



ULTRAMARINE &
PIGMENTS LTD.

61st

**ANNUAL
REPORT
2021–2022**



CONTENTS

Financial Snapshot.....	5
Financial Highlights for 10 Years	6
Notice	7
Directors' Report, Management's Discussion & Analysis	21
Corporate Governance Report	53
Certificate of Non-Disqualification of Directors.....	73
Independent Auditor's Report on the Standalone Financial Statements	74
Standalone Balance sheet	85
Standalone Statement of Profit and Loss	86
Standalone Cash Flow Statement.....	87
Standalone Notes to the Financial Statements	90
Independent Auditor's Report on the Consolidated Financial Statements	144
Consolidated Balance sheet	151
Consolidated Statement of Profit and Loss	152
Consolidated Cash Flow Statement.....	153
Consolidated Notes to the Financial Statements	156



Board of Directors

Mr. R. Sampath	- Chairman
Mrs. Indira Sundararajan	- Vice Chairperson
Ms. Tara Parthasarathy	- Joint Managing Director
Mr. R. Senthil Kumar	- Whole-time Director
Mr. V. Bharathram	- Whole-time Director

Independent Directors

Mr. Nimish U. Patel
Mr. Navin M. Ram
Mr. Rajeev M. Pandia
Mr. C.R. Chandra Bob
Dr. P. Arunasree
Mr. Harsh R. Gandhi

Audit Committee

Mr. C.R. Chandra Bob, Chairman
Mr. Nimish U. Patel
Mrs. Indira Sundararajan
Mr. Navin M. Ram

Nomination and Remuneration Committee

Mr. Rajeev M. Pandia, Chairman
Mr. R. Sampath
Mr. Navin M. Ram

Corporate Social Responsibility Committee

Mr. C.R. Chandra Bob, Chairman
Mr. Navin M. Ram
Mrs. Indira Sundararajan

Stakeholders Relationship Committee

Mr. Navin M. Ram, Chairman
Mr. C.R. Chandra Bob
Mrs. Indira Sundararajan

Chief Financial Officer

Mr. S. Ramanan

Company Secretary

Mr. Kishore Kumar Sahoo

Auditors

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

Factory

Ambattur

556, Vanagaram Road
Ambattur, Chennai - 600 053
Tel. : +91-44-26136700 -704
Fax: +91-44-26821201

Ranipet

25-B, SIPCOT Industrial Complex,
Ranipet - 632 403, Tamilnadu
Tel: +91-4172-278500-504
Fax: +91-4172-664400

Naidupet

59A, 60 & 61, APIIC Industrial Park
Block C, Road No. 13, Naidupet,
SPSR Nellore -524 126, Andhra Pradesh
Tel: +91 86232 75400

Bankers

Bank of India
The Hongkong and Shanghai Banking Corporation Limited (HSBC)
Axis Bank Ltd

Registered Office

Thirumalai House, Road No.29
Near Sion Hill Fort, Sion (E), Mumbai - 400 022
Tel : +91-22-43686200, 6256
Fax : +91-22-24011699/24014754
E-mail: cs@ultramarinepigments.net
Website: www.ultramarinepigments.net

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Anna Salai, Chennai - 600002,
Ph : +91-44-28460390
Fax : +91-44-28460129
E-mail: Cameo@cameoindia.com, investor@cameoindia.com

General Information

- Company's Corporate Identification Number (CIN): L24224MH1960PLC011856
- Company's Shares Listed at BSE Ltd.
- Company's Shares are mandated for trading in demat mode.
- ISIN allotted to Company's share is INE405A01021

61st Annual General Meeting

Date & Time

25th July, 2022 at 4.00 p.m.

Venue

The AGM is to be held through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA).

Dividend declared

250% (₹ 5.00 per share)

Book closure

16th July, 2022 to 25th July, 2022
(both days inclusive)



Board of Directors



Mr. R. Sampath is the Chairman of Ultramarine & Pigments Limited. He is a Chemistry graduate from University of Bombay and has a Chemical Engineering degree from Washington State University, USA. He started his career in a Multinational Company and possesses more than 50 years of experience in operation, and managing businesses of the Company.



Mrs. Indira Sundararajan is the Vice Chairperson of Ultramarine & Pigments Limited. She is a Technologist with extensive experience of more than 3 decades in Business and Trade. She has a BSc-Tech degree from University Department of Chemical Technology (now Institute of Chemical Technology), Mumbai.



Ms. Tara Parthasarathy is the Joint Managing Director of Ultramarine & Pigments Limited. She serves as a Trustee of the Thirumalai Charity Trust. Prior to her work with UPL, she worked at the World Resources Institute and the Shakti Sustainable Energy Foundation on sustainable energy policy issues at the national and state levels, specifically on energy efficiency and renewable energy policy measures and industrial applications. She has a B.Tech in Industrial Biotechnology from Anna University and a Masters in Environmental Management from Yale University.



Mr. R. Senthil Kumar is the Whole-time Director of Ultramarine & Pigments Limited. He has been working in the Company since 1988. He is looking after the operation of plants at Ranipet, Naidupet and Ambattur. He has more than 28 years of experience in various areas viz, manufacturing, sales and marketing, Projects, Commercials and day-to-day plant operations. He is a Science graduate and Masters in Business Administration.



Mr. V. Bharathram is the Whole-time Director of Ultramarine & Pigments Limited. Mr. Bharathram is a graduate in Computer Science and holds Masters Degree in Business Administration.

Mr. Bharathram has more than 25 years of experience and before joining Ultramarine & Pigments Limited, was the National Head for Consumer Durable lending of a reputed non-banking finance Company belonging to a large corporate group in India. He has extensively worked in large commercial hubs and possesses sound knowledge in marketing, broad basing of network, risk assessment of business enterprises, etc.



Mr. Nimish U. Patel is the Managing Director of Shri Dinesh Mills Limited and Chairman & Managing Director of Dinesh Remedies Ltd. He has more than 28 years experience in the field of Textile and more than 12 years in the field of Electro Plating and Pharma Industries.



Mr. Navin Muthu Ram is the Executive Director of Pipe Hangers and Supports Private Limited, a global market leader for supply of spring hangers and supports for thermal movement of hot pipelines (for refineries and power plants) to leading blue chip Companies. Prior to this, Mr. Navin M. Ram worked with Goldman Sachs in London as an Executive Director with their global products business. He is the Chairman of the Stakeholders Relationship Committee of the Board of Ultramarine & Pigments Limited.



Mr. Rajeev M. Pandia is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and holds the Master's degree in the same field from Stanford University, California. A Distinguished Alumnus of IIT Bombay and a Rotary International scholar; he is a fellow of Indian National Academy of Engineering and of Indian Institute of Chemical Engineers. He has more than 45 years of experience in strategic planning, project evaluation and management, technology transfer, international marketing, safety, health and environmental issues, Government policies and general management. He advises several Indian and international companies in the areas of Strategy, Project execution and operational excellence.

In 2009, Mr. Pandia received the ICC Lifetime Achievement Award from Indian Chemical Council for his contribution to the Indian chemical industry. He currently occupies the position of Independent Director as well as membership and chairmanship of Audit Committees and Stakeholders Relationship Committees of GRP Limited, Excel Industries Ltd, The Supreme Industries Ltd. He is the Chairman of the Nomination and Remuneration Committee of the Board of Ultramarine & Pigments Limited.



Mr. C. R. Chandra Bob is a fellow member of Institute of Chartered Accountants of India. He has more than 30 years of experience in Audit, Assurance and Taxation. He has worked as Regional Finance Controller (Southern Region) and Plant Manager of Praxair India Pvt. Ltd, a well-known MNC, where he was heading the complete operations and business of the Unit as a Profit Centre. Since then he has set up a professional Auditing Firm with the base in South India performing Audit, Assurance, Taxation, Compliance and related matters. He has extensive experience in these areas and provides the services to well-known Companies. He is the Chairman of the Audit Committee and Corporate Social Responsibility Committee of the Board of Ultramarine & Pigments Limited.



Dr. P. Arunasree is a Doctorate in Organic Chemistry and Bachelor of Law. She has more than 16 years of experience in the field of Intellectual Property Rights. She is the Director of Gnanlex Hermenueticus Pvt. Ltd., a Knowledge & Technology based firm providing services in Intellectual Property, regulatory linkages, technology development, licensing & contracts of IP related areas within India and Globally.



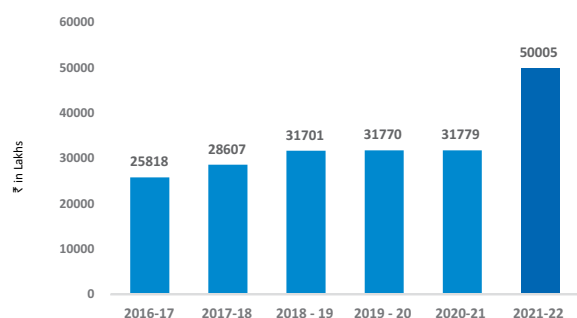
Mr. Harsh R Gandhi is a Science graduate from Purdue University, USA, completed Owner / President Management program with Harvard Business School, Boston, USA. He is the Joint Managing Director of GRP Limited. GRP Limited is a manufacturer of sustainable materials, focused on upgrading end-of-life tyre waste to make raw materials and products for use in automotive, electrical, transportation and defence sectors. Before joining GRP, he was an Associate of The Boston Consulting Group, Mumbai and an analyst with Kotak Securities, New York.

Mr. Harsh Gandhi possesses more than 18 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning, etc.

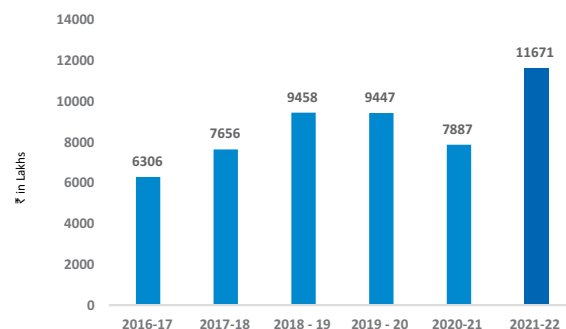


Financial Snapshot

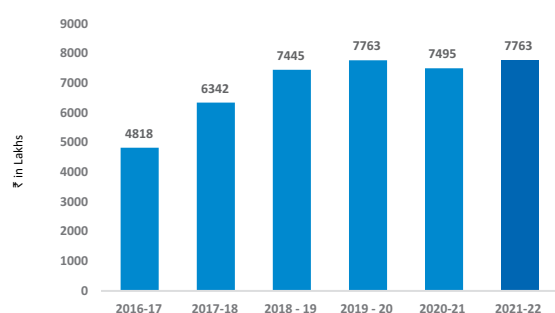
REVENUE



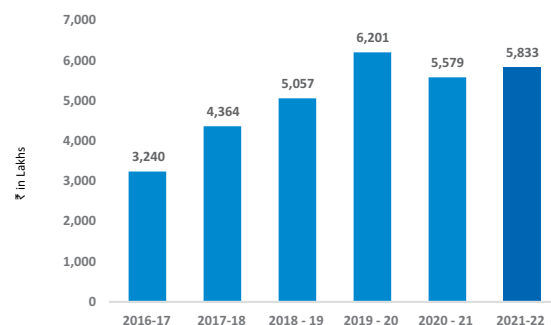
EXPORT - REVENUE



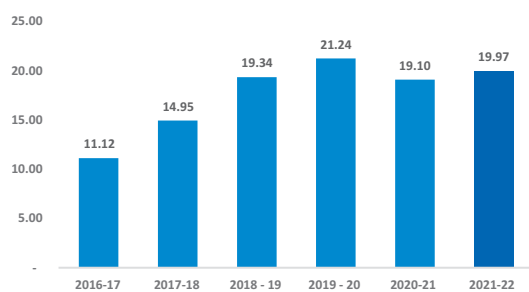
PROFIT BEFORE TAX



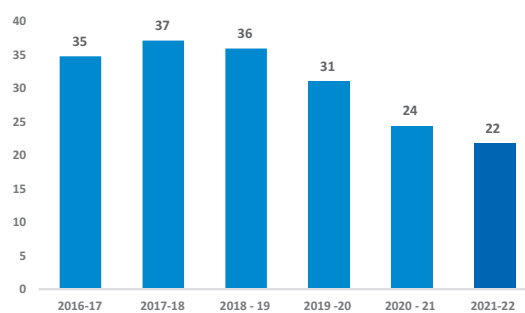
PROFIT AFTER TAX



Earning Per Share Basic (₹)



Return on Average Capital Employed - %





FINANCIAL HIGHLIGHTS for 10 YEARS

₹ in Lakhs

Sl. No.	Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
		IndAS						IGAAP			
1	Paid up Share Capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	85372	45,524	29664	37,905	50,524	30,771	10,869	9,364	8,633	8,048
3	Net Worth	85956	46,108	30248	38,489	51,108	31,355	11,453	9,948	9,217	8,632
4	Fixed Assets (Net)	15720	14154	12673	8,110	7,082	6,054	5,454	3,969	4,215	4,296
5	Sales/ Other Income*	50005	31779	31770	31,701	28,607	25,818	22,522	17,389	15,328	14,394
6	Profit before Tax **	7,763	7495	7,763	8,037	6,342	4,818	3,904	2,752	2,159	1,737
7	Current Tax	(1,796)	(1818)	(1,882)	(2,517)	(1907)	(1312)	(957)	(755)	(755)	(588)
8	Deferred Tax	(134)	(99)	320	128	(71)	(259)	(212)	(122)	36	64
9	Tax Expenses	(1,930)	(1917)	(1,562)	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)	(524)
10	Profit after Tax	5,833	5,579	6,201	5,648	4,364	3,247	2,735	1,875	1,440	1,213
11	Dividend ***	1,460	1460	1760	1,582	1,494	1,406	1,230	1,054	854	769
12	Dividend (%)	250	250	250	225.00	212.50	200.00	175.00	150.00	125.00	112.50
13	Earnings Per share - Basic (₹)	19.97	19.10	21.24	19.34	14.95	11.12	9.37	6.42	4.93	4.15

* Sales and other income of financial year 2017-18 includes excise duty of ₹ 516.91 Lakhs.

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

***FY 2019-20 Dividend includes dividend distribution tax.



NOTICE

NOTICE is hereby given that the SIXTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held on 25th day of July, 2022 at 4.00 p.m. IST through video conferencing ("VC") / Other Audio Visual Mechanism ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Ms. Tara Parthasarathy (DIN: 07121058), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

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

Ceiling limit of Commission to Ms. Tara Parthasarathy (DIN.07121058), Joint Managing Director

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members is hereby accorded to the enhancement of ceiling limit of commission payable to Tara Parthasarathy (DIN. 07121058), Joint Managing director from existing 1% to upto 2 % of the Net profits of the company with effect from 01.04.2022.

Minimum remuneration:

RESOLVED FURTHER THAT notwithstanding anything herein above stated, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Ms. Tara Parthasarathy up to such amount as remuneration as may be permissible under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

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

Ceiling limit of Commission to Mr. V. Bharathram (DIN. 08444583), Whole-time Director.

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members is hereby accorded to the enhancement of ceiling limit of commission payable to Mr. V. Bharathram (DIN. 08444583) , Whole-time Director from existing 1% to upto 2 % of the Net profits of the company with effect from 01.04.2022.



Minimum remuneration:

RESOLVED FURTHER THAT notwithstanding anything herein above stated, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. V Bharathram upto such amount as remuneration as may be permissible under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

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

Approval of Material Related Party Transaction for the financial year 2022-23

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014, Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, as amended from time to time and the Company's Policy on Related Party Transaction(s), the approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to be entered into material contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Ultramarine Specialty Chemicals Limited (USCL), a wholly owned subsidiary of Ultramarine & Pigments Limited and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and USCL, for an aggregate value of up to ₹ 5,560 Lakhs, to be entered during financial year 2022—23 at an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, and confirmed in all respects."

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

Ratification of remuneration payable to cost auditor for the financial year 2022-23

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-