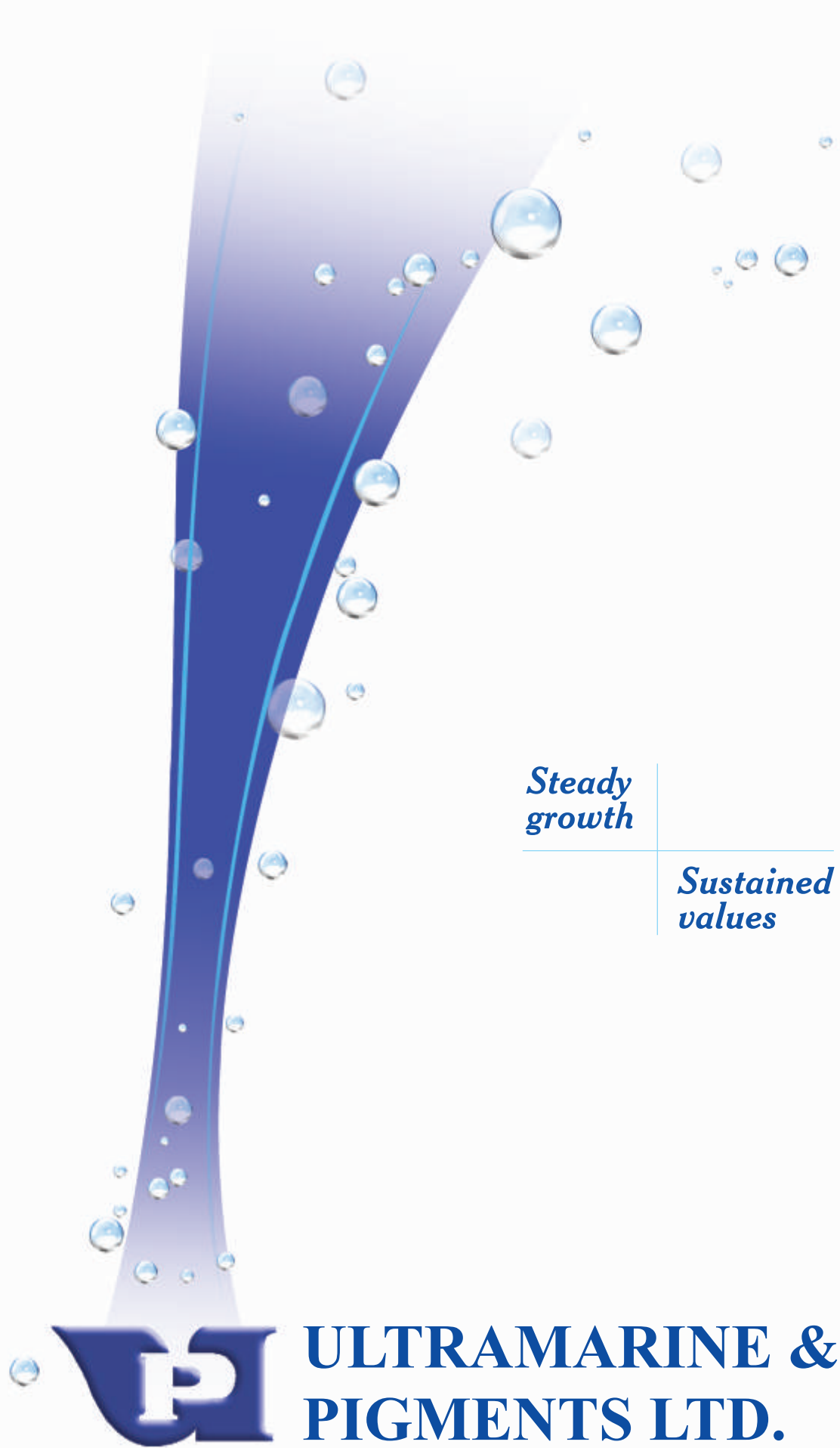


Annual Report 2009 - 2010



*Steady
growth*

*Sustained
values*

50
Years
1960-2010



**ULTRAMARINE &
PIGMENTS LTD.**



ULTRAMARINE & PIGMENTS LTD.

Factory Ambattur

556, Vanagaram Road
Ambattur, Chennai - 600 053
Tel. : 91-44-2682 1195 / 1196/ 1197/1198/1199
Fax : 91-44-2682 1201
E-mail : ultra_marine@bsnl.in

Ranipet

25-B, SIPCOT Industrial Complex
Ranipet - 632 403, Tamilnadu
Tel. : 04172-244441/244442
Fax : 04172-244918
E-mail : upl.syndet@vsnl.net

(IT Enabled Services Division) Lapiz Digital Services

No. 1/51-1, Palwells Road
Rajeswari Colony, St. Thomas Mount
Chennai - 600 016
Tel. : 044-22330263
E-mail : contact@lapizdigital.com

Lapiz Online

DLF IT Park
2nd Floor, 5th Block, 1/24, Shivaji Garden
Mount Poonamallee Road
Chennai - 600 089
Tel. : 044-42901300
Fax : 044-42901310
E-mail : info@lapizonline.com



ULTRAMARINE & PIGMENTS LTD.

Board of Directors

Mr. R. Sampath (Chairman & Managing Director)
Ms. Indira Sundararajan (Wholetime Director)
Mr. S. Santhanam
Mr. Nimish Patel
Mr. M. C. Choksi
Dr. G. G. Nair
Ms. K. R. Javeri
Mr. S. Sridhar

Company Secretary

Mr. N. Asokan

Bankers

Bank of India
HDFC Bank Limited
State Bank of India

Auditors

Contractor, Nayak & Kishnadwala
Chartered Accountants
1B, 1st Floor, Pushpan
K.D.Road, Vile Parle
Mumbai 400 056

Registered Office

Thirumalai House, Road No.29
Near Sion Hill Fort, Sion (E), Mumbai 400 022
Tel. : 2401 7841, 7834, 7853, 7861
Fax : 2401 1699 / 2401 4754
E-mail: thirumalai@thiruchem.com
Website : www.ultramarinepigments.net

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannlal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai 400 078
Ph: : 022 2594 6970
Fax : 022 2594 6969
E-mail: rnt@helpdesk@linkintime.co.in
Website : www.linkintime.com

General Information

- Company's Shares Listed at Bombay Stock Exchange.
- Company's Shares are mandated for trading in demat mode.
- ISIN allotted to company's share is INE405A01021

49th Annual General Meeting

Date & Time

Monday, August 2, 2010 at 4.00 p.m.

Venue

Mysore Association Auditorium
Bhaudaji Road, Matunga
Mumbai - 400 019

Dividend declared

150 % (Rs.3.00 per share of Rs.2/- each)
[Includes Re.1 per share for Golden Jubilee Year]

Dividend eligibility

For : Registered Member
Physical Shares : As on August 2, 2010
Demat Shares : At the close of business hours on July 19, 2010 as per the list of beneficial ownership furnished by the Depository Participants

Book closure

July 20, 2010 to August 2, 2010 (both days inclusive)

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Members are requested to bring their copy of Annual Report with them to the Annual General Meeting

NOTICE

NOTICE is hereby given that the **FORTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED** will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393 Bhaudaji Road, Matunga-C.Rly. Mumbai 400 019 on Monday, the 2nd day of August, 2010 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.Nimish Patel, who retires by rotation and, being eligible, offers, himself for re-appointment.
4. To appoint a Director in place of Ms.K.R.Javeri, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint Auditors for the current Year and fix their remuneration.

By Order of the Board of Directors

N. Asokan
Company Secretary

May 28, 2010

Registered Office:

Thirumalai House, Road No.29,
Sion (East)
Mumbai 400 022

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) The proxy form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 20, 2010 to Monday, August 2, 2010 (both days inclusive) for determining the names of members eligible for dividend, if approved. In respect of shares held in Electronic form, the dividend will be paid to those shareholders whose names appear at the close of Business hours on Monday, July 19 ,2010 as beneficial owners as per list furnished by the Depository Participants for the purpose.
- d) Members are requested to notify immediately any change in their addresses and/or Bank Mandate details to the Company's Registrar and Share Transfer Agents for shares held in physical form and to their respective Depository Participants (DP) for shares held in Electronic form.
- e) Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
- f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, all dividends from the Final dividend for the financial year ended 31/03/1996, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Accordingly, amounts have been transferred to the Investor Education and Protection fund from time to time. All persons are requested to note that no claims shall lie against the Company of the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall

be made in respect of any such claims.

Persons who have not encashed their dividend warrants are requested to approach the Company for obtaining the duplicate warrants before the balance in the account gets transferred to the Investor Education and Protection Fund.

- g) The Equity shares of the Company are mandated for trading in the compulsory dematerialized Mode. The ISIN No. allotted for the Company's shares in INE405A01021.
- h) Member(s) wanting to nominate a person on whom the Shares will vest in the event of death of the holder(s) are requested to use the prescribed Form-2B and forward to the Company's Registrars.
- i) Re-appointment of retiring Directors:

Mr.Nimish Patel and Ms.K.R. Javeri, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr.Nimish Patel, 44 years, has done his B.B.A and M.B.A (Finance) from New York, USA.He has 14 years of experience with the industry in the field of Electro Plating, Textile and Pharma Industries. He is an Executive Director of Shri Dinesh Mills Ltd. since 1995 and is also the Managing Director of Dinesh Remedies Ltd., a subsidiary of Shri Dinesh Mills Ltd, since 2005. He is also the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri Dinesh Foundation. He has recently joined the Board of Transpek Industry Ltd.

He holds 52,589 shares in the Company representing 0.18% of the Company's Paid-up Equity Share Capital. Ms.K.R.Javeri, 75 years, is a practicing Advocate and is well known for her expertise in Corporate & Legal matters. Ms.Javeri was earlier the Nominee Director of ICICI on the Company's Board and had kindly consented to continue as a Director after her nomination was withdrawn. Ms.Javeri's contribution has been immense and valued by all the Board Matters. She does not hold any shares of the Company.

The Board of Directors of the Company commends their respective re-appointments.

- j) Members are requested to bring the attendance-Slip along with their copy of Annual Report to the Meeting.

By Order of the Board of Directors

N.Asokan
Company Secretary

May 28, 2010

Registered Office :

Thirumalai House, Road No.29,
Sion (East)
Mumbai 400 022

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To

The Members

Ultramarine & Pigments Ltd.

Your Directors have pleasure in presenting their **FORTY NINETH ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS** of the Company for the year ended **March 31, 2010.** (Rs. in Lakhs)

Financial Results	Year ending 2009-2010	Year ending 2008-2009
Gross Profit Before Interest, Finance Charges and Depreciation	2120	2277
Interest and Finance Charges	90	74
Profit before Depreciation and Tax	2030	2203
Depreciation	430	346
Profit before Tax	1600	1857
Provision for Current Tax	670	(156)
Profit after Current Tax	930	1701
Provision for Deferred Tax	148	(278)
Short provision for earlier years	Nil	(31)
Profit after Tax	1078	1392
Balance in Profit & Loss Account	3160	2601
Profit available for appropriation	4238	3993
Appropriations		
Dividend	876	584
Tax on Dividends	146	99
General Reserve	143	150
Balance Carried Forward	3073	3160
	4238	3993

Dividend

Your Directors have recommended a Dividend of Rs 2/- per share for the year ended March 31, 2010. In addition, your Directors have also recommended Re.1 per share towards the Golden Jubilee Year, which makes the total payment of Dividend of Rs.3/- per share of the nominal value of Rs.2/-each for the year ended March 31, 2010 [previous year Rs 2/-Per Share of nominal value Rs.2/-per share].

The payment of dividend together with the tax thereon absorbed a sum of Rs 1021/-Lakhs. The Dividend, if approved by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 5th August, 2010.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS**Operations and Financial Performance**

The performance of various business segments of the company were a mixed one with Pigments showing an improved performance, whereas other divisions including IT enabled services experienced a dip in volume & profitability. The division-wise business review of the company for the financial year 2009 - 2010 is given below.

Pigment Division

The Company achieved gross sales of Rs.4511 lakhs (4236 MT) during the financial year ended 31-3-2010 as against Rs.3978 lakhs (3658 MT) in the previous financial year. The volume grew by 16% and value by 13% and this coupled with reduction in prices of key raw materials during the year under review helped post better profit.

The company is well positioned to tap domestic industrial segment & export market with initiatives taken both on technical front & marketing set up. The key growth drivers are product innovation & entering untapped market segments.

Surfactants Division

The Company achieved gross sales (includes processing) of Rs.5459 lakhs during the financial year ended 31.3.2010 as against Rs.5903 lakhs in the previous financial year. The Company has re-vamped its marketing force to penetrate in to the rural as well as the urban market which is dominated by huge market players. To enhance the brand image and capabilities, new promotional packages are in the offing to make the consumers aware of our brand. The growth prospects are dependent on the capitalization and exploitation of the market since low cost market segment is predominant in this FMCG Category.

Packaging Division

The operation of Packaging Division was closed in August 2009 due to technological obsolescence of the plant.

Windmill Power Generation

The power generated from the wind turbines of 44.84 lakh units valuing Rs 156.92 lakhs which was partly adjusted against consumption for the factories at Ambattur and Ranipet and partly sold to Tamil Nadu Electricity Board.

IT & ITES Division

The performance of the division has not shown any significant growth due to the persistent slow down prevailing in the U.S.A. The prospects of growth in this segment is dependent on the recovery of economy in U.S which is rather very slow based on the prevailing trends.

Revenue from the ITES division was Rs 1420/-Lakhs as compared to Rs. 1668/- Lakhs for the previous financial year. The decline in revenue was mainly on account of economic recession prevailing in U.S. and European markets.

Comparing the overall financials of the company during the year under report with the previous financial year, the total

income of the company for the year was Rs. 11244/- Lakhs as against Rs. 11385/- lakhs in the previous year and the Profit after tax (PAT) for the year was Rs. 1078/- Lakhs as compared to Rs. 1392/- Lakhs in the previous year.

Earnings Per Share

Earnings Per Share (EPS) was at Rs 3.69 per share and Cash Earnings Per Share (CEPS) were Rs 5.17 on the paid value of Rs 2/-per share.

Lapiz Online Private Limited

The Wholly Owned Subsidiary of the Company viz. Lapiz Online Private Limited which was incorporated in October 2008 was disposed off during the year since no additional benefits could be derived from this company.

Exports

The exports of the Company's products during the year amounted to Rs. 2293/- Lakhs (Previous year Rs. 2022/-Lakhs).

Internal Control Systems

Your company has evolved a system of strong and adequate internal controls to ensure that its assets and interests are protected. Transactions are authorized, recorded and correctly reported. There are clear demarcation of roles and responsibilities at various levels of operations. The company's internal control system is further strengthened by continuous periodical Internal Audit System and Audit Committee Review at the Board level. The adequacy of the internal control systems is being periodically reviewed by the Audit Committee. Internal Audit is conducted at regular intervals at various locations of the company and covers all key areas. All audit observations and follow up actions are discussed with the Management and the Statutory Auditors as well and the Audit committee regularly reviews them.

The scope of internal audit covers a wide variety of operational matters and as a minimum ensures compliance with specific standards with regard to the availability and suitability of policies and procedures and the extent of adherence. It further evaluates the adequacy of segregation of duties, reliability of Management Information Systems including its controls in the area of authorization procedures and safeguarding of assets. It is to be understood that the overall internal control system is never static but dynamic, reflecting the current requirements at all times. The Board, however, believes that appropriate procedures and controls are operating and monitoring practices are in place.

Personnel

Industrial Relations were quite harmonious throughout the year under review.

The directors earnestly appreciate the contributions and initiatives taken by the employees at all levels for the Company's improved performance year after year.

Opportunities and Threats

The Company being one of the major producers of pigments with technological capabilities, the scope for exploiting the

market is very wide since there are only a few competitors in this segment. The untapped segments both geographically and technologically have been vigorously exploited to attain higher market share. The economy, after the onslaught of the global depression has been recovering, thereby creating tremendous opportunities on various sectors of industry. Unlike in the year 2008-2009 which witnessed a volatile market for our basic inputs, the prices of inputs for the year 2009-2010 have been more or less stable to enable our products to be more price-competitive and cost advantageous.

The fiscal stimulus package granted in several legs during the year 2008-2009 has been partially withdrawn by the Government of India in the budget for the fiscal year 2010-2011 as a result of which, the prices of basic raw materials and other inputs have gone up thereby increasing the costs of production. Moreover, certain state governments have increased their 'VAT' [Value Added Tax] Rates for commodities which is rather a retrograde step resulting in increased prices for the ultimate consumers. Apart from the above, the prices of fuel have been increased pushing up the logistics costs that have negative impact not only for the business community but also for the consumers at large. Based on the complete recovery of economy during the forthcoming months, the stimulus package would be completely withdrawn keeping in view of the implementation of 'GST' [Goods & Services Tax] by the Government from the fiscal year 2011-2012.

Risks and Concerns

1. The usage of pigments for certain applications Viz. Laundry and white washing has been dwindling gradually due to the changes in life style and technology.
2. Competition in the domestic market for the company's products from the un-organized sector.
3. Some of the nations across the globe are still under the economic crisis which has negative impact both on the BPO & ITES Segments.

Prospects & Outlook

The implementation of latest technology and modernization in some of the production processes has yielded better results in increasing the yield on industrial grades. Consistent efforts are being made to introduce most modern technology by all feasible methods to improve production process and efficiency. Substantial improvement in productivity, improved efficiency and minimization of wastage are the ultimate goals towards which the company's strategies have been set.

The company has strengthened its marketing force both in export and domestic segments for enhancing the marketing capabilities. The structure of the existing marketing group has been re-organized and rationalized to address specific issues and bottlenecks arising in the course of marketing and thereby improving customer relationship.

Cautionary Statement

The statements made in the report describes the Company's objectives, projections, estimates, expectations and predictions which may be **forward looking statements**

within the meaning of the applicable securities laws and regulations. The annual results can differ materially from those expressed or implied, depending on the economic conditions, Government Policies and other incidental factors and developments.

Directors

Mr.Nimish Patel and Ms.K.R Javeri, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to the provisions of Sec. 217 (2AA) of the Companies Act, 1956, the Directors confirm that -

- i] in the preparation of the annual accounts for the year ended March 31, 2010 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 judgement 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, 2010 and of the profit 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, and
- iv] the annual accounts have been prepared on a going conditions, Government Policies and other incidental factors and developments.

Finance

All taxes and statutory dues are being paid on time. The Company has been regular in making timely repayment of the loans and interest to Banks.

The surpluses in business are deployed in a prudent manner, considering the risk, reward and safety.

Statement Pursuant to Listing Agreement

The Company's shares are listed with Mumbai Stock Exchange. Your Company has paid the respective annual listing fees up-to-date and there are no arrears.

Report on Corporate Governance

A report on Corporate Governance is annexed herewith. Auditor's Report on the same is also annexed.

Auditors

M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing AGM. The notice convening the AGM is self-explanatory. They are eligible for reappointment.

Cost Audit

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act 1956, the company carries out an audit of cost accounts relating to its Soaps and Detergent Division every year. Mr.Kalyanaraman is appointed as Cost auditor.

Particulars of Employees

The particulars regarding Directors' Remuneration is given in Notes forming part of the accounts. Also, details of the remuneration of the Managing Directors/Whole-time Directors is appearing in notes to the accounts as also in the corporate governance report. There has been no Employees drawing remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

The particulars required to be included in terms of section 217(1)(e) of the Companies Act, 1956 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure.

Acknowledgement

The Board acknowledges the support given by the employees for their collective contribution, Bankers and the shareholders for their continued support.

For and on behalf of the Board of Directors

Mumbai
May 28, 2010

R. Sampath
Chairman & Managing Director

Annexure 1 to Directors' Report

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended by the Companies Amendment Act, 1988 and forming part of the Directors Report for the year ended 31st March, 2010.

Sr. No.	Name	Age	Qualification and Experience	Designation	Remuneration [Rs.]	Date of Joining	Last Employment
1.	Mr.R.Sampath	65	B.Sc. B.S. (Chem.Egg.) U.S.A. 40 years	Chairman & Mg.Director	99,55,651	01.03.1970	Engineer, Hercules Inc.USA
2.	Ms. Indira Sundararajan	62	B.Sc. (Chem) B.Tech(Pharma)	Whole-time Director	99,55,651	01.07.2003	Thirumalai Chemicals Ltd.

NOTES

- 1) Remuneration includes Company's contribution to Provident Fund, Superannuation Fund, Medical Benefits, Leave Travel Allowance etc.
- 2) Nature of employment is contractual.
- 3) Mr.R.Sampath is a relative of Ms.Indira Sundararajan, Whole-time Director of the Company

Annexure 2 to Directors' Report

Information as per Section 217(1) (e) read with the Companies (Disclosures of Particulars in report of the Board of Directors) Rules 1988 and forming part of the Directors' report.

I. Conservation of Energy

- a) Energy saving systems are incorporated wherever necessary / Energy savings are attempted continuously.
- b) Existing energy saving systems are properly utilised and further devices are added whenever necessary

Description	Units	Year Ending 31.03.2010	Year Ending 31.03.2009
Fuel Consumption (Power & Fuel)			
1) Electricity			
a) From TNEB			
Purchased Unit	KWHR	3182824	3909044
Total Amount Paid	Rs.	15864826	18947909
Rate / Unit	Rs.	4.98	4.85
b) Own Generation			
Through DG	KWHR	1026564	996395
Units / Litre of Diesel Oil	KWHR	2.76	2.95
Rate / Unit	Rs.	13.71	12.32
2) Coal and coke			
Coal & Coke & Pet Coke	Rs.	24163931	20451218
Coal & Coke & Pet Coke	TON	1957.46	1486
Rate / Ton	Rs.	12345	13759
3) Furnace oil / diesel / sko etc.			
Furnace Oil / Diesel / SKO etc.	KL	1090.01	750.23
Total Amount	Rs.	27301324	20120002
Rate / Ton	Rs.	25047	26818
4) Research & Development			
Expenditure on R & D			
i) Capital	Rs.	Nil	Nil
ii) Recurring	Rs.	1614352	Nil
iii) Total	Rs.	1614352	Nil
iv) Total R&D Expenditure as a % of turnover		0.18	Nil

II. Technology Absorption, Adaptation, Innovation

Your company is taking initiatives for quality of all products and services 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 despite the stiff competition faced in the international market. Vigorous efforts are being made to enhance our revenue from IT Enabled services Division. Earnings in foreign Exchange from exports and services are given in notes forming part of accounts.

For and on behalf of the Board of Directors

Mumbai
May 28, 2010

R. Sampath
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT 2009-2010

(as required under Clause 49 of the Listing Agreement with Stock Exchanges)

Company's philosophy on Corporate Governance

The Company believes that the pursuit for good Corporate Governance is an ongoing process which facilitates the company to achieve its avowed objectives of transparency, accountability and responsibility in all our dealings with our shareholders, customers, employees and the community at large. This objective extends not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with the best practices for corporate governance.

The Company recognizes that strong Corporate Governance is a key driver of sustainable corporate growth and long term value creation.

In this report the company confirms its compliance with the corporate governance code as required by Clause 49 of the listing agreement with the Stock Exchanges.

(a) Composition

1. The Board of Directors of your Company comprise of an Executive Chairman & Managing Director, a Whole-time Director with Six Non-Executive Directors.
2. All Non-Executive Directors except Mr. S. Sridhar and Mr. S. Santhanam are independent Directors.

(b) Board Committees

i. Audit cum Remuneration Committee

Dr. G.G. Nair (Chairman)

Ms. K.R. Javeri (Member)

Mr. S. Sridhar (Member)

During the year, the Committee met four times on 29-06-2009, 29-07-2009, 28-10-2009 and 28-01-2010. All the members of the Committee as well as the concerned partner of the Statutory Auditor remained present at all the meetings while the Partner of the Company's Internal Audit Firm, who was invited to attend the Audit Committee meeting held on 29-06-2009 was present. The audited results for the year ended 31/03/2010 were reviewed by the Committee before being placed before the Board.

The Committee Members also examined the Internal Auditors Report on the workings of different departments and the action taken on observations/suggestions of the Auditors. The Committee Members do peruse the detailed Statutory Compliance Report which is normally made on a quarterly basis.

The Committee Members also review the Statement of outstanding Debts, particularly overdue, as also group Company transactions. Appointment and payment of remuneration to the Directors and key management personnel are also referred to/reviewed by the Committee. The Committee Members also act as members of the Selection Committee.

ii. Share Transfer / Investors Grievance Committee

The Share Transfer / Investors Grievance Committee consists the following members:

Dr. G.G.Nair (Chairman)

Ms. K.R.Javeri (Member)

Mr. S.Sridhar (Member)

Mr.N.Asokan, Company Secretary is the Compliance Officer. All complaints whenever received from any investor were timely attended for redressal. Total of 9 Complaints were received from the Shareholders during 2009-2010, which were all attended to and resolved and there were no complaints pending at the end of the year.

The process of share transfer is delegated and is done once a fortnight (depending on transfers received) which is confirmed and ratified in the next meeting.

(c) Board Meetings**Number of Board Meetings held during the year 2009 - 2010**

Five Meetings of the Board of Directors were held on the following dates:

29.06.2009, 29.07.2009, 31.08.2009, 28.10.2009 and 28.01.2010

All information, wherever relevant and materially significant, are submitted as part of the agenda papers well in advance of the Board Meetings and the Company Secretary or the Director, in consultation with the Chairman & Managing Director drafts the agenda of the meetings.

(d) Directors attendance record and Directorships held

Name of Directors	Attendance At		No. of Directorships of Other Public Companies	No. of Memberships of Board Sub-committees
	Board Meetings	Last AGM		
Mr. R.Sampath*	5	Yes	-	-
Ms. Indira Sundararajan**	4	Yes	-	-
Mr. S.Santhanam	5	Yes	1	2
Mr. Nimish Patel	2	Yes	3	1
Mr. M.C.Choksi	4	Yes	2	1
Dr. G.G.Nair	5	Yes	3	4
Mr. S.Sridhar	4	Yes	1	2
Ms. K.R.Javeri	5	Yes	-	-

(*) Chairman and Managing Director

(**) Whole-time Director

(e) Remuneration of Directors

Remuneration paid or payable to Managing Director/ Whole-time Director/ Director during the year ended 31.03.2010.

(Amount in Rupees)

Name	Salary	PF	Others	Commission	Total
1. Mr. R.Sampath (CMD)	48,00,000	5,76,000	39,05,769	6,73,882	99,55,651
2. Ms. Indira Sundararajan (WD)	39,00,000	4,68,000	32,38,750	23,48,901	99,55,651
3. Mr. S.Santhanam (Director)	Nil	Nil	Nil	19,91,130	19,91,130

Notes: Managerial remuneration is within the ceiling as per the resolution approved by the shareholders. The caption 'Others' on the above table includes LTA, Medical and Superannuation.

Sitting fee is payable to the Non-Executive Directors for attending the Board / Committee meetings. The sitting fees paid to the non-executive Directors is as under:

Name	Amount (Rs)
Mr. Nimish Patel	40,000/-
Mr. M.C.Choksi	80,000/-
Dr. G.G.Nair	1,80,000/-
Ms. K.R.Javeri	1,80,000/-
Mr. S.Sridhar	1,40,000/-
Mr. S.Santhanam	1,00,000/-

Payments are made to the Non-Executive Directors depending on the number of meetings attended by them. These payments are reviewed by the Board of Directors from time to time.

(f) Shareholdings of Directors

Details of Shares held by Non-Executive Directors as on 31.03.2010

Name	No. of Shares held
Mr. Nimish Patel	52,589
Mr. M.C.Choksi	3,600
Dr. G.G.Nair	18,000
Mr. S.Sridhar	11,57,256
Mr. S.Santhanam	16,03,260

(g) Brief details of General Body Meetings

The Forty Ninth Annual General Meeting of the company for the financial year 2009–2010 would be held on Monday, August 2, 2010 at 4.00 P.M. at Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai 400 019

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2008-2009	31.08.2009	4.00 p.m.	Mysore Association Auditorium, Bhaudaji Road Matunga, Mumbai - 400 019
2007-2008	28.07.2008	4.00 p.m.	Mysore Association Auditorium, Bhaudaji Road Matunga, Mumbai - 400 019
2006-2007	30.07.2007	4.00 p.m.	Mysore Association Auditorium, Bhaudaji Road Matunga, Mumbai - 400 019

h) Code of Conduct

The Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company. The Code is also posted on the Company's website.

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2010. The Chairman & Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

Disclosures

(i) Internal Audit Functions and Statutory Compliance

Internal Audit functions of the company have been carried out by a firm of Chartered Accountants. The Reports of the Internal Auditors on the operations and financial transactions and the action taken thereon by the management in the form of report are duly submitted to the Audit cum Remuneration Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the internal auditors for consideration and also the action taken reports made by the Company. The Internal auditor also makes presentation to the Audit Committee whenever required.

For every quarter, the Company Secretary/Department Heads makes report of Statutory compliances which are placed before the Audit Committee and the Board Meeting.

(ii) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There were no material significant transactions with the Directors or the management or their subsidiaries or relatives that have any potential conflict with the interest of the Company.

(iii) **Details of Non-compliance**

There were no case of non-compliance by the company nor any cases of penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(iv) **Risk Management**

The Company has well laid down procedures to inform Board members about the risk assessment and minimisation procedures.

(v) **CEO /CFO Certification**

Mr.R.Sampath, the Chairman and Managing Director acts as the CEO and Mr. S.Ramanan acts as the CFO. Continuation of Mr. S.Ramanan, as a 'CFO' of the Company has been duly approved by the Audit Committee Members, as required under clause 49(II)(D)(12A) of the Equity Listing Agreement.

Appropriate certification as required under Para V of Clause 49 of the Listing requirements has been made to the Board of Directors by the CEO / CFO which has been taken note of by the Board.

(vi) **Means of communication**

The company has promptly reported all material information including quarterly results and press releases to the Stock Exchange where the company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a National Daily and in a vernacular language newspaper.

(vii) **Disclosures by Management to the Board**

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

(viii) **Management Discussion and Analysis**

This annual report has a detailed chapter on management discussion and analysis.

(ix) General Shareholders Information

1. Date, time and venue of 49th AGM : Monday, 2nd August 2010 at 4.00 p.m.
Mysore Association Auditorium
Bhaudaji Road, Matunga
Mumbai 400 019.
2. Date of Book Closure : July 20, 2010 to August 2, 2010 (both days inclusive)
3. Listing on Stock Exchanges : Bombay (BSE)
4. Listing Fees : Paid as per the listing agreement
5. ISIN No. : INE405A01021.
6. BSE Stock Code : 506685
7. Registered Office : Thirumalai House
Road No.29, Sion (East),
Mumbai 400 022
Phone: +91-22-24017834/41/61/69
Fax: +91-22-24011699
E.Mail : thirumalai@thiruchem.com
8. Registrars and Share Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (West),
Mumbai 400 078.
Phone: +91-22 25946970
Fax: +91-22 25946969
E.Mail: rnt.helpdesk@linkintime.co.in
9. Compliance Officer : Mr.N.Asokan - Company Secretary
Ultramarine & Pigments Ltd.,
Thirumalai House, Road No.29,
Sion (East), Mumbai 400 022.
Phone: +91-22-2401 7841 / 2401 7853
Fax: +91-22-2401 1699
E.Mail: thirumalai@thiruchem.com
cs@uplamb.net
10. Share Transfer System : The Company's shares are traded in the Stock Exchange compulsorily in de-materialized mode. Shares sent for Physical transfer or de-materialization requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
11. Financial Calendar : Annual Results : May 28, 2010
Mailing of Annual Reports : June End 2010
Results for the Quarter ending :
June 30, 2010 : 2nd August 2010
September 30, 2010 : By 15th Nov, 2010
December 31, 2010 : By 15th Feb, 2011
March 31, 2010 : May, 2011
12. Dividend Payment date : By 5th August, 2010

13. Dematerialisation of Shares : As on 31.03.2010, 93.58 % of Company's shares representing 27326716 Shares were held in the de-materialized form.
14. Plant Location : No.556, Vanagaram Road
Ambattur, Chennai - 600 053, Tamil Nadu
Tel: (044) 2682 1195 / 96/97/98/99
Fax: (044) 2682 1201
E.mail: ultra_marine@bsnl.in
25-B, SIPCOT Industrial Complex,
Ranipet - 632 403, Tamil Nadu.
Tel: (04172) 244441 / 244442
Fax: (04172) 244918
E.mail: syndet@ultramarinepigments.net

(IT Enabled Services Division)**Lapiz Digital Services**

No. 1/51-1, Palwells Road, Rajeswari Colony,
St. Thomas Mount, Chennai - 600 016
Tel. : 044-22330263
E-mail : contact@lapizdigital.com

Lapiz Online

DLF IT Park,
2nd Floor, 5th Block, 1/24, Shivaji Garden,
Mount Poonamallee Road, Chennai - 600 089
Tel. : 044-42901300
Fax : 044-42901310
E-mail : info@lapizonline.com

15. Categories of Shareholders (as on 31.03.2010)	No. of Shares	% of Shareholders
Promoters/ Directors, their Relatives, Group Companies	1,41,16,090	48.34
Financial Institutions / Banks	3,18,445	1.09
NRI	1,76,741	0.61
Companies / Bodies Corporate	5,60,360	1.92
General Public	1,39,58,312	47.80
Clearing Member & Trusts	70,052	0.24

16. Distribution of Shareholding as on 31.03.2010

No. of Shares	No. of Shareholders	% of Shareholders	Shareholding	% of Shareholding
Upto 500	3768	54.84	806165	2.76
501 - 1000	1124	16.36	932212	3.19
1001 - 2000	727	10.58	1154102	3.95
2001 - 5000	697	10.14	2373671	8.13
Over 5000	555	8.08	23933850	81.97
Total	6871	100.00	2,92,00,000	100.00

17. Stock Market price data for the year 2009-2010

Month	Bombay Stock Exchange		
	High	Low	No. of
	(Rs.)	(Rs.)	Shares
April 2009	32.10	25.00	126208
May 2009	36.85	25.55	126430
June 2009	38.00	29.00	181463
July 2009	35.00	30.10	188596
August 2009	36.40	29.00	719052
September 2009	38.00	32.00	494867
October 2009	34.80	30.00	200394
November 2009	32.00	29.00	166311
December 2009	39.25	29.00	539406
January 2010	40.60	33.20	788894
February 2010	35.00	32.05	110721
March 2010	35.85	32.10	177147

18. Corporate Ethics

The consistent endeavor of Ultramarine & Pigments Ltd. is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted "The Code of Conduct for prevention of insider trading", which contains policies prohibiting insider trading. The Company has also promulgated Code of Conduct to be followed by Directors and Management which is also available on the Company's website.

Declaration by the CEO under Clause 49 1 (D) of the Listing Agreement regarding adherence to The Code of Conduct

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2010.

For **Ultramarine & Pigments Ltd.**

R. Sampath
Chairman & Managing Director

Mumbai
May 28, 2010

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To

The Members

Ultramarine & Pigments Limited

We have examined the compliance of conditions of Corporate Governance by Ultramarine & Pigments Limited for the year ended on 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants

H. V. Kishnadwala
Partner
Membership No. 37391
Firm Registration Number 101961W

Mumbai
May 28, 2010

AUDITORS' REPORT

The Members

Ultramarine & Pigments Limited

1. We have audited the attached Balance Sheet of Ultramarine & Pigments Limited as at 31st March 2010, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Attention is drawn to Note 27 of Schedule 19, wherein it is mentioned that the Company has pursuant to the order of the Hon'ble High Court of Bombay adjusted the value of investment in shares of TCL Industries (Malaysia) Sdn Bhd Rs. 89,800,000 against the balance in General Reserve and other Capital Reserves;
5. Further to our comments in the Annexure referred to in above paragraph, we report that:
 - a) We have 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 appears from our examination of the books of the Company;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the books of account of the Company;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Company as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes to Accounts in Schedule 19 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date,
 - c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants

H. V. Kishnadwala

Partner

Membership No. 37391

Firm Registration Number 101961W

Mumbai
May 28, 2010

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of Ultramarine & Pigments Limited on the accounts for the year ended 31st March 2010

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

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) As explained to us, the management at reasonable intervals carries out the physical verification of the fixed assets. The discrepancies noticed on such verification, which were not material, have been appropriately dealt with in the accounts;
- (c) The fixed assets disposed off by the company during the year were not substantial and therefore does not affect the going concern assumption;
2. (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;
- (b) In our opinion and as explained to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
3. (a) As per the information and explanations given to us, the Company had granted unsecured loans to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The details of such unsecured loans granted are as under:

Name of Party	Balance as on 31 March, 2010 (Rs.)	Maximum balance outstanding during the year (Rs.)
Thirumalai Chemicals Limited	NIL	106,796,775

- (b) In case of the aforesaid unsecured loans granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the rate of interest and the other terms and conditions are not prima-facie prejudicial to the interests of the Company;
- (c) In case of the aforesaid unsecured loans granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the repayment of principal amount and interest is regular;
- (d) In case of the aforesaid unsecured loans granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the company had taken reasonable steps for the timely recovery of the principal and interest;
- (e) As per the information and explanations given to us, the Company had accepted unsecured loans from Companies covered in the register maintained under section 301 of the Companies Act, 1956. The details of such unsecured loans granted are as under:

Name of Party	Balance as on 31 March, 2010 (Rs.)	Maximum balance outstanding during the year (Rs.)
Lapiz Online Private Limited	Nil	44,60,380

- (f) In our opinion, other terms and conditions of aforesaid interest free unsecured loans taken from a Company covered in the register maintained under Section 301 are prima facie not prejudicial to the interests of the company.
- (g) In case of the aforesaid unsecured loan taken from a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the company had taken reasonable steps for the payment of the principal and interest, where applicable;
4. In our opinion and as explained to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of account, and as explained to us, no major weaknesses in the internal control systems have been noticed and there is no continuing failure in the same;
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered;

- (b) In our opinion and as explained to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 are reasonable having regard to the prevailing market prices at the relevant time;
6. The company has not accepted any deposits from the public during the year nor are there any outstanding deposits. Accordingly, Clause 6 of paragraph 4 of the Order are not applicable to the company for the current year;
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;
8. We have broadly reviewed the books of account maintained by the company in respect of manufacture of detergents pursuant to the order made by the Central Government for the maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete;
9. (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, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2010, for a period of more than six months from the date they became payable;
- (b) Disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Year/s to which the amount relates	Forum where dispute is
Income Tax Act	Income Tax	51,434	2006-07 (Appeals)	Commissioner of Income Tax

Amounts paid under protest and not charged to profit and loss account have not been included above. (Refer Notes 1 and 2 of Schedule 19)

10. The company does not have any accumulated losses as on 31st March 2010 and has not incurred any cash losses during the financial year and in the immediately preceding financial year;
11. According to the books of account examined by us and as explained to us, the Company has not defaulted in repayment of any dues to financial institutions and banks;
12. Based on our examination of the records and as explained to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities;
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society;
14. During the year, the Company does not have any in transactions in respect of dealing and trading in shares, securities, debentures and other investments. All shares, debentures and other securities held as investments by the company have been held by the Company in its own name;
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
16. According to the information and explanations given to us, term loans taken by the company during the year has been applied to use for which loans were taken;
17. As explained to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short-term basis which have been used for long-term investment by the Company;
18. The Company has not made any preferential allotment of shares during the year;
19. During the year covered by our audit report the Company has not issued any secured debentures;
20. The Company has not raised any money by public issues during the year covered by our report;
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants

H. V. Kishnadwala
Partner
Membership No. 37391
Firm Registration Number 101961W

Mumbai
May 28, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
I. SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS			
a) Share Capital	1	58,400,000	58,400,000
b) Reserves and Surplus	2	657,324,334	741,458,640
		715,724,334	799,858,640
2. LOAN FUNDS			
a) Secured Loans	3	29,385,787	53,978,262
b) Unsecured Loans	4	-	10,217,554
		29,385,787	64,195,816
3. DEFERRED TAX LIABILITY (Net)			
		35,467,682	50,335,206
TOTAL		780,577,803	914,389,662
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	5	703,821,530	695,520,508
b) Less: Depreciation		410,089,207	382,353,822
c) Net Block		293,732,323	313,166,686
d) Capital Work-in-progress		3,552,427	6,454,451
		297,284,750	319,621,137
2. INVESTMENTS			
	6	190,445,513	396,507,377
3. CURRENT ASSETS LOANS & ADVANCES			
a) Inventories	7	133,329,915	106,284,627
b) Sundry Debtors	8	125,504,374	137,511,162
c) Cash and Bank Balances	9	148,835,110	97,105,959
d) Loans and Advances	10	122,728,722	52,147,351
Less		530,398,121	393,049,099
CURRENT LIABILITIES AND PROVISIONS			
a) Current Liabilities	11	93,855,641	94,281,440
b) Provisions	12	143,694,940	100,506,512
		237,550,580	194,787,951
Net Current Assets		292,847,540	198,261,148
TOTAL		780,577,803	914,389,662
Notes forming part of Accounts	19		

As per our report of even date

For & On behalf of

Contractor, Nayak & Kishnadwala
Chartered AccountantsH.V.Kishnadwala
PartnerMumbai
May 28, 2010N. Asokan
Company Secretary

For and on behalf of the Board of Directors

R. Sampath
Chairman and Managing DirectorS. Santhanam
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME			
Sales		967,348,242	915,188,520
Less: Excise Duty recovered on sales		(57,051,672)	(82,488,142)
NET SALES		910,296,569	832,700,378
Income from Processing		32,762,000	101,996,026
Income from IT Enabled Services		141,966,178	166,790,288
Other Income	13	39,326,197	37,035,628
Increase / (Decrease) in Stocks	14	(7,332,392)	(26,929,432)
TOTAL		1,117,018,553	1,111,592,888
EXPENDITURE			
Materials consumed	15	400,640,082	427,165,895
Employees' Emoluments	16	136,468,976	132,934,232
Other Operating Charges	17	367,893,166	323,873,009
Interest and Finance Charges	18	8,990,958	7,358,344
Depreciation		43,027,936	34,609,328
TOTAL		957,021,118	925,940,809
Profit before Tax		159,997,435	185,652,079
Provision for Current Tax		(67,050,000)	(13,065,000)
Provision for Deferred Tax		14,867,524	(27,776,560)
Provision for Fringe Benefit Tax		-	(2,500,000)
Profit after Tax		107,814,959	142,310,519
Short Provision for Taxation for earlier years		-	(3,108,008)
Profit for the year		107,814,959	139,202,511
Balance in Profit and Loss account		315,945,200	260,067,769
Profit available for Appropriation		423,760,159	399,270,280
Appropriations			
Proposed Dividend		87,600,000	58,400,000
(Includes Rs. 1/- per share towards Golden Jubilee Year)			
Tax on Dividend		14,549,265	9,925,080
Transfer to General Reserve		14,286,561	15,000,000
Balance carried to Balance Sheet		307,324,333	315,945,200
		423,760,159	399,270,280
Earnings per share of Rs.2 each (Basic & Diluted)		3.69	4.77
Notes forming part of Accounts		19	

As per our report of even date

For & On behalf of

Contractor, Nayak & Kishnadwala
Chartered Accountants

H.V.Kishnadwala
Partner

Mumbai
May 28, 2010

N. Asokan
Company Secretary

For and on behalf of the Board of Directors

R. Sampath
Chairman and Managing Director

S. Santhanam
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extraordinary Items	159,997,434	185,652,079
Adjustments For		
Depreciation	43,027,936	34,609,328
Interest	8,990,958	7,358,344
Interest / Dividend Received	(13,631,465)	(27,485,795)
Loss / (Profit) On Sale Of Investment	(918,095)	2,838,136
Loss / (Profit) On Sale Of Assets	2,262,162	58,172
(Short) / Excess Provision For Tax		(3,108,008)
Earlier Year Adjustments		
	39,731,496	14,270,177
Operating Profit Before Working Capital Changes	199,728,930	199,922,256
Adjustments For		
(Increase) / Decrease In Trade And Other Receivables	(63,857,670)	29,901,730
(Increase) / Decrease In Inventories	(27,045,288)	47,080,145
Increase / (Decrease) In Trade And Other Payables	(30,160,847)	69,171,437
	(121,063,805)	146,153,312
Cash Generated From Operations	78,665,125	346,075,568
Interest Paid	8,990,958	7,358,344
Direct Tax Paid	37,535,145	83,140,222
Deferred Tax	(14,867,524)	27,776,560
	31,658,579	118,275,126
Net Cash Inflow / (Outflow) From Operations (A)	47,006,546	227,800,442
(B) Cash Flow From Investment Activities		
Purchase / Sale Of Investments	116,261,864	11,638,135
Sale Of Fixed Assets	4,328,418	10,667
Assets Scrapped	(2,838,136)	
(Loss) / Profit On Sale Of Investments	918,095	(2,838,136)
Purchase Of Fixed Assets	(24,443,992)	(129,955,111)
Interest Received	10,376,385	2,823,946
Dividend Received	3,255,080	24,661,849
	107,857,714	(93,658,649)
Net Cash Inflow / (Outflow) From Investing Activities (B)	107,857,714	(93,658,649)
(C) Cash Flow From Finance Activities		
Proceeds From Borrowings	(34,810,029)	13,960,096
Dividend Paid (Including Dividend Tax)	(68,325,080)	(68,325,080)
Net Cash Inflow / (Outflow) From Financing Activities (C)	(103,135,109)	(54,364,984)
Net Increase / (Decrease) In Cash Or Cash Equivalents (A)+(B)+(C)	51,729,151	79,776,807
Cash And Cash Equivalents - (Opening Balance)		
Cash On Hand	639,316	308,014
Balances With Scheduled Banks	96,466,643	17,021,138
	97,105,959	17,329,152
Cash And Cash Equivalents - (Closing Balance)		
Cash On Hand	495,300	639,316
Balances With Scheduled Banks	148,339,810	96,466,643
	148,835,110	97,105,959
TOTAL	51,729,151	79,776,807

Note : Cash and cash equivalents Rs. 2,763,272/- (Previous year Rs. 2,433,123/-) on account of unclaimed dividend which are not available for use by the Company.

As per our report of even date

For & On behalf of

Contractor, Nayak & Kishnadwala
Chartered Accountants

H.V.Kishnadwala
Partner

Mumbai
May 28, 2010

N. Asokan
Company Secretary

For and on behalf of the Board of Directors

R. Sampath
Chairman and Managing Director

S. Santhanam
Director

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised		
50,000,000 Equity Shares of Rs 2 each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed And Paid Up		
29,200,000 Equity Shares of Rs 2/- each fully paid up. (of the above 28,200,000 shares are allotted as bonus shares by capitalising General Reserves)	58,400,000	58,400,000
	58,400,000	58,400,000
SCHEDULE 2: RESERVES AND SURPLUS		
1. Capital Reserve		
Balance as per last Balance Sheet	1,000,000	1,000,000
Less Adjusted (Refer Note 27 of Schedule 19)	1,000,000	-
	-	1,000,000
2. Amalgamation Reserve		
Balance as per last Balance Sheet	9,513,439	9,513,439
Less Adjusted (Refer Note 27 of Schedule 19)	9,513,439	
	-	9,513,439
3. General Reserve		
Balance as per last Balance Sheet	415,000,000	400,000,000
Less Adjusted (Refer Note 27 of Schedule 19)	79,286,561	-
	335,713,439	400,000,000
Add: Transferred from Profit and Loss Account	14,286,561	15,000,000
	350,000,000	415,000,000
4. Surplus as Per Profit and Loss Account		
	307,324,333	315,945,200
Total of (1) to (4)	657,324,334	741,458,640
SCHEDULE 3: SECURED LOANS		
From Export-Import Bank of India (Secured by hypothecation of moveable fixed assets acquired against this loan and second pari passu charge on moveable fixed assets)	24,375,000	48,750,000
From Scheduled Banks		
Cash Credit / Export Credit Account (Secured by hypothecation of stock of raw materials work in progress, finished goods Packing Materials Stores and Spares and Book Debts of the Company and secured by a second charge on the immovable properties)	5,010,787	5,228,262
	29,385,787	53,978,262
SCHEDULE 4: UNSECURED LOANS		
Interest Free Sales Tax Loan from State Industries Promotion Corporation of Tamil Nadu Limited	-	5,757,174
From a subsidiary company (Repayable within one year Rs. Nil (Previous year Rs.10,217,554))	-	4,460,380
	-	10,217,554

SCHEDULES TO THE ACCOUNTS

Schedule 5: Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2009	Additions	Deductions	As At 31.03.2010	Upto 31.03.2009	Recouped	For The Year	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009
Land	13,702,538	-	-	13,702,538	-	-	-	-	13,702,538	13,702,538
Buildings	67,775,116	629,327	-	68,404,443	31,166,411	-	1,902,176	33,068,587	35,335,856	36,608,705
Plant & Machinery	456,528,637	13,498,588	9,115,269	460,911,956	245,155,589	8,515,533	28,714,762	265,354,819	195,557,137	211,373,048
Kilns	57,671,307	-	-	57,671,307	54,791,644	-	-	54,791,644	2,879,663	2,879,663
Computer Equipments	50,733,334	9,136,926	4,121,763	55,748,497	35,230,047	3,915,674	8,170,225	39,484,598	16,263,899	15,503,287
Furniture Fixtures & Other Equipments	27,272,549	1,519,523	3,156,204	25,635,868	7,876,999	1,784,696	2,884,317	8,976,620	16,659,248	19,395,550
Electrical Installation	16,129,351	2,561,653	1,415,431	17,275,573	6,301,693	451,913	831,124	6,680,904	10,594,669	9,827,658
Vehicles	5,707,675	-	1,236,327	4,471,348	1,831,439	624,734	525,331	1,732,036	2,739,313	3,876,236
Total	695,520,507	27,346,017	19,044,994	703,821,530	382,353,822	15,292,550	43,027,936	410,089,208	293,732,323	313,166,685
Previous Year	562,235,010	133,373,898	88,400	695,520,507	347,764,055	19,561	34,609,328	382,353,822	313,166,685	214,470,954

Aa at	As at
31.03.2010	31.03.2009
Rs.	Rs.

SCHEDULE 6: INVESTMENTS

A. Long Term - At Cost

Non Trade Investments unless otherwise stated

Quoted: Equity Shares

2,396,091 Equity Shares of Thirumalai Chemicals Limited
of Rs 10/- each fully paid up

(Market Value of Quoted Investment Rs.28,32,17,956/-
Previous Year Rs.18,97,70,407/-)

154,829,112	154,829,112
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Total of Quoted Investments (I)

154,829,112	154,829,112
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Unquoted : Equity Shares

Other Investment In Equity Shares

7,600,000 Ordinary Shares of RM1 each of

TCL Industries (Malaysia) SDN BHD

Less Adjusted (Refer Note 27 of Schedule 19)

89,800,000	89,800,000
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89,800,000	
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-	89,800,000
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16,401	16,401
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350 shares of US\$ 1 each of LAPIZ Inc USA

In Debentures

30 Unsecured Redeemable Optionally Convertible

Debenture of Kotak Securities Ltd., Rs.10,00,000 each.

30,600,000	30,600,000
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5000 (Previous Year Rs.Nil) Secured Redeemable Non- Convertible

Debentures of Rs. 1000/- each, of Shriram City Union Finance Limited.

5,000,000	-
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B. Current Investments - (At lower of cost or fair value)

NIL (Previous year 2,726,058 Units) of Birla Sunlife Dynamic Bond Fund

-	29,817,081
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NIL (Previous Year 2,587,426 Units) of Birla Sunlife Income Fund - Growth

-	83,844,783
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Subsidiary Company - Trade Investments

Nil (Previous year 760,000 Equity Shares) of Lapiz Online Pvt. Ltd.
7,600,000

of Rs 10/- each fully paid up (disposed during the year)

35,616,401	241,678,265
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TOTAL (I + II)

190,445,513	396,507,377
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SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 7: INVENTORIES		
(As per inventory taken valued and certified by Managing Director)		
Stores and Spares	2,251,852	2,479,839
Fuel	5,725,963	3,500,467
Packing Materials	5,258,620	5,817,597
Raw Materials	39,238,420	18,350,250
Goods In Transit	17,529,801	5,478,823
Finished Goods	46,778,159	45,774,251
Work in Progress	16,547,100	24,883,400
	133,329,915	106,284,627
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured Considered good)		
more than 6 months	6,396,970	2,395,638
Other Debts	119,107,404	135,115,524
Considered doubtful more than 6 months	15,149,093	-
	140,653,467	137,511,162
Less: Provision for doubtful debts	15,149,093	-
	125,504,374	137,511,162
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	495,300	639,316
Balances with Scheduled Banks		
[i] In Current Accounts	130,576,538	39,033,520
[ii] In Unpaid Dividend Accounts	2,763,272	2,433,123
[iii] In Deposit Accounts	15,000,000	55,000,000
	148,835,110	97,105,959
SCHEDULE 10: LOANS AND ADVANCES		
[Unsecured considered good]		
Advances recoverable in cash or in kind or for value to be received	35,870,430	30,350,661
Taxes paid in advance (Net of Provision for Tax)	-	5,283,088
Other Deposits	4,686,320	5,112,883
Balance with Customs and Excise	10,039,187	11,400,718
Deposit with Companies	72,000,000	-
Assets held for Disposal	132,784	-
	122,728,722	52,147,351
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors		
- Due to Small and Micro Enterprises	1,930,160	1,637,394
- Due to enterprises other than above	88,091,798	89,033,671
Unpaid Dividend (Refer Note 18 of Schedule 19)	2,763,272	2,433,123
Deposits from Selling Agents and Stockists	996,952	1,000,951
Interest accrued but not due	73,459	176,301
	93,855,641	94,281,440
SCHEDULE 12: PROVISIONS		
Provision for gratuity	28,082,033	25,865,686
Provision for leave encashment	7,326,711	6,315,746
Provision for tax (net of advance tax)	6,136,931	-
Proposed final dividend	87,600,000	58,400,000
Provision for Tax on dividend	14,549,265	9,925,08
	143,694,940	100,506,512

SCHEDULES TO THE ACCOUNTS

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
SCHEDULE 13: OTHER INCOME		
Interest received [Gross]		
From Banks (TDS - Rs. 3,99,337/-, Previous Year - NIL)	1,768,357	4,061
From Companies on Short Term Deposits (TDS - Rs. 5,05,361/-, Previous Year - Rs. 5,61,086/-)	7,494,050	2,736,642
From others (TDS - Rs.21,804/-, Previous Year - Rs. 27,867/-)	1,113,978	83,243
Rent received	4,489,877	2,021,245
Dividend received - From Long Term Investments	-	24,661,849
- From Current Investments	3,255,080	2,608,880
	-	
Sundry receipts	2,171,467	473,391
Export Incentives	6,086,276	5,421,193
Sundry balances written back (Net)	3,147,561	(974,876)
Profit on Sale of Investments (Net)	918,095	-
Sale of surplus power generated from Windmill	8,881,457	-
	39,326,197	37,035,628
SCHEDULE 14: INCREASE / (DECREASE) IN STOCKS		
Opening Stock		
Finished Goods	45,774,251	50,644,183
Work in Progress	24,883,400	46,942,900
	70,657,651	97,587,083
Closing Stock		
Finished Goods	46,778,159	45,774,251
Work in Progress	16,547,100	24,883,400
	63,325,259	70,657,651
Increase / (Decrease) in Stocks	(7,332,392)	(26,929,432)
SCHEDULE 15: MATERIALS CONSUMED		
Stock (at Commencement)	18,350,250	41,676,975
Add: Purchases	421,528,252	403,839,170
	439,878,502	445,516,145
Less: Stock (at Close)	39,238,420	18,350,250
	400,640,082	427,165,895

SCHEDULES TO THE ACCOUNTS

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
SCHEDULE 16: EMPLOYEES' EMOLUMENTS		
Salaries, Wages, Bonus, etc.	120,729,737	113,875,293
Contribution to Provident Fund and other funds	9,559,098	10,107,678
Staff Welfare expenses	6,180,140	8,951,261
	136,468,976	132,934,232
SCHEDULE 17: OTHER OPERATING EXPENSES		
Stores and Spares consumed	5,679,652	3,137,111
Power and Fuel	87,594,573	80,670,983
Excise Duty on stocks (Net)	434,103	(464,966)
Repairs and Maintenance		
Machinery	23,785,335	22,057,098
Buildings	6,455,154	11,390,778
Others	7,645,263	6,765,244
Packing Expenses and materials consumed	39,174,590	37,391,692
Processing Charges paid	7,379,266	1,327,080
Freight and Forwarding expenses	16,575,241	12,968,482
Sales Tax	40,427,423	38,909,820
Insurance	3,392,355	3,740,825
Commission	3,496,411	3,393,106
Advertisement and Sales Promotion expenses	7,284,306	13,333,586
Rent	17,002,639	17,176,240
Rates & Taxes	692,742	708,039
Travelling expenses	15,306,833	15,360,374
Miscellaneous expenses	21,102,650	20,091,362
Communication expenses	4,110,759	4,945,493
Legal and Professional charges	8,621,379	13,217,751
Directors' Remuneration	21,902,432	23,115,869
Donation	4,204,000	3,616,000
Assets Scrapped / Loss on Sale of Assets (Net)	2,262,162	58,172
Diminution in value of investments	-	2,838,136
Provision for doubtful debts	15,149,093	-
Exchange Fluctuations (Net)	8,214,806	(11,875,267)
	367,893,166	323,873,009
SCHEDULE: 18 INTEREST AND FINANCE CHARGES		
Interest		
On Fixed Loans	4,650,283	3,293,769
On Others & bank charges	4,340,675	4,064,575
	8,990,958	7,358,344

NOTES FORMING PART OF ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 19: NOTES TO ACCOUNTS		
1. Contingent Liability in respect of		
a. Estimated amount of contracts to be executed on capital account and not provided for	2,120,772	2,394,886
Against which advances paid	710,467	2,394,886
b. Bank Guarantees issued and outstanding	726,000	786,040
c. Letter of Credit issued and outstanding	26,051,200	-
d. Import duty / Excise Duty on Capital Goods against fulfilment of export obligations	6,364,153	7,184,496
e. Import duty on Goods imported under advance licence pending fulfilment of export obligation	183,665	183,665
2. No provision has been made in respect of the following since the company has reasons to believe that it would get relief at the appellate state as the said demands are excessive and erroneous:		
Disputed demands from Income Tax Authorities to the extent of Rs. 6,071,405 (Prev.Year .8,897,963), against which amount already paid Rs.6,730,469 (Prev.Year Rs.8,715,633 .		
3. Particulars in respect of goods manufactured:		

	Licensed Capacity		Installed Capacity (@)		Production	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
	MTs	MTs	MTs	MTs	MTs	MTs
Ultramarine Blue	NA	NA	8,000	8,000	4,230	3,679
Synthetic Detergent	NA	NA	30,000	30,000	10,240 (*)	26,750 (*)
HDPE/PP Woven Fabric	NA	NA	NIL	1,500	NIL (**)	327 (**)
Sulphonated Products	NA	NA	16,000	16,000	10,939 (***)	15,074 (***)

(@) As Certified by the Managing Director

- i. (*) includes 4548 MTs (Prev. Year 22808 MTs) Processed for others
- ii. (**) includes NIL (Prev. Year 46 MTs) for internal consumption and Nil MTs (Previous year 3 MTs) processed for others
- iii. (***) Includes 507 MTs (Prev. Year 308 MTs) used for internal consumption and 2953 MTs (Prev. Year 8661 MTs) processed for others

NOTES FORMING PART OF ACCOUNTS

4. Particulars in respect of Stocks and Sales

	2009-2010		2008-2009	
	Qty (MTs)	Value (Rs.)	Qty (MTs)	Value (Rs.)
a. Sales				
Ultramarine blue	4,233	453,666,716	3,658	397,773,958
Synthetic Detergent	5,621	118,184,373	3,905	82,193,332
HDPE/PP Woven Fabric *	40	3,178,092	268	29,046,227
Sulphonated Products	7,381	392,319,061	6,277	406,175,003
* Includes 4 MTS (Prev. Yr. 46 MTS) consumed				
* Includes 36 MTS (Prev. Yr. NIL) scrapped				
		967,348,242		915,188,520
b. Opening Stock				
Ultramarine Blue	689	39,212,900	668	36,834,000
Synthetic Detergent	77	1,119,653	40	410,192
HDPE/PP Woven Fabric	40	3,982,300	30	2,515,400
Sulphonated Products	35	1,459,398	207	10,884,591
		45,774,251		50,644,183
c. Closing Stock				
Ultramarine Blue	686	37,360,900	689	39,212,900
Synthetic Detergent	148	2,388,725	77	1,119,653
HDPE/PP Woven Fabric		-	40	3,982,300
Sulphonated Products	133	7,028,534	35	1,459,398
		46,778,159		45,774,251
5. Raw Material Consumed				
Soda Ash	3,302	48,436,553	2,084	35,682,661
Active Matter	2,327	150,710,553	2,922	241,977,464
HDPE / PP	-	-	248	18,831,006
Sulphur	3,121	16,984,155	2,846	74,613,133
Others		184,508,821		56,061,631
		400,640,082		427,165,895
6. C.I.F. Value of Imports				
Raw Materials		164,011,557		61,743,927
Machinery Spares and Consumables		3,493,104		302,199
Capital Equipments and Software		7,560,142		5,803,320

NOTES FORMING PART OF ACCOUNTS

	2009-2010	2008-2009		
7. Expenditure in Foreign Currency during the financial year on account of:				
Travelling and Other matters	7,388,691	6,367,370		
Software Expenses	104,687	48,412		
Legal and Professional charges	1,777,286	6,388,917		
Commission	443,140	180,264		
	<hr/>	<hr/>		
	2009-2010	2008-2009		
	<hr/>	<hr/>		
	Raw materials Value (Rs.)	Stores & Spares Value (Rs.)	Raw materials Value (Rs.)	Stores & Spares Value (Rs.)
	<hr/>	<hr/>	<hr/>	<hr/>
8. a. Value of Imported and Indigenous Raw Materials and Stores and Spares consumed				
Imported	168,784,610	1,862,378	116,306,026	-
Indigenous	231,855,473	3,817,274	310,859,869	3,137,111
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	400,640,083	5,679,652	427,165,895	3,137,111
	<hr/>	<hr/>	<hr/>	<hr/>
b. Percentage to total consumption				
Imported	42.13%	32.79 %	27.23 %	-
Indigenous	57.87 %	67.21 %	72.77 %	100.00
	<hr/>	<hr/>	<hr/>	<hr/>
	100.00 %	100.00 %	100.00 %	100.00 %
	<hr/>	<hr/>	<hr/>	<hr/>
			2009-2010	2008-2009
			Rs.	Rs.
9. Remittances in foreign currencies on account of dividends				
I. No.of Non-Resident shareholders			None	None
ii. No. of Shares held by them			Nil	Nil
10. Earnings in Foreign Exchange in respect of:				
i. Exports of goods calculated on F.O.B basis (*)			223,362,072	202,142,973
ii. Royalty, Know-how, Professional Fees			Nil	Nil
iii. Interest and Dividend			Nil	Nil
iv. Income from IT Enabled Services			141,281,198	166,790,288
(*) Includes through others Rs.2,85,93,750/- (Previous Year Rs.1,86,19,410/-)				
11. Sales is net of cash discount Rs 13,51,625/- (Previous Year Rs.241,548/-)				
12. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the ordinary course of business. The provision for depreciation and all known liabilities is adequate and not in excess of amount reasonably necessary.				

NOTES FORMING PART OF ACCOUNTS

	2009-2010		2008-2009	
	Rs.	Rs.	Rs.	Rs.
13. a. Computation of Director's Remuneration				
Profit as per Profit and Loss Account		107,814,959		142,310,519
Director's Remuneration	21,902,432		23,115,869	
Provision for taxation - Current	67,050,000		13,065,000	
Provision for taxation - Deferred	(14,867,524)		27,776,560	
Directors Fees	720,000		980,000	
Dimunition in Value of Investment	-		2,838,136	
Provision for Doubtful Debts	15,149,093		-	
Loss on Sale of Assets/Assets Scrapped	2,262,162		58,172	
		92,216,163		67,833,737
		200,031,122		210,144,256
Profit on sale of Investments		918,095		-
		199,113,027		210,144,256
b. Commission @ 2.50 % payable to the Managing Director and Executive Director and @ 1% to one Non Executive Director				
1) Managing Director @ 2.50 %		4,977,826		5,253,606
2) Wholetime Director @ 2.50 %		4,977,826		5,253,606
3) Non Executive Director @ 1 %		1,991,130		2,101,443
		11,946,782		12,608,655
c. Commission payable is restricted to as per Sec.309 of the Companies Act, 1956 is as under:				
R.Sampath		673,882		-
Indira Sundararajan		2,348,901		2,252,463
S.Santhanam		1,991,130		2,101,443
		5,013,913		4,353,906
Remuneration paid as per agreement between the Managing Directors/whole time Directors/ Non Executive Director and the Company				
Salary		8,700,000		7,079,136
Contribution to Provident Fund and other funds		2,270,250		2,207,250
Provision for Gratuity and Leave Encashment		418,269		3,975,577
Perquisites		5,500,000		5,500,000
Commission		5,013,913		4,353,906
		21,902,432		23,115,869

NOTES FORMING PART OF ACCOUNTS

	2009-2010 Rs.	2008-2009 Rs.
14. Miscellaneous expenses / Legal and Professional Charges include:		
Audit Fees	400,000	350,000
For Tax Audit	100,000	100,000
For Certification	200,000	190,000
For Taxation Matters	75,000	75,000
Other Matters	50,000	100,000
Service Tax	84,975	105,949
Out of Pocket expenses reimbursed	2,271	2,550
	912,246	923,499

- 15. Sundry Creditors** include due to micro and small enterprises to whom the company owes amounts outstanding for more than 45 days. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on information available with the Company, the details are as follows:

Particulars	2009-2010 Rs.	2008-2009 Rs.
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,930,160	1,637,394
b. The amount of interest paid by the buyer in terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act, 2006 alongwith the amount of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
c. 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, 2006.	NIL	NIL
d. The amount of Interest accrued and remaining unpaid at the end of each accounting year.	830,151	692,922
e. The amount of further interest remaining due and payable even 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 & Medium Enterprises Development Act, 2006	137,229	111,276

- 16.** Provision for current tax includes provision for wealth tax Rs.50,000 (Previous Year Rs.65,000)
- 17.** Sundry Debtors include an amount due from a party of Rs. 356,620 (Previous Year Rs.363,220) which is fully secured by shares having market value of Rs. 650,938 (Previous Year Rs.2,30,913), including shares of the value of Rs. 576,620 (Previous Year Rs.201,575) already transferred to the name of the company
- 18.** Unpaid dividend (included in Current Liabilities Schedule 11) represent amounts to be credited to the Investor Education and Protection Fund as and when they become due.

NOTES FORMING PART OF ACCOUNTS

19. The Company has taken premises for office use and godown under cancellable and non-cancellable lease agreements. The total lease rentals recognised as expense during the period under cancellable lease agreements amounts to Rs.4,090,879 (Previous year Rs.94,47,754) and under non cancellable lease agreement amounts Rs. 10,961,460 (Previous year Rs.73,07,640). There is a lease agreement taken during the year 2008-09, for a period of five years with a non-cancellable clause for a period of three years and the break up of total minimal lease payments in relation to the above non-cancellable agreement due as at 31st March 2010 is as follows.:

PERIOD	AS AT 31.03.2010 MINIMUM LEASE PAYMENTS (IN RS.)	AS AT 31.03.2009 MINIMUM LEASE PAYMENTS (IN RS.)
Not later than 1 year	10,961,460	10,961,460
Later than 1 year but less than 5 years	3,197,093	14,615,280
Later than 5 years	-	-
TOTAL	14,158,553	25,576,740

In the above non-cancellable lease agreement the rent and car parking charges will be enhanced by fixed 15% over the last paid rent at the end of thirty six months from the date of commencement of the lease agreement. The option to renew the lease deed for a further period shall be at the sole option of the lessee to be exercised by giving lessor six months prior notice in writing before the end of lease term of sixty months from the date of commencement of lease.

20. During the year , the Company acquired and redeemed the following units

Descriptions	2009-2010	2008-2009
LICMF Liquid Fund-Dividend Plan	596,133	6,069,329
LICMF Income Plus Fund - Daily Dividend Plan		16,545,832
Reliance Liquid Fund - Treasury Plan Institutional Option Daily Dividend Option	6,549,064	5,186,522
Birla Sun Life Income Fund- Quarterly Dividend - Payout	7,745,756	-

21. Disclosure requirement of accounting Standard 17 "Segment Reporting" issued under Companies (Accounting Standards) Rules 2006.

a. **Primary Segments**

The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The company's operations predominantly relate to manufacture of Laundry and Allied products and its intermediaries and providing IT Enabled Services.

b. **Secondary Segments**

The company caters mainly to the needs of the domestic market. The export turnover is not significant (except IT Enabled Services Division) in the context of total turnover. As such there are no reportable geographical segments. The income from IT Enabled Services is pre-dominantly from exports.

- c. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly attributable to the business segment, are shown as unallocated corporate cost.

- d. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

NOTES FORMING PART OF ACCOUNTS

e. Inter Segment transfers are made on cost plus basis

	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
1. Revenue				
External Revenue				
Laundry and Allied Products	1,010,531,714		996,578,860	
IT Enabled Services	144,551,911		178,318,225	
Others	12,059,549		29,119,393	
Unallocated / Corporate	14,259,443		29,844,127	
Total		1,181,402,617		1,233,860,605
Inter-segment Revenue				
Laundry and Allied Products				
IT Enabled Services				
Others	6,925,773	6,925,773	10,483,728	10,483,728
Total		1,188,328,390		1,244,344,333
LESS: Elimination (Inter Segment Revenue)		6,925,773		10,483,728
		1,181,402,617		1,233,860,605
2. Result				
Profit / (Loss) Before Interest and Corporate Expenses but after Depreciation				
Laundry and Allied Products	190,654,283		148,910,720	
IT Enabled Services	(19,344,995)		36,316,595	
Others	3,366,694		(4,750,447)	
Total		174,675,982		180,476,868
Interest and Finance Charges		(8,990,958)		(7,358,344)
ADD: Unallocated Expenses /Income(net) and Corporate Expenses		(5,687,589)		9,425,546
Provision for Tax		(67,050,000)		(13,065,000)
Provision for FBT		-		(2,500,000)
Deferred Tax		14,867,524		(27,776,560)
Net Profit		107,814,959		139,202,511

NOTES FORMING PART OF ACCOUNTS

	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
Other Information				
3. Segment Assets				
Laundry and Allied Products	453,145,156		388,925,120	
IT Enabled Services	85,401,740		121,136,837	
Others	82,217,074		98,447,470	
Unallocated / Corporate	397,364,412		500,668,186	
Total		1,018,128,382		1,109,177,614
4. Segment Liabilities				
Laundry and Allied Products	91,263,832		94,129,807	
IT Enabled Services	13,554,228		16,589,041	
Others	24,432,049		49,216,815	
Unallocated / Corporate	173,153,941		149,383,311	
Total		302,404,049		309,318,974
5. Capital Expenditure				
Laundry and Allied Products	11,778,875		26,278,970	
IT Enabled Services	12,665,117		20,658,641	
Others	-		83,017,500	
Unallocated / Corporate	-		-	
		24,443,992		129,955,111
6. Depreciation				
Laundry and Allied Products	23,059,316		21,724,124	
IT Enabled Services	10,910,838		6,989,325	
Others	8,818,208		5,651,245	
Unallocated/Corporate	239,574		244,634	
Total		43,027,936		34,609,328
22. The break up of deferred tax assets and liabilities is as under				
Nature of timing difference	Deferred tax Asset/ Liability as at 01.04.2009 Rs.	Credit for the current year taken to Profit & Loss Account Rs.	Deferred Tax Asset / Liability as on 31.03.2010 Rs.	
a. Deferred Tax Liabilities				
(I) Depreciation	62,579,461	(9,053,845)	53,525,616	
Total	62,579,461	(9,053,845)	53,525,616	
b. Deferred Tax Assets				
(i) Items covered u/s 43B / 40 (a) (ia)	3,452,507	(5,277,280)	8,729,787	
(ii) Gratuity	8,791,747	(536,402)	9,328,149	
Total	12,244,254	(5,813,682)	18,057,936	
Deferred Tax Liabilities (Net)	50,335,207	(14,867,527)	35,467,680	

NOTES FORMING PART OF ACCOUNTS

23. Disclosure Regarding Earnings Per Share (EPS)	<u>2009-2010</u>	<u>2008-2009</u>
The basic and Diluted EPS is calculated as under:		
Profit attributed to Equity shareholders (Rs)	107,814,959	139,202,511
No. of equity Shares (of Rs.2 each)	29,200,000	29,200,000
Earnings Per Share	3.69	4.77

24. Disclosures in accordance with Accounting Standard (AS) - 15 on 'Employee Benefits'

I. Defined Contribution Plans

The Company has recognised the following amounts in the Profit and Loss Account for the year:

Particulars

a. Contribution to Employees Provident Fund	8,056,056	8,903,417
b. Contribution to Employees State Insurance Scheme	1,338,757	1,322,550
c. Contribution to Employees Superannuation Fund	2,431,289	2,084,806
Total	11,826,102	12,310,773

II. Defined Benefit Plans

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

1. Changes in the Present Value of Obligation in respect of gratuity benefits

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
a. Present Value of Obligation as at April 1, 2009	25,865,686	20,882,238
b. Interest Cost	2,095,909	1,742,977
c. Past Service Cost	NIL	NIL
d. Current Service Cost	2,063,087	1,654,866
e. Curtailment Cost / (Credit)	NIL	NIL
f. Settlement Cost / (Credit)	NIL	NIL
g. Benefits Paid	1,525,673	1,499,773
h. Actuarial (Gain) / Loss	(416,974)	3,085,378
i. Present Value of Obligation as at March 31, 2010	28,082,035	25,865,686

2. Expenses recognised in the Profit and Loss Account in respect of gratuity benefits

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
a. Current Service Cost	2,063,087	1,654,866
b. Past Service Cost	NIL	NIL
c. Interest Cost	2,095,909	1,742,977
d. Curtailment Cost / (Credit)	NIL	NIL
e. Settlement Cost / (Credit)	NIL	NIL
f. Net Actuarial (Gain) / Loss	(416,974)	3,085,378
g. Total Expenses recognised in Profit and Loss A/c	3,742,022	6,483,221

NOTES FORMING PART OF ACCOUNTS

3. Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	Gratuity
a. Discount Rate	7.75%	7.75%
b. Salary Escalation Rate	7%	7%
c. Turnover Rate	10%	10%
d. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

4. **Other Long Term benefits**

The Company's Long Term benefit includes Leave encashment payable at the time of retirement in full, otherwise it is encashable during the year in which services are rendered subject to in excess of 90 days. Present value of obligation as at the beginning of the year is Rs.6,315,746 (Previous Year Rs. 76,13,232) and the actuarial gains and losses are recognised in full in the Profit and Loss account for Rs.1,010,964 (Previous Year Rs.13,82,509). The present value of obligation as at March 31, 2010 is Rs.7,326,710 (Previous Year Rs. 62,30,723).

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors

25. Related Party Disclosures

Related Party Disclosures as required by AS 18 of Companies (Accounting Standards) Rules 2006 is as follows:

(A) Related Parties and Relationship

(a) Companies in which the company has substantial interest (i.e more than 20% in voting power) directly or indirectly

Thirumalai Chemicals Ltd.

Thirumalai Charity Trust

Lapiz Inc.

(b) **Other related parties**

Chempak Industries

Hamsa Investments Associates Pvt. Ltd.

Varadaraja Credits & Investments Pvt. Ltd.

Meera Parthasarathy

(c) **Directors of the Company**

Mr. R.Sampath, Chairman & Managing Director

Mrs. Indira Sundararajan, Executive Director

Mr. S.Santhanam

Mr. S.Sridhar

Mr. Nimish Patel

Mr. M.C.Choksi

Dr. G.G.Nair

Ms. K.R.Javeri

(d) **Key Management Personnel**

Mr. V.Bharatram, Vice-President (Operations), IT Enabled Services Division

Mr. B.Sreenivasacharyulu - General Manager - Mfg.

NOTES FORMING PART OF ACCOUNTS

B. Details of transactions with above parties

Particulars	Companies in which company has the substantial interest (Rs.)	Other related parties (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
Purchase of goods	-	-	-	-
- Thirumalai Chemicals Limited	-	-	-	-
	(5,355)	-	-	(5,355)
Sale of goods		-		
- Thirumalai Chemicals Limited	276,401	-	-	276,401
	(11,085,413)	-	-	(11,085,413)
Investments in Shares				-
- Lapiz Online Private Ltd	-	-	-	-
	(7,600,000)	-	-	(7,600,000)
Income from IT Enabled Services				
- LAPIZ Inc. US	114,489,840	-	-	114,489,840
	(137,971,753)	-	-	(137,971,753)
Reimbursement of expenses paid				
- Thirumalai Chemicals Limited	40,040	-	-	40,040
	(33,065)	-	-	(33,065)
Remuneration paid to				
- V Bharathram	-	-	2,278,809	2,278,809
			(2,261,291)	(2,261,291)
- Meera Parthasarathy	-	755,600	-	755,600
		(678,400)	-	(678,400)
Reimbursement of expenses received				-
- Thirumalai Chemicals Limited	143,576	-	-	143,576
	(81,287)	-	-	(81,287)
Rent paid to				
- Thirumalai Chemicals Limited	1,852,455	-	-	1,852,455
	(1,838,055)	-	-	(1,838,055)
Deposits taken				
- Thirumalai Chemicals Limited	-	-	-	-
	(1,500,000)	-	-	(1,500,000)

NOTES FORMING PART OF ACCOUNTS

Particulars	Companies in which company has the substantial interest (Rs.)	Other related parties (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
Interest income on deposits taken	-	-		
- Thirumalai Chemicals Limited	(35,599)	-	-	(35,599)
Receiving of services from				-
- Thirumalai Chemicals Limited	63,399	-	-	63,399
	(106,063)	-	-	(106,063)
- Hamsa Investments Associates Pvt Ltd		2,157,879	-	2,157,879
		(2,027,641)	-	(2,027,641)
- Varadharaja Credits & Investments Pvt Ltd.		6,003,832	-	6,003,832
		(15,990,789)	-	(15,990,789)
Outstanding payables				-
- Thirumalai Chemicals Limited	877,307	-	-	877,307
	(156,035)	-	-	(156,035)
- Hamsa Investments Associates Pvt Ltd		96,552	-	96,552
		(56,593)	-	(56,593)
- Lapiz Online Private Ltd	-			-
	(4,460,380)			(4,460,380)
- Varadharaja Credits & Investments Pvt Ltd.		262,809	-	262,809
		(267,177)	-	(267,177)
Outstanding receivables				-
- Thirumalai Chemicals Limited	143,576	-	-	143,576
	(90,143)	-	-	(90,143)
- LAPIZ Inc. US	-	40,124,343	-	40,124,343
		(59,976,739)	-	(59,976,739)
Deposits given				-
- Thirumalai Chemicals Limited	106,796,775	-	-	106,796,775
	(102,532,188)	-	-	(102,532,188)
Interest income on deposits given				-
- Thirumalai Chemicals Limited	4,113,418	-	-	4,113,418
	(981,197)	-	-	(981,197)
Outstanding deposits receivables				-
- Thirumalai Chemicals Limited	1,400,000	-	-	1,400,000
	(1,400,000)	-	-	(1,400,000)

- (C) i. Details of Remuneration paid to Directors is as per Note 13 (c) above
ii. Meeting Fees paid to Directors Rs.720,000 (Prev.Year Rs. 980,000)

NOTES FORMING PART OF ACCOUNTS

26. Disclosures as required by Accounting Standard (AS) 27 'Financial reporting of Interest in Joint Venture'

The Company has investments in a jointly controlled entity as per the following details

1. a.	Name and Country of Incorporation	:	LAPIZ INC, USA
b.	Proportion of ownership interest	:	35.00%
c.	Proportionate share for the year ended 31st March 2010 in respect of		
i.	Assets	Rs.	12,946,559 (Prev. Year Rs. 19,378,705)
ii.	Liabilities	Rs.	14,553,028 (Prev. Year Rs. 21,588,349)
iii.	Income	Rs.	44,365,898 (Prev. Year Rs. 52,340,077)
iv.	Expenses	Rs.	43,937,932 (Prev. Year Rs. 54,774,307)

27. The company has an investment of Rs.89,800,000 in ordinary share of TCL Industries (Malaysia) Sdn Bhd (TCLM). TCLM had been making losses on the manufacture of Maleic Anhydride (MAN) due to the high prices of Benzene feedstock and as on 31st December 2007, its net worth had been eroded. In January 2008, TCLM successfully commissioned its plant for the manufacture of MAN from Butane instead of Benzene, which was expected to make TCLM competitive with other MAN manufacturers. However, with the global meltdown in Sep-Dec 2008, TCLM had to close operations as its operations became unviable. As a result, one of the unsecured creditors of TCLM appointed a provisional liquidator on 2nd January 2009. At the meeting of creditors and shareholders of TCLM on 3rd February 2009, the appointment of the provisional liquidator was confirmed. In view of the above developments, the realisability of the investment in TCLM is highly uncertain. The Board of Directors of the Company therefore in their meeting dated 23.12.2008 decided to write down the said investment of Rs. 89,800,000 against the Amalgamation Reserve General Reserve and Capital Reserve of the Company.

After obtaining approval of Shareholders in the Extraordinary General Meeting held on 9th March, 2009 for the same, the company filed a petition u/s 78, 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court of Bombay to adjust the said amount against the Reserves of the Company. The Hon'ble High Court of Bombay approved the above adjustment vide its order dated 5th August 2009. The said scheme of adjustment became effective after the order of the Hon'ble High Court of Bombay was filed with the Registrar of Companies, Mumbai.

In terms of the said order of the Hon'ble High Court of Bombay, the investment of Rs. 89,800,000/- in TCLM was adjusted as under:

Amalgamation Reserve:	95,13,439
Capital Reserve	: 1,000,000
General Reserve	: 7,92,86,561

Had the Company followed the provisions of AS 13 **Accounting for Investments** as prescribed by the Companies (Accounting Standards) Rules, 2006, the write-down in the value of the investment in TCLM would have to be charged to the Profit and Loss A/c with corresponding reduction in the profit for the year

28. The Company does not enter into any forward contracts or derivatives to cover its expenses / incomes in foreign currency. As at the year end, the exposure in foreign currency for the Company is as under:

Particulars	2009-2010		2008-2009	
	Foreign Currency	Amt in Rs.	Foreign Currency	Amt in Rs.
Account Receivable	\$	1,463,145	\$	1,704,570
	€	95,952	€	24,327
	£	37,944	£	39,980
	OMR	647	OMR	7222
	\$AU	36	-	-
Accounts Payable	\$	13,497.28	\$	14,452
	€	51	-	-

NOTES FORMING PART OF ACCOUNTS

29. Disclosures as Required Under Clause 32 of The Listing Agreement

Loans and Advances / Sundry Debtors include

Amount receivable from Associates

- a) Thirumalai Chemicals Limited - NIL (Previous Year - NIL)

Maximum Amount Due at any time during the year Rs. 106,796,775 (Previous Year Rs.102,532,188)

- b) Lapid Inc USA - Rs. 40,124,343 (Previous Year Rs. 59,976,738)

Maximum Amount Due at any time during the year Rs.74,895,131 (Previous Year Rs. 64,323,481)

30. Cash and bank balance include Rs. 21,59,998 (Previous Year - Rs. 52,11,600) being remittance in transit.

31. Significant Accounting Policies

a. Basis of Accounting

The financial statements are prepared in conformity with Generally Accepted Accounting Principles in India, the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956. The Accounts have been prepared on the basis of historical cost. The Company follows the mercantile system of accounting recognising income and expenditure on accrual basis.

b. Revenue Recognition

Sale of goods is recognised on despatches to customers. Sales include amounts recovered towards Excise Duty and VAT. In case of IT Enabled Services division, sale of services is recognised on despatch and subsequent approval by customers.

c. Fixed Assets

Fixed Assets are recorded at cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest incurred during construction period on borrowings to finance fixed assets is capitalised. Fixed Assets which are not in active use and scrapped are written off.

d. Depreciation

- i. Depreciation on Fixed Assets is computed on the Straight Line Method over their estimated useful lives as prescribed by under Schedule XIV of the Companies Act, 1956.
- ii. In the case of computers / software, Network Equipments acquired for the IT Enabled Services Division depreciation is computed on the Straight Line Method over the estimated useful life of 4 years.
- iii. In case of Packaging Products division, Plant & Machinery in Weaving Section is depreciated over the estimated useful life of 3 years.

e. Investments

Long-term investments are stated at cost of acquisition and related expenses. Diminution is provided for in the value of these investments if the same is other than temporary in nature. Current investments are valued at cost or fair value, whichever is lower.

f. Inventories

Items of Inventory are valued on the principles laid down by Accounting Standard 2 'Valuation of Inventories'

- I. Stores and Spare Parts At cost including incidental expenses like freight, transport, etc. or Net realisable Value whichever is lower.
- ii. Raw Materials At cost including incidental expenses like freight, transport, etc. or Net Realisable Value whichever is lower .Cost is arrived at on Weighted average basis.
- iii. Work-in-Progress At raw material cost plus proportionate fixed and variable manufacturing expenses or Net Realisable Value whichever is lower.
- iv. Finished Goods At Cost or Net Realisable Value whichever is lower, Cost is calculated at Raw Material cost plus all fixed and variable manufacturing expenses. Excise Duty is also included in valuation.

NOTES FORMING PART OF ACCOUNTS

g. Foreign currency translation

- i. Monetary items in foreign currency outstanding at the close of the year are valued at the contracted and / or exchange rate at the close of the year. The loss or gain due to fluctuation of exchange rates is charged to Profit and Loss Account.
- ii. Investments outside India are carried in the Balance Sheet at the rates prevailing on the date of the transaction.

h. Employee benefits

1. Short-term 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, contributions to provident fund and superannuation etc. are recognised as actual amounts due in the period in which the employee renders the related service.

2. Post - employment benefits

a. Defined Contribution Plans

Payments made to defined contribution plans such as Provident Fund are charged as expense as they fall due.

b. Defined Benefit Plans

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

3. Other Long - term employee benefits

Other Long term employee benefits are recognised as an expense in the profit and loss account as and when they accrue. The company determines the liability using the Projected Unit Credit Method with actuarial valuation carried out as at the Balance Sheet date. The actuarial gains and losses in respect of such benefits are charged to the profit and loss account.

i. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j. Taxation

Current Tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

32. Previous Year's figures have been regrouped and recast wherever necessary. Figures in brackets represent previous year's figures.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

33. Balance Sheet Abstract And Company's General Business Profile

I. Registration Details	L24224MH1960PLC011856	State Code	11
Balance Sheet Date	31.3.2010		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	780,577	Total Assets	780,577
SOURCES OF FUNDS			
Paid up Capital	58,400	Reserves & Surplus	657,324
APPLICATION OF FUNDS			
Net Current Assets	292,847	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		
IV. Performance of Company (Amount in Rs. Thousands)			
Turnover	114,2076	Total Expenditure	982,079
Profit before Tax	159,997	Profit After Tax & Adjustments	107,814
Earning per Share in Rs.	3.69	Dividend Rate	150 %
V. Generic Name of Principal Products / Services of Company (as per Monetary terms)			
Item Code No.	3206.10 & 3206.90		
Product Description	ULTRAMARINE BLUE		
Item Code No.	3401.20		
Product Description	SYNTHETIC DETERGENT CAKES		
Item Code No.	3402.90		
Product Description	SYNTHETIC DETERGENT POWDER		

As per our report of even date

For & On behalf of

Contractor, Nayak & Kishnadwala
Chartered Accountants

H.V.Kishnadwala
Partner

Mumbai
May 28, 2010

For and on behalf of the Board of Directors

R. Sampath
Chairman and Managing Director

S. Santhanam
Director

N. Asokan
Company Secretary



ULTRAMARINE & PIGMENTS LTD.

Financial Highlights

(Rs. in Lakhs)

Particulars	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01
Share Capital	584	584	584	584	584	365	365	365	365	365
Reserves & Surplus	6573	7415	6706	6205	5365	4756	3882	3361	3271	3532
Net Worth	7157	7999	7290	6789	5949	5121	4247	3726	3636	3897
Fixed Assets (Net)	2973	3196	2243	2122	2136	2282	2322	2408	2639	2568
Sales / Other Income	11814	12210	9900	9193	7241	7142	6116	6116	9109	10002
Gross Profit before Interest & Depreciation	2120	2276	2347	2866	2073	2050	1524	842	1106	899
Interest & Finance Charges	90	74	29	20	19	28	71	142	235	289
Depreciation	430	346	285	284	278	301	307	301	280	259
Current Tax	671	155	563	413	331	328	254	147	141	137
Deferred Tax	(149)	278	(49)	(37)	(24)	(105)	(24)	(67)	34	0
Net Profit	1078	1392	1525	2010	1560	1499	932	297	419	201
Dividend (Incl.Dividend Tax)	1021	683	1025	1170	732	624	412	206	183	120
Dividend (%)	150	100	150	175	110	150	100	50	50	30
*Earnings per Share (Rs.)	3.69	4.77	5.22	6.88	5.34	41.06	25.54	8.12	11.48	5.51

* EPS from 2005-06 computed on Rs. 2 per share while for previous years EPS is on Rs.10 per share.

Thirumalai Charity Trust (TCT)

“Social Responsibilities of Business are not optional, but Obligatory”

N.S.Iyengar

We are proud to share with you our contributions to the society through the Thirumalai Charity Trust sponsored by our Group of Companies Viz. M/s. Thirumalai Chemicals Limited and M/s. Ultramarine & Pigments Limited.

Established in 1970 in Mumbai to support health, education and development projects, TCT till date has built all its programmes on the two core beliefs of its founders, the late Shri.N.S.Iyengar & Shri N.R.Swamy.

Women's Group



1 Education of children is vital to a nation's progress

The South Indian Welfare Society (SIWS) School, N.R.Swamy College of Commerce & Economics and The Thirumalai College of Science in Mumbai and the Vedavalli Vidyalaya Schools in Vellore District of Tamilnadu have played transformational roles in their communities. The TCT has been instrumental in their foundation, growth and management.

At the Health Centre

2. The empowerment of women is crucial for our society's well-being

“Bringing the rural poor together in building their own future”

The rural programmes of TCT, delivered through the women in 600 villages in Vellore District of Tamilnadu, in Health, Education, Micro-credit and Micro-business and other women development programmes, have considerably improved the status of women and catalyzed social and economic changes in the communities.

TCT has contributed to the development of the villages through its varied activities in Health, Women's Development, Disability, De-addiction and Education on Alcoholism and other social health issues, Children's Education, Veterinary Care, Agricultural Training and Environmental Activities. TCT has



De-addiction Camp



Vedavalli Vidyalaya



Thirumalai Mission Hospital

been able to mobilize rural women volunteers and the village communities for all its programmes. This has helped TCT to partner with other Non-Governmental organizations for effective delivery, get Banks to support the women SHGs and, enabled Governmental Assistance for the poor and the disadvantaged.

Thirumalai Mission Hospital

Towards strengthening all its rural activities, TCT has now set up a 20-bed community hospital in Ranipet, Tamilnadu to deliver accessible, and affordable quality healthcare to all sections of the society. It is designed in a Hub-and-Spokes model and will provide Primary and Secondary healthcare.

Visit - www.thirumalaicharitytrust.org