Ultramarine & Pigments Ltd.

Chairman's Speech — 65th Annual General Meeting, 22nd July, 2026

Dear Shareholders,

Good morning, and a warm welcome to all of you to the 65th Annual General Meeting of your Company. On behalf of the Board of Directors, I thank you for your continued trust, confidence and unwavering support.

The Economic Backdrop

The financial year gone by was shaped by two distinct shocks. It began with disruptions from shifting global tariff policies, and later in the year the conflict in West Asia introduced fresh volatility into energy and input markets.

Despite these pressures, the global economy proved more resilient than many had feared. The IMF's July 2026 World Economic Outlook update places global growth at 3.0% for calendar year 2026, moderating from earlier expectations, with a projected rebound to 3.4% in 2027 as war-related energy shocks are gradually offset by a technology-driven upcycle, particularly around artificial intelligence investment. This is, in many ways, a story of two forces in tension — geopolitical fragmentation pulling growth down, and innovation pushing it back up.

Against this global mix, India continues to stand out. The IMF projects India's growth at approximately 6.4% for the current year, with an improved outlook of 6.7% for FY27, reaffirming India's position as the fastest-growing major economy in the world.

This strength is underpinned by robust domestic consumption, continued government emphasis on infrastructure and manufacturing competitiveness, and a young, aspirational consumer base that continues to drive demand across sectors.

For the Indian chemical industry specifically, the medium-term fundamentals remain genuinely encouraging. Global supply chains continue to diversify away from single-country dependence, creating room for Indian manufacturers to step in. Domestic consumption of specialty chemicals is rising steadily, supported by growth in end-user industries such as home and personal care, coatings, plastics, inks, and industrial applications. Import substitution remains a policy and commercial priority.

At the same time, we must be candid about the near-term headwinds: input costs for key raw materials tied to petrochemical derivatives have risen sharply since the West Asia conflict intensified, and supply chain stability remains an area we are actively monitoring. We believe our customer-centric approach and our long-standing customer relationships position us well to work through this volatility while continuing to grow.

A Resilient Year for Your Company

Against this backdrop, I am pleased to report that your Company delivered another year of resilient, broad-based performance. On a consolidated revenue of 775 Crores, we achieved a Profit after tax of 81 crores. Our Consolidated Earnings per Share stands at 27.66 against 25.70 in the previous year.

This growth was achieved despite fluctuating raw material prices, currency movements and increasingly competitive market conditions — a testament to the discipline of our teams across operations, sales and finance.

Standalone export revenue did moderate slightly to ₹176 crores from ₹184 crores, reflecting the impact of tariff-related disruptions on certain international markets, but this was more than compensated for through expanded volumes elsewhere, and recent easing of tariff pressure gives us reason for cautious confidence on the export front going into the new year.

Business Highlights

Let me walk you through the performance of our individual businesses in a little more detail.

Our Surfactants and Specialty Chemicals business performed strongly this year, with revenue growing 14% to ₹489 crore from ₹430 crores. We have achieved optimum capacity utilization at our Ranipet facility and made further improvement on utilization at Naidupeta.

This business operates in what is fundamentally a commodity-driven segment, which makes our continued investment in product innovation, process improvement, and value-added, customer-specific offerings all the more important — it is this differentiation that protects and will expand our margins over time.

Our Pigments business grew more steadily, with consolidated revenue of ₹238 crores, up 4% year-on-year. This is a business defined by long customer qualification cycles but exceptional customer retention once earned. Capacity additions in recent years, mainly at our subsidiary, are progressively contributing to our performance, and our continued focus on premium products and customer-specific solutions keeps strengthening our competitiveness in this segment. Due to rising input costs and the global tariff uncertainties, we were unable to grow as we hoped, but we believe that as the global situation stabilizes, we will be able to reset our growth numbers in the next year.

Beyond our core chemicals businesses, our Wind Energy assets now meet 52% of the Company's total power requirements, up from 45% the previous year, generating 80 lakh units of clean electricity and meaningfully reducing our energy costs while supporting our sustainability commitments.

Our IT-enabled Services division continued its record of consistency, with income rising to ₹52 crores from ₹45 crores, reflecting the strength of long-standing customer relationships built over many years.

Innovation continues to underpin our long-term strategy. During the year, our R&D team successfully commercialised one new product following extensive laboratory trials and added several new grades to serve emerging applications, with additional products currently in the pipeline for the years ahead.

Looking Ahead to FY 2026-27

As we look to the year ahead, I want to strike a note of measured but genuine optimism. India's growth story remains intact and, if anything, strengthening into FY27. Rising manufacturing activity, continued policy support for domestic production, and a large and growing base of end-user demand all work in our favour. At the same time, we are clear-eyed about the risks: input price volatility, global supply chain uncertainty, and broader geopolitical unpredictability are likely to persist through the year, and we will manage them with the same discipline we have shown in years past.

On the growth front, we will commence work in the coming year on our Pigment project at Manapparai in Tamil Nadu. In its initial phase, this project will add 2,500 metric tonnes per annum of capacity, with phased commissioning starting Q3 of FY 27-28. This is a deliberate, long-term investment in our Pigments franchise, and it reflects our confidence in the sustained demand for high-consistency, high-quality pigment grades from our customers.

In Surfactants and Specialties', we are looking at debottlenecking for the Ranipet plant, and looking at downstream processing facilities in Naidupeta. Alongside this, we will continue to deepen our value-added product portfolio pursue further operational efficiencies across all our businesses, and remain disciplined in our capital allocation.

In Closing

Before I close, I would like to place on record my sincere appreciation to our employees, across all our locations, for their dedication, adaptability and commitment through a genuinely challenging year. I thank our customers, suppliers, bankers and business partners for their continued support and trust in the Company. I thank my colleagues on the Board for their guidance and counsel throughout the year. And above all, I thank you, our shareholders, for the confidence and encouragement you continue to place in us.

With your continued support, I am confident that your Company is well positioned to build on its strengths, navigate the uncertainties ahead with resilience, and create enduring value for all our stakeholders in the years to come.

Thank you.

Jai Hind.