remeasurements - Return on Assets	(0.03)	(0.07)
g. Fair Value of Plan Assets at the End of the year	11.45	4.65

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

Particulars	As at 31 March 2024	As at 31 March 2023
a. Current Service Cost	2.88	0.78
b. Benefit Payments due but unpaid	-	-
c. Past service cost	-	0.51
d. Interest Cost	0.10	-
e. Expected return on plan assets	(0.59)	(0.18)
f. Net Actuarial (Gain)/Loss	1.27	0.07
g. Total Expenses recognised in Statement of Profit and Loss	3.66	1.18

4. Amount recognised in the Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2021
a. Present value of Benefit Obligation at the end of the year	5.51	1.29
b. Fair Value of Plan Assets at the End of the year	(11.45)	(4.65)
c. Funded Status Surplus / (Deficit)	-	-
d. Net Liability / (Asset) Recognised in the Balance sheet	(5.94)	(3.36)

5. Other Comprehensive Income (OCI)

Particulars	As at 31 March 2024	As at 31 March 2023
Remeasurements - Financial assumptions and Experience adjustments	1.24	-
Remeasurements - Return on Assets	0.03	0.07
Total actuarial (Gain)/Loss recognised in OCI	1.27	0.07



6. Description of plan assets		₹ in Lakhs	
Particulars	As at 31 March 2024	As at 31 March 2023	
a. Government Bonds	-	-	
b. Debt Instruments & Corporate Bonds	-	-	
c. Cash & Cash Equivalent	-	-	
d. Insurance Fund	11.45	4.65	
e. Total	11.45	4.65	

7. Actuarial assumptions		₹ in Lakhs	
Particulars	As at 31 March 2024	As at 31 March 2023	
a. Discount Rate	7.24%	7.53%	
b. Salary Escalation Rate	8.50%	8.50%	
c. Mortality Table	Indian Assured Lives Mortality (2012-14)		

8. Expected future cash flows as on:

Maturity Profile of Defined Benefit Obligations		₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023	
Projected benefits payable in future years from the date of reporting			
1st following year	0.03	0.01	
2nd following year	1.89	0.01	
3rd following year	0.73	0.56	
4th following year	1.06	0.31	
5th following year	0.93	0.29	
Years 6 to 11+	2.92	0.59	

9. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	₹ in Lakhs			
	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(0.20)	0.22	0.23	(0.22)
Variation in %	-3.72%	3.99%	4.12%	-3.90%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, It does provide an approximation of the sensitivity of the assumptions shown.

These plans typically expose the Company to actuarial risks such as : Investment risk , interest risk , longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Longevity risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Salary risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.



[A] Amounts Recognised in Statement of Profit and Loss

During the Current financial year, no tax expense has been recognised in the statement of Profit & loss and also no provision for tax has been recorded as liability.

[B] Reconciliation of effective Tax Rate

Particulars	Year ended 31st March 2024		Year ended 31st March 2023	
	%	Amount	%	Amount
Profit Before Tax		463.15		365.24
Tax using the company's domestic tax rate - Current Year Tax Rate 17.16%	17.16%	79.48	17.16%	62.67
Less: Permanent differences				
Donations, Rates and Taxes and Provisions	0.89%	4.10	0	
Opening differences	-(0.35%)	(1.61)	0	
Less: Effect of Other Differences				
Interest capitalised for tax purposes			0.49%	1.78
Depreciation capitalised in books			(0.05%)	(0.19)
Total	17.70%	81.96	17.60%	64.27

36 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 31st March, 2024		As at 31st March, 2023	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:				
Non-current financial assets				
Loans	-	-	-	-
Other Financial Assets	-	-	-	-
Other Financial Assets - Security Deposit	33.06	33.06	13.65	13.65
	33.06	33.06	13.65	13.65
Current financial assets				
Trade receivables	457.67	457.67	178.48	178.48
Cash and cash equivalents	157.47	157.47	111.71	111.71
Other bank balances	-	-	7.65	7.65
Loans	0.29	0.29	0.29	0.29
Other Financial Assets - Other Receivable	8.65	8.65	5.31	5.31
	624.08	624.08	303.44	303.44
Total Financial Assets at Amortized Cost	657.14	657.14	317.09	317.09
Financial liabilities held at amortised cost:				
Non - Current financial liabilities				
Borrowings - Term Loan From a Bank	2,899.58	2,899.58	2,477.01	2,477.01
Borrowings - Term Loan From Holding Company	1,234.69	1,234.69	1,505.00	1,505.00
7.50% Non Cumulative Redeemable Preference Share capital (Refer note 18.5)	2,900.00	2,900.00	2,200.00	2,200.00
7.50% Non Cumulative Optionally Convertible Preference Share capital (Refer note 18.6)	380.00	380.00	380.00	380.00
Other financial liabilities	68.91	68.91	6.83	6.83
	7,483.18	7,483.18	6,568.84	6,568.84
Current financial liabilities				
Borrowings - Current Maturities of Bank	594.17	594.17	122.92	122.92
Borrowings - Current Maturities of Holding Company	224.94	224.94	11.46	11.46
Working capital loan from Bank	80.96	80.96	229.87	229.87
Bridge loan from holding company	-	-	70.00	70.00
Trade payables	566.08	566.08	124.55	124.55
Other financial liabilities	283.34	283.34	336.96	336.96
	1,749.49	1,749.49	895.76	895.76
Total financial liabilities carried at amortised cost	9,232.67	9,232.67	7,464.60	7,464.60



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 i) 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 ii) valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2024	31.03.2023		
Borrowings Including Current Borrowings	5,034.34	4,416.26	Level 2	Amortized Cost
7.50% Non Cumulative Redeemable Preference Share capital	2,900.00	2,200.00	Level 3	Amortized Cost
7.50% Non Cumulative Optionally Convertible Preference Share capital	380.00	380.00	Level 3	Amortized Cost

37 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

Risk management framework

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

A Credit risk

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

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

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

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

However, there is no provision considered necessary as there was no overdue outstanding receivables as on 31st March 2024.

Ageing of Trade receivables	₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Not due	457.61	178.48
0-3 months	-	-
3-6 months	-	-
6 months to 12 months	0.06	-
beyond 12 months	-	-
Allowance for doubtful trade receivables (Expected credit loss allowance)	-	-
Total	457.67	178.48

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

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

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

Particulars	31st March 2024	31st March 2023
No of Customers who owed more than 10% of the Total receivables	2	3
Contribution of Customers in owing more than 10% of Total receivables	67.18%	71.00%

Cash and cash equivalents

The Company held cash and cash equivalents of ₹157.47 Lakhs as at 31st March, 2024 (31st March, 2023: ₹ 111.71 Lakhs). The cash and cash equivalents are held with banks.



B Liquidity risk

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

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Carrying amount - Contractual cash flows		Carrying amount - Contractual cash flows	
	Upto 1 year	More than 1 year	Upto 1 year	More than 1 year
Non-derivative financial liabilities				
Borrowings	900.07	4,134.27	434.25	3,982.01
7.50% Non Cumulative Redeemable Preference Share capital	-	2,900.00	-	2,200.00
7.50% Non Cumulative Optionally Convertible Preference Share capital	-	380.00	-	380.00
Trade and other payables	566.08	-	124.55	-
Other financial liabilities	283.34	68.91	336.96	6.83
Total non-derivative financial liabilities	1,749.49	7,483.18	895.76	6,568.84

C Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Such changes in values of financial instruments may result from changes in foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign Currency Exchange Rate Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The following table analyzes foreign currency risk from financial instruments as of 31st March 2024 and 31st March 2023:

Particulars		In Lakhs	
		USD	Exchange Rate (INR/USD)
Accounts Receivable			
As at :			
	31-Mar-24	2.49	82.89
	31-Mar-23	1.14	81.70
Accounts Payable			
As at :			
	31-Mar-24	0.10	83.72
	31-Mar-23	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars		In Lakhs	
		USD	Average Exchange Rate INR/USD
Export Transactions			
As at :			
	31-Mar-24	28.20	82.12
	31-Mar-23	13.44	81.70
Import Transactions			
As at :			
	31-Mar-24	1.70	82.66
	31-Mar-23	-	-

Impact on profit or loss and total equity

Particulars	In Lakhs	
	USD impact	
	As at 31 March 2024	As at 31 March 2023
Increase in exchange rate by 5%	9.90	4.67
Decrease in exchange rate by 5%	(9.90)	(4.67)

D 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, 2024	March 31, 2023
Floating Rate Instrument		
Borrowings	5,034.34	4,416.26
Fixed Rate Instrument		
7.50% Non Cumulative Redeemable Preference Share capital	2,900.00	2,200.00
7.50% Non Cumulative Optionally Convertible Preference Share capital	380.00	380.00
	7,934.34	6,616.26

38 Related party disclosures

1 Names of related parties and nature of relationship:

Nature of relationship

Holding Company

Fellow Subsidiary

Key Management Personnel

Name of related party

Ultramarine & Pigments Ltd

Ultramarine Fine Chemicals Ltd

Mr. R. Sampath Director - Non- Executive

Ms. Tara Parthasarathy Director - Non- Executive

Mr. V. Bharatram Director - Non- Executive

Mr. Navin M Ram Independent Director - Non- Executive

Mr. S. Ramanan Company Secretary

Ms. Vidya Sampath

Relatives of Key Managerial Personnel

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

Nature of transactions	₹ In Lakhs	
	2023-24	2022-23
Purchase of Material / Stores		
Ultramarine & Pigments Limited	2.28	60.25
Sale of Goods		
Ultramarine & Pigments Limited	102.20	35.00
Sale of Equipments		
Ultramarine & Pigments Limited	-	7.25
Share Application Money Received from Ultramarine & Pigments Limited	2,300	1,670
Utilized for issue of equity and preference shares	(2,550)	(1,505)
Technical Royalty Expenses		
Ultramarine & Pigments Limited	148.69	-
Reimbursement of Expenses		
Ultramarine & Pigments Limited	-	1.69
Term Loan from Holding Company		
Term Loan received during the year	847.00	1,025.00
Term Loan repaid during the year	962.38	-
Interest Expense	148.12	85.58
Subscription to Equity Shares		
Ultramarine & Pigments Limited	1,850.00	1,124.00
Subscription to Preference Shares		
Ultramarine & Pigments Limited	700.00	380.00
Professional Fees paid		
Mr. R. Sampath	72.00	46.80
Rent Paid		
Ms. Vidya Sampath	2.77	2.18
Ultramarine & Pigments Limited	0.21	-
Other Services		
Weighment Charges		
Ultramarine & Pigments Limited	0.58	-
Outstanding Payable		
(a) Ultramarine & Pigments Limited		
Cost of Land and other related cost payable	-	130.82
Share application money received pending for allotment	50.00	300.00
Term Loan	1,459.63	1,505.00
Bridge Loan	-	70.00
Interest on Loan Payable	-	46.78
Royalty Payable	160.59	-
Weighment Charges	0.18	1.48
Rent	0.25	-
(b) Ms. Vidya Sampath - Rent for March 2024	0.23	0.20
Outstanding Receivable		
Ms. Vidya Sampath - Rent Deposit	0.99	0.99
Ultramarine & Pigments Limited	101.13	-

39 Segment Reporting

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

(a) Geographical information

The Company is domiciled in India. The amount of its revenue from external customers and non-current assets other than financial instruments, and deferred tax assets, broken down by location of the assets, is shown below:

	₹ In Lakhs	
Revenue from Operations	Year ended 31st March, 2024	Year ended 31st March, 2023
India	1,470.46	564.52
South Korea	2,025.56	903.10
Rest of the World	268.82	147.40
Grand Total	3,764.84	1,615.02

	₹ In Lakhs	
Total Assets	Year ended 31st March, 2024	Year ended 31st March, 2023
India	15,324.22	11,337.65
Rest of the World	-	-
Grand Total	15,324.22	11,337.65

40 C I F Value of Imports

	₹ in Lakhs	
Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw Materials	-	33.46
Stores & Spares	57.38	-
Plant & Machinery	75.51	-
Total	132.89	33.46

41 Expenditure in Foreign Currency

	₹ in Lakhs	
Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Legal and Professional Charges	10.68	-
Total	10.68	-

42 Earnings in foreign currencies

	₹ in Lakhs	
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Export of goods calculated on FOB basis	2,302.35	1,079.35
	2,302.35	1,079.35

43 Code on Social Securities

The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees including post employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognised post notification of relevant provisions.

44 Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of Company

	31st March 2024	31st March 2023
Profit attributable to equity holders of the Company for basic and diluted earnings per share	381.19	300.97

ii. Weighted average number of ordinary shares

	31st March 2024	31st March 2023
a. Number of Issued equity shares at 1st April 2023	3,32,50,000	2,20,10,000
b. Effect of shares issued as	39,91,803	51,42,959
Nominal value per share	10	10
c. Weighted average number of shares at 31st March for basic and diluted earnings per share(a+b) - (Refer Note 44.1)	3,72,41,803	2,71,52,959

iii. Basic earnings per share (i/ii c)	1.02	1.11
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Ultramarine Specialty Chemicals Limited

Notes to financial statements for the year ended 31st March, 2024

44.1 Statement representing the Weighted average number of Shares

in Numbers

Date of Allotment	Particulars	Number of shares	Cumulative No. of Shares	Remaining no. of Days	Weighted Average Number of shares
01-04-2022	Opening Balance of Equity Shares	2,20,10,000	2,20,10,000	365	2,20,10,000
28-04-2022	Equity Shares issued to Ultramarine & Pigments Ltd	13,40,000	2,33,50,000	337	12,37,205
07-11-2022	Equity Shares Issued to Ultramarine & Pigments Ltd	99,00,000	3,32,50,000	144	39,05,753
31-03-2023					2,71,52,958
01-04-2023	Opening Balance of Equity Shares	3,32,50,000	3,32,50,000	366	3,32,50,000
31-05-2023	Equity Shares issued to Ultramarine & Pigments Ltd	45,00,000	3,77,50,000	306	37,62,295
23-03-2024	Equity Shares issued to Ultramarine & Pigments Ltd	93,33,333	4,70,83,333	9	2,29,508
31-03-2024	Total	4,70,83,333			3,72,41,803



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

Particulars	2023-24	2022-23
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	210.32	21.31
(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.	0.44	0.18
(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

- 46 As per the Andhra Pradesh Industrial Development Policy 2020-2024, the company is entitled to the below mentioned benefits on commencement of commercial production (COCp). The below mentioned benefits are based on the classification of status of the company as large enterprise during the year.

(i) 50% reimbursement of net accrued SGST to the state for 5 years from the date of COCP

Particulars	₹ in Lakhs	
	As at 31.03.2024	As at 31.03.2023
	Lakhs	Lakhs
Cash and Cash equivalents	157.47	111.71
Current Borrowings	900.07	434.26
Non- Current borrowings including Current Maturities	7,414.27	6,427.63
Other Financial Liabilities - Interest Payable	-	46.78
	8,314.34	6,908.67
Net debt	8,156.87	6,796.96

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 2022	181.50	3,883.79	-	3,702.29
Cash flows	(69.79)	2,687.01	299.87	3,056.67
Foreign exchange adjustments	-	-	-	-
Interest expenses (includes Interest capitalized ₹ 56.62)	-	265.58	-	265.58
Interest paid	-	(227.58)	-	(227.58)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
Net debt as at 31st March 2023	111.71	6,608.80	299.87	6,796.96
Cash flows	45.76	1,671.36	(218.91)	1,406.69
Foreign exchange adjustments	-	-	-	-
Interest expenses (includes Interest capitalised ₹ 3.90 Lakhs)	-	445.02	-	445.02
Interest paid	-	(491.80)	-	(491.80)
Other non-cash movements	-	-	-	-
Acquisitions/disposals	-	-	-	-
Fair value adjustments	-	-	-	-
Net debt as at 31st March 2024	157.47	8,233.38	80.96	8,156.87

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The company has used accounting software (ERP) for maintaining its books of account, have a feature of embedded audit trail at transaction level on application layer which creates unique events for every transaction along with date of creation, updation and identity of users. Transactions recorded in ERP are not allowed to be modified after posting. There are no instances of audit trail feature being tampered with and the same has been operated throughout the year for all transactions recorded in the accounting software. Post publication of ICAI implementation guide, direct database level changes was also included in audit trail scope. In respect of ERP, access to direct database level changes is available only to authorized personnel. However the software vendor confirmed that there is no audit trail enabled for database level changes and is in the process of developing audit trail for any database level changes and expected to be completed during June 2024

- 49 During the current financial year, the company has entered into technical license agreement (agreement) with its holding company Ultramarine & Pigments Limited for use of process know-how to manufacture, sale and / or distribution of Inorganic Pigments. The Company to pay Royalties @ 3% on net sales of Inorganic Pigments per contract year to the Holding Company. Accordingly, Royalty expense of ₹148.69 lakhs has been recognised during the current year including ₹ 48 lakhs for first year of commercial operations.



50. Ratios							
Ratio	Numerator	Denominator	F.Y. 2023-24	F.Y. 2022-23	% Variance	Reason for Variance by more than 25% as compared to p.y.(Positive or Negative)	
(a) Current Ratio	Current Assets	Current Liabilities	1.61	2.37	(32.24)	Due to increase in current maturities of borrowings and Trade payables as the company is fully operational during the year	
(b) Debt-Equity Ratio	Total Debt (Total Borrowings)	Shareholder's Equity (Shareholders' funds other than Other Comprehensive Income)	1.41	1.75	(19.49)		
(c) Debt Service Coverage Ratio	Earnings available for debt service (Net profit after taxes + Depreciation and amortization + Finance cost)	Debt Service (Interest & Lease Payments + Principal Repayments)	3.17	3.87	(18.11)		
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	7.76%	9.62%	(19.39)		
(e) Inventory Turnover Ratio	Sale of Materials	Average Inventory	3.98	3.57	11.73		
(f) Trade Receivables Turnover Ratio	Total Sales	Average Accounts Receivable	11.69	17.84	(34.50)	Due to increase in trade receivables as the company is fully operational during the year	
(g) Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	2.20	4.74	(53.61)	Due to increase in trade payables as the company is fully operational during the year	
(h) Net Capital Turnover Ratio	Total Sales	Working Capital	3.43	1.27	169.94	Due to increase in Sales as the company is fully operational during the year	
(i) Net Profit Ratio	Net Profits after taxes	Total Sales	0.10	0.19	(45.67)	Due to increase in Depreciation, finance cost and technical royalty fee	
(j) Return on Capital Employed	Earning before interest and taxes (Profit before tax + Finance Costs)	Capital Employed (Net Worth + Total Debt + Deferred Tax Liability - OCI adjustments for Fair Value of Investments Recognised)	6.33%	5.67%	11.58		
(k) Return on Investment	Income from Investments	Cost of Investments	NA	-	NA		



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51 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.

52 Other statutory information

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company has not advanced or loaned or invested funds to any other person(s) or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- iv) The Company has not received any fund from any person(s) or entities, including foreign entities (intermediates) with the understanding (whether recorded in writing or otherwise) that the intermediate shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) The Company does not have any subsidiary and hence clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.
- vii) The Company is not declared willful defaulter by and bank or financials institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) 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 filed Return or statements are in agreement with books of accounts.
- x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.



xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in 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 (₹ 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 name of company
Property Plant & Equipment	Plot No. 59A 14.59 Acres of Land in Industrial Estate, Menakur	₹ 972.24	Andhra pradesh Industrial Infrastructure 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)
Property Plant & Equipment	Plot No. 59 BLOCK-C 7.71 Acres of Land in Industrial Estate, Menakur	₹ 613.26	Andhra pradesh Industrial Infrastructure Corporation (APIIC)	No	20th January 2024	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)

xii) The Company does not have any transactions with companies which are struck off.

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

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

R. N. Prasad
Partner
Membership No. 203377
Place: Chennai
Date : 13th May 2024



S. Ramanan
Company Secretary

TARA PARTHASARATHY
Director
DIN : 07121058

For and on behalf of Board of Directors

V BHARATHRAM
Director
DIN : 08444583

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