



**ULTRAMARINE &  
PIGMENTS LTD.**

**53<sup>rd</sup>**

**Annual Report  
2013–2014**



### Board of Directors

Mr. R. Sampath - Chairman & Managing Director  
 Mr. S. Sridhar - Joint Managing Director  
 Ms. Indira Sundararajan - Wholetime Executive Director  
 Mr. S. Santhanam  
 Dr. G. G. Nair  
 Mr. Nimish Patel  
 Mr. T. R. Madhavan  
 Mr. Vinod G. Nehemiah

### Company Secretary

Mr. Kishore Kumar Sahoo

### Bankers

Bank of India  
 HDFC Bank Limited  
 State Bank of India

### Auditors

CNK & Associates LLP  
 Chartered Accountants  
 501-502, 5th Floor, Narain Chambers  
 M. G. Road, Vile Parle (East),  
 Mumbai - 400 057

### Registered Office

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

### Registrar & Share Transfer Agents

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound  
 L. B. S. Marg, Bhandup (West)  
 Mumbai - 400 078  
 Ph : +91-22-2594 6970  
 Fax: +91-22-25946969  
 E-mail: rnt.helpdesk@linkintime.co.in  
 Website: www.linkintime.com

### Factory

#### Ambattur

556, Vanagaram Road  
 Ambattur, Chennai - 600 053  
 Tel. : +91-44-66921195/1196/ 1197  
 Fax: +91-44-6692 1100

### General Information

- (a) Company's Corporate Identification Number (CIN):  
L24224MH1960PLC011856
- (b) Company's Shares Listed at Bombay Stock Exchange Ltd.
- (c) Company's Shares are mandated for trading in demat mode.
- (d) ISIN allotted to company's share is INE405A01021

### 53<sup>rd</sup> Annual General Meeting

#### Date & Time

7th August, 2014 at 3.30 p.m.

#### Venue

Mysore Association Auditorium, Bhaudaji Road  
 Matunga, Mumbai - 400 019

#### Dividend declared

125 % (₹ 2.50 per share)

#### Dividend eligibility

For : Registered Member  
 Physical Shares : As on 7th August, 2014  
 Demat Shares : At the close of business hours on  
 28th July, 2014 as per the list of  
 beneficial ownership furnished by  
 the Depository Participants.

#### Book closure

From 29th July, 2014 to 7th August, 2014  
 (both days inclusive)

### Contents

Notice	3
Directors' Report / Management's discussion & Analysis	12
Corporate Governance Report	19
Independent Auditors' Report	27
Balance Sheet	32
Statement of Profit and Loss	33
Cash Flow Statement	34
Notes on financial statements	35

### Ranipet

25-B, SIPCOT Industrial Complex  
 Ranipet - 632 403, Tamilnadu  
 Tel: +91-4172-664401/402/403/404/405  
 Fax: +91-4172-664400  
 E-mail: syndet@ultramarinepigments.net

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





## NOTICE

NOTICE is hereby given that the **FIFTY THIRD 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 – 400019 on Thursday the 7<sup>th</sup> day of August, 2014 at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS :

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. S. Sridhar (DIN: 00091424), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. CNK & Associates LLP, Chartered Accountants, retiring statutory auditors to hold office as joint auditors from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and M/s. Brahmayya & Co, Chartered Accountants as statutory auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2015.

### SPECIAL BUSINESS:

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Gopakumar G. Nair (DIN: 00092637), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to Annual General Meeting for the year 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vinod G. Nehemiah (DIN: 00379444), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to Annual General Meeting for the year 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nimish U. Patel (DIN: 00039549), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to Annual General Meeting for the year 2019.”



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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T.R Madhavan (DIN: 00163992), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to Annual General Meeting for the year 2019.”

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

“RESOLVED THAT Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 29<sup>th</sup> July, 2014 to 7<sup>th</sup> August, 2014 (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 28<sup>th</sup> day of July, 2014 as beneficial owner as per the list furnished by the Depository Participants for the purpose.
4. 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.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars & Share Agent of the Company.
6. Pursuant to the provisions of Section 205A(5) & 205(c) of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend, if any, for the financial year 1995-96 to 2005-06 and 2006-07 (Interim Dividend) to the Investor Education and Protection Fund (The IEPF) established by the Central Government.



No claims shall lie against the Company or 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.

7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 53<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 53<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 53<sup>rd</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website for download.
11. 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.
12. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's share is INE405A01021.
13. Members/Proxies are requested to bring attendance slip along with their copy of Annual Report to the Meeting.
14. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 53<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services of India Limited (CDSL):

**The instructions for members for voting electronically are as under:-**

- A. In case of members receiving e-mail:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
  - (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.



(vi) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the Default Value: **[MNPQL5678A]** in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the Default Value: **[MNPQL5678A]** in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out a print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If the Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



- B. In case of members receiving the physical copy:  
Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.
- C. The voting period begins on August 1, 2014 (9.00 a.m) and ends on August 3, 2014 (5.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date June 13, 2014 (end of the day), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of June 13, 2014.
- F. Mr. Manoj Mimani, Practising Company Secretary (Membership No. 17083) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ultramarinepigments.net](http://www.ultramarinepigments.net) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturday, up to and including the date of the Annual General Meeting of the Company.





## I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM No. 5

Dr. Gopakumar G. Nair has been a Director of the company since 25th May 1990. He is also the Chairman of Audit Committee of the Board of Directors. He is LLB from Mumbai University, M.Sc. (Organic Chem.), Sagar University, Ph. D. (Org. Chem.), National Chemical Laboratory, Pune University. Dr. Nair has immense knowledge and experience on various matters which was valued by the Board of Directors. He is also considered to be an authority on matters concerning Intellectual Property, particularly Patents.

Dr. Nair holds directorship and membership of the Committees of the Board of Directors of the below mentioned Companies in India:

Director in Sequent Scientific Limited, Glochem Industries Limited, Gnanlex Hermeneutics Private Limited (Chairman). Member of Audit Committee and Shareholder Grievance Committee of Sequent Scientific Limited.

Dr. Nair holds by himself 18,000 equity shares in the Company.

Dr. Nair retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Nair being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to Annual General Meeting for the year 2019.

In the opinion of the Board, Dr. Nair fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Nair as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Nair as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Dr. Nair as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Nair, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### ITEM No. 6

Mr. Vinod G. Nehemiah was appointed as a Director of the Company in the year 2013. Mr. Nehemiah holds Masters in Chemical Engineering from Massachusetts Institute of Technology, Boston, USA and worked as Research Scientist in a Multinational Company and he is a first generation entrepreneur.

Mr. Nehemiah holds by himself 1,77,600 equity shares in the Company.

Mr. Nehemiah is also a Director in SNAP NATURAL AND ALGINATE PRODUCTS PRIVATE LTD.,

Mr. Nehemiah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Nehemiah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to Annual General Meeting for the year 2019.



In the opinion of the Board, Mr. Nehemiah fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Nehemiah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nehemiah as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nehemiah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Nehemiah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **ITEM No. 7**

Mr. Nimish U. Patel has been a Director of the Company since 28<sup>th</sup> October, 2003. He is also a member of Audit Committee of the Board of Directors of the Company. Mr. Patel is BBA, MBA (USA) and possesses more than two decades of experience in Textile and Chemical Sectors.

Mr. Patel holds directorship and membership of the Committees of the Board of Directors of the below mentioned Companies in India:

Director in Shri Dinesh Mills Limited, Dinesh Remedies Limited, Transpek Industry Limited, Pankakamlini Investments Pvt. Ltd. Member of Share Transfer Committee of Transpek Industry Ltd.

Mr. Nimish Patel holds by himself 52,589 equity shares in the Company.

Mr. Nimish Patel is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to Annual General Meeting for the year 2019. A notice has been received from a member proposing Mr. Patel as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Patel fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Patel as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Patel as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.



**ITEM No. 8**

Mr. T.R Madhavan joined the Board as an additional Director of the Company on 11th February, 2013. He is also a member of Audit Committee of the Board of Directors of the Company. Mr. Madhavan is a BE & CAIIB. He has 40 years of rich experience in the field of finance and banking and held senior position in Public & Private sector Banks. Mr. Madhavan is the former Executive Chairman of Centrum Capital Limited, prior to this he was the Managing Director of Dhanalaxmi Bank Limited.

Mr. Madhavan holds by himself 600 equity shares in the Company.

Mr. Madhavan is also a Director in CentrumDirect Limited.

Mr. Madhavan is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Madhavan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to Annual General Meeting for the year 2019. A notice has been received from a member proposing Mr. Madhavan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Madhavan fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Madhavan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Madhavan as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Madhavan as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Madhavan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**ITEM No. 9**

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of cost records of the Company for the financial year ending March 31, 2015 as per the following details;

<b>Name of the Cost Auditor</b>	<b>Audit Fees (Rs.)</b>
Mr. G. Sundaresan (Membership No. 11733)	50,000/-

The above fees are exclusive of travel and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors / Key Managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.



## II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

### Re-appointment of Mr. S. Sridhar (Item No.3)

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 01.04.2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Mr. S. Sridhar( DIN: 00091424) shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. S. Sridhar joined the Board of Directors as a Joint Managing Director for a period of five years with effect from 1<sup>st</sup> August, 2012. The said appointment was approved by the members of the Company at their 51<sup>st</sup> Annual General Meeting held on 13<sup>th</sup> August, 2012 by way of an Ordinary Resolution. Mr. S. Sridhar is a science graduate, a Chartered Accountant and a reputed businessman and has been Director of the Company since 24<sup>th</sup> May, 1998. He has more than 3 decades of experience and has a good understanding of the petrochemicals, paints, pigments and resins industries.

Mr. S. Sridhar holds 15,03,569 equity shares in the Company.

Upon his re-appointment as a Director, Mr. S. Sridhar shall continue to hold office as a Joint Managing Director. Accordingly, the Board recommends his re-appointment.

None of the Directors of the Company except Mr. S. Sridhar, the appointee and Mr. S. Santhanam, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the ordinary business set out at Item No. 3 of the Notice.

### Appointment of Independent Directors (Item nos. 5 to 8)

For the details of Dr. Gopakumar G Nair, Mr. Vinod G. Nehemiah, Mr. Nimish U. Patel and Mr. T.R Madhavan, please refer to the respective Explanatory Statement of the Special Business set out at Item No. 5 to 8 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

By the Order of the Board  
For **ULTRAMARINE & PIGMENTS LIMITED**

**Kishore Kumar Sahoo**  
Company Secretary

Chennai  
27th May, 2014

**DIRECTORS' REPORT, MANAGEMENT'S DISCUSSION & ANALYSIS**

To  
**The Members,**  
**Ultramarine & Pigments Ltd.**

Your Directors have pleasure in presenting their **FIFTYTHIRD ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS** of the Company for the year ended **March 31, 2014**.

	Rs in Lakhs	
<b>Financial Results</b>	<b>FY 2013-14</b>	FY 2012-13
<b>Gross Profit Before Finance Costs, Depreciation &amp; Amortisation</b>	<b>2816</b>	2469
Finance costs	<b>(96)</b>	(156)
<b>Profit before Depreciation, Amortisation and Tax</b>	<b>2720</b>	2313
Depreciation & Amortisation	<b>(561)</b>	(576)
<b>Profit before Tax</b>	<b>2159</b>	1737
Current Tax Expense	<b>(755)</b>	(588)
<b>Profit after Current Tax</b>	<b>1404</b>	1149
Provision for Deferred Tax	<b>37</b>	15
Excess provision for earlier years /MAT Credit	<b>(1)</b>	48
<b>Profit after Tax</b>	<b>1439</b>	1212
Balance in Profit & Loss Account	<b>4093</b>	3779
<b>Profit available for appropriation</b>	<b>5532</b>	4991
<b>Appropriations:</b>		
Dividend	<b>(730)</b>	(657)
Tax on Dividends	<b>(124)</b>	(111)
General Reserve	<b>(150)</b>	(130)
Closing Balance	<b>4528</b>	4093

**DIVIDEND**

Your Directors have recommended a Dividend of Rs. 2.50/- per share of the nominal value of Rs.2/- each for the year ended March 31, 2014 [previous year Rs. 2.25/-Per Share of nominal value Rs 2/-per share]. The payment of dividend together with the tax thereon absorbed a sum of Rs. 854.06 Lakhs. The Dividend, if declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 14<sup>th</sup> August 2014.



## MANAGEMENT'S DISCUSSION AND ANALYSIS:

### OPERATIONS AND FINANCIAL PERFORMANCE

The overall performance of the Company was better and there is marked improvement in the ITES division. This was achieved in spite of depressed economic conditions in 2013-14. For the first time, the total revenue has crossed Rs. 150 crores and the profit before tax improved by 24% to Rs. 21.55 crores.

#### Pigment Division

In spite of the economic slowdown in 2013-14, sales of Pigments increased from 4230 MT in 2012-13 to 4542 MT in 2013-14, and the division achieved a net revenue of Rs. 5880 lakhs as compared to Rs. 5626 lakhs. There was an all-round increase in input cost that has affected the profitability of this division. Due to the renewed thrust given by the Company in the export market, improvements in realization have helped to offset the input cost to a certain extent.

#### Surfactants Division

The Company has achieved net revenue (including processing) of Rs. 7024 lakhs during the financial year ended March 31, 2014 as against Rs. 6705 lakhs in the previous year. The revenue and the margin have been affected due to (i) erratic and limited supply of key raw material namely, Alpha Olefin (100% imported) (ii) steep depreciation in rupee value and volatile exchange rates prevailing in 2013-14. The increase in input costs could not be passed on to the customers resulting in erosion of margin.

#### Wind Mill Generation

There was a reduction by 32% in terms of total units generated during the year resulting in lower revenue and an increase in loss. This was due to the constraints faced by Tamil Nadu Electricity Board (TNEB) for evacuation of power generated during peak season and limited State Grid capacity. During the peak season, the wind mills were shut down resulting in production loss of approximately 12 lakhs units.

#### Review of IT Division

During the year under review, this division has reported an income of Rs. 2756 lakhs, an increase of 49% over last year. The profitability has improved considerably due to better margin and also to favourable exchange rate for

export. One of the divisions which had been operating under SEZ exited during the year and presently all the divisions are operating under one roof resulting in better synergy of operation.

### EXPORTS

Export earnings have increased by 14% (Rs. 4729 lakhs as against Rs. 4166 lakhs) which was on account of better performance of ITES divisions. The Company continues to increase focus on the export market & during the year, has participated in international exhibitions. There has been good response from South Korea & UK.

Earnings Per Share (EPS) is at Rs. 4.93 (Previous Year Rs. 4.15) and Cash Earnings Per Share (CEPS) is Rs. 6.85 (Previous Year Rs. 6.12) on the paid up value of Rs. 2/- per share.

### INTERNAL CONTROL SYSTEMS

The Company has established and maintained adequate internal controls over the financial reporting. Internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with accounting principles generally accepted (GAAP) in India. The Company has an internal control system commensurate with the size and nature of the business.

The Audit Committee of the Company provides reassurance to the Board on the existence of an effective internal control environment.

The Company's internal control system is supported by laid out systems, self-monitoring mechanisms and is audited by an external firm as part of the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. We are in the process of upgrading the systems and procedures to further enhance all operating systems and controls.

### 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

### Gujarat Project

As stated in our last Annual Report, we have obtained possession certificate for the land. Both power and water at this industrial site are yet to be made available.

## RISKS AND CONCERNS

1. Domestic market for pigments continued to pose challenge in terms of i) shrinking demand for laundry and white washing application ii) slow-down in manufacturing sector affecting the off-take in the industrial segment.
2. Surfactant division faces an erratic and limited supply of Alpha Olefin, a key material and this has had an adverse impact on expanding the customer base.
3. Retail sales effort involves huge outlays for sales promotion and distribution and this has a bearing on our detergent division and retail sales portion of pigments division.
4. The power cuts prevalent in Tamil Nadu have affected the manufacturing division resulting in increase in power cost and intermittent shut down which has hampered difficulty in continuous operation of the process plant.

## PROSPECTS & OUTLOOK

In the case of ITES division, there has been an improvement in operational efficiency by bringing all the divisions under one roof. This has resulted in synergy of operation and helped to post better revenue and profitability. This will be more pronounced in the coming year.

The export market for pigments is showing signs of revival and our participation in overseas trade exhibitions during last year improved our overseas customer base, especially in China & South Korea.

## 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. S. Sridhar, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Following Directors of the Company, who are independent within the meaning of clause 49 of the listing agreement have been proposed to be appointed as Independent Directors under the Provision of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013 at the ensuing Annual General Meeting (AGM).

- (i) Dr. Gopakumar G. Nair
- (ii) Mr. Vinod G. Nehemiah
- (iii) Mr. Nimish U. Patel
- (iv) Mr. T.R Madhavan

The above Directors qualify to be appointed as Independent Directors of the Company. The Directors if, appointed will hold office for five consecutive years for a term up to Annual General Meeting for the year 2019. A detailed statement with respect to qualification and expertise of these Directors given in the Explanatory Statement to the Notice of Annual General Meeting.

## 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, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2014 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 concern" basis.

**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 Bombay Stock Exchange Ltd. 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 Certificate on the same is also annexed.

**AUDITORS**

M/s. CNK & Associates LLP (formerly M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants) the Statutory Auditors of the Company hold office until the conclusion of the ensuing AGM.

In terms of the provision of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rule, 2014, The Audit Committee and Board has recommended the re-appointment of M/s. CNK & Associates LLP for the financial year 2014 -15 (from the conclusion of ensuing Annual General Meeting until the conclusion of Annual General Meeting for the year 2015) as Joint Auditors and appointment of M/s. Brahmaya & Co., Chartered Accountants, Chennai for a period of 5 years from the conclusion of ensuing Annual General Meeting subject to the approval of the shareholders at the ensuing Annual General Meeting.

**COST AUDIT**

The company is covered under the audit of cost accounting records relating to the products of the company. Mr. G. Sundaresan, Cost Accountant has been appointed as Cost auditor for the financial year 2013-14.

**PARTICULARS OF EMPLOYEES**

The details of the remuneration of the Managing Director/ Whole-time Executive Director is furnished 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.

By Order of the Board  
for **ULTRAMARINE & PIGMENTS LTD.,**

**R. SAMPATH**  
Chairman & Managing Director

Chennai  
27th May, 2014



**ANNEXURE “I” TO DIRECTOR’S 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 31<sup>st</sup> March, 2014.

Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Remuneration (Rs.)	Date of Commencement	Last Employment held
1	Mr. R. Sampath	69	B.Sc. B.S. (Chem. Engg.) U.S.A. 44 yrs	Chairman and Managing Director	8,248,804	01.03.1970	Engineer, Hercules Inc. USA
2	Mr. S. Sridhar	63	B.Sc., A.C.A. 39 yrs	Joint Managing Director	8,248,804	01.08.2012	Thirumalai Chemicals Ltd.
3	Ms. Indira Sundararajan	66	B.Sc.(Chem) B. Tech (Pharma) 41 yrs	Whole-time Executive Director	8,248,804	01.07.2003	Thirumalai Chemicals Ltd.

**NOTES:**

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

By Order of the Board  
for **ULTRAMARINE & PIGMENTS LTD.**,

**R. SAMPATH**  
Chairman & Managing Director

Chennai  
27th May, 2014

## ANNEXURE II TO DIRECTOR'S 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 Director's 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.

### FUEL CONSUMPTION (POWER & FUEL)

1. ELECTRICITY	UNITS	YEAR ENDING 31.03.2014	YEAR ENDING 31.03.2013
a) Purchased Units	KW /HR	38,93,684	21,77,237
Total Cost	Rs.	3,66,13,594	1,85,66,234
Rate/ Unit	Rs.	9.40	8.53
b) Own Generation			
Through DG	KW/HR	1,92,545	21,50,023
Unit / Litre of Diesel Oil	KW/HR	3.10	3.22
Cost Per Unit	Rs.	17.10	13.94
<b>2. COAL AND COKE</b>			
Coal & Coke & Pet Coke	Rs.	3,71,76,057	2,96,04,146
Coal & Coke & Pet Coke	Tons	2,114	1,629
Rate / Ton	Rs.	17,582	18,177
<b>3. FURNACE OIL/ DIESEL / SKO ETC</b>			
Furnace Oil / Diesel / SKO Etc.	KL	1,063	1,815
Total amount	Rs.	4,99,07,372	7,88,73,625
Rate / KL	Rs.	46,933	43,459
<b>4. RESEARCH &amp; DEVELOPMENT EXPENDITURE ON R&amp;D</b>			
i) Capital	Rs.	2,03,346	1,67,253
ii) Recurring	Rs.	63,48,583	9,47,872
iii) Total	Rs.	65,51,929	11,15,125
iv) Total R&D Expenditure as a percentage of total turnover		0.44%	0.08%



**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 on financial statements.

By Order of the Board  
for **ULTRAMARINE & PIGMENTS LTD.**,

**R. SAMPATH**  
Chairman & Managing Director

Chennai  
27th May, 2014



## CORPORATE GOVERNANCE REPORT 2013-14

(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 Joint Managing Director, a Whole-time Director with five Non-Executive Directors.
2. All Non-Executive Directors except Mr. S. Santhanam are Independent Directors.

#### (b) Board Committees:

##### i. Audit cum Remuneration Committee:

Dr. G.G. Nair (Chairman)

Mr. Nimish U. Patel (Member)

Mr. T.R. Madhavan (Member)

During the year, the Committee met four times on 24/05/2013, 09/08/2013, 14/11/2013 and 07/02/2014. All the members of the Committee as well as the concerned partner of the Statutory Auditor remained present at all the meetings except Dr. G.G. Nair, Chairman of the Committee who was absent in one meeting dated 07.02.2014.

The audited results for the year ended 31/03/2014 were reviewed by the Committee before being placed before the Board.

The committee Member's also review the Statement of outstanding Debts, particularly overdue, as well as Group Company transactions. Appointment and payment of remuneration to the Directors and key management personnel are also referred to/reviewed by the Committee.

##### ii. Share Transfer / Investors' Grievance Committee

The Share Transfer / Investors' Grievance Committee constitutes of the following members:

Dr. G.G. Nair (Chairman)

Mr. S. Sridhar (Member)

Mr. T.R. Madhavan (Member)

Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer. All complaints whenever received from any investor were timely attended for redressal. Total of 8 Complaints were received from the Shareholders during 2013-14, 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. The Committee meets as often as is necessary.



There has been no complaint from any investor which has not been redressed promptly. Four meetings of the Share Transfer- Investors Grievance committee were held during the year 2013-14.

Shareholding in dematerialized mode as on 31st March, 2014 is 95.33%

**(c) Board Meetings:**

**Number of Board Meetings held during the year 2013- 14**

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

**17/04/2013 24/05/2013 08/07/2013 09/08/2013 14/11/2013 07/02/2014**

The Company Secretary in consultation with Chairman and Managing Director drafts the agenda of the meeting. Agenda papers along with relevant details are circulated to all Directors well in advance of the date of the Board meeting.

**(d) Directors attendance record and directorships held:**

Name of the Director	Attendance at		No. of Directorships of other Public Companies	No. of Memberships of Board Sub-committees
	Board Meetings	Last AGM		
Mr. R. Sampath*	6	Yes	1	1
Mr. S. Sridhar**	6	Yes	1 <sup>§</sup>	-
Ms. Indira Sundararajan***	6	Yes	1	-
Mr. S. Santhanam	6	Yes	1	2
Dr. G.G.Nair	5	Yes	2	2
Mr. M.C. Choksi ****	3	No	2	1
Mr. Nimish Patel	5	No	3	1
Mr. T.R Madhavan	6	Yes	1	-
Mr. Vinod G. Nehemiah	6	Yes	-	-

(\*) Chairman and Managing Director

(\*\*) Joint Managing Director

(\*\*\*) Wholetime Director

(\*\*\*\*) Mr. M.C Choksi resigned from Directorship with effect from 10.08.2013.

(<sup>§</sup>) Mr. S. Sridhar resigned from the Directorship of Thirumalai Chemicals Ltd. with effect from 13.05.2014

**(e) Remuneration of Directors**

Remuneration paid or payable to Managing Director/ Whole-time Director /Director during the year ended 31-03-2014.

**(Amount in Rupees)**

Name	Salary	PF	Others	Commission	Total
1. Mr. R.Sampath – CMD	48,00,000	48,000	3,21,966	30,78,838	82,48,804
2. Mr. S. Sridhar – JOINT MD	57,00,000	---	37,098	25,11,706	82,48,804
3. Ms. Indira Sundarajan-WTED	52,25,000	57,000	5,95,784	23,71,020	82,48,804
4. Mr. S. Santhanam – Director	---	---	---	24,74,641	24,74,641

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. S. Santhanam	1,20,000/-
Dr. G.G. Nair	1,80,000/-
Mr. M.C. Choksi	60,000/-
Mr. Nimish Patel	1,60,000/-
Mr. T.R. Madhavan	2,20,000/-
Mr. Vinod G. Nehemiah	1,20,000/-

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) Share holdings of Directors**

Details of Shares held by Non-Executive Directors as on 31.03.2014

Name	No. of Shares held
Mr. S. Santhanam	17,41,611
Dr. G.G. Nair	18,000
Mr. Nimish Patel	52,589
Mr. T.R. Madhavan	600
Mr. Vinod G. Nehemiah	1,77,600

**(g) Brief details of General Body Meetings:**

The Fiftythird Annual General Meeting of the Company for the financial year 2013-14 will be held on **Thursday the 7<sup>th</sup> Day of August, 2014 at 3.30 p.m. at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393 Bhaudaji Road, Matunga- C. Rly. Mumbai – 400 019.**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2012 – 13	08.07.2013	3.30 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai – 400 019.
2011 – 12	13-08-2012	4.00 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai – 400 019
2010 – 11	08-08-2011	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, 2014. 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 report as also the action taken report made by the Company.

The Internal auditor also makes presentation to the Audit Committee whenever required.

For every quarter, the Company Secretary/Department Head 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 minimization procedures.

**(v) CEO / CFO Certification**

Appropriate certification as required under Para V of Clause 49 of the Listing requirements have 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 Exchanges 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's Discussion and Analysis:**

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

**(ix) General Shareholders Information:**

- 1) Date, time and venue of 53<sup>rd</sup> AGM : Thursday, the 7<sup>th</sup> August 2014 at 3.30 P.M  
Mysore Association Auditorium,  
393, Bhaudaji Road, Matunga,  
Mumbai – 400 019.
- 2) Date of Book Closure : 29<sup>th</sup> July, 2014 to 7<sup>th</sup> August 2014  
(both days Inclusive)
- 3) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
- 4) Listing Fees : Paid as per the listing agreement
- 5) ISIN No. : INE 405 A0 1021
- 6) BSE Stock Code : 506685
- 7) Registered Office : Thirumalai House,  
Road No.29, Sion-East, Mumbai- 400 022.  
Phone: +91-22-43686200, 6256  
Fax : +91-22-24011699  
E. Mail : cs@uplamb.net
- 8) Registrars and Share Transfer Agent : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
LBS Road, Bhandup (W), Mumbai – 400 078.  
Phone: +91-22 25946970  
Fax : +91-22 25946969  
E.Mail : rnt.helpdesk@linkintime.co.in
- 9) Compliance Officer : Mr. Kishore Kumar Sahoo – Company Secretary  
Ultramarine & Pigments Ltd.,  
Thirumalai House, Road No.29,  
Sion (East), Mumbai – 400 022.  
Phone:+91-22-43686200 / 6256  
Fax : +91-22-2401 1699  
E.Mail : cs@uplamb.net
- 10) Share Transfer System : The Company's shares are traded in the Stock Exchanges compulsorily in de-materialized mode. Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- 11) Financial Calendar : Annual Results : 27<sup>th</sup> May, 2014  
Mailing of Annual Reports : 3rd week of June, 2014  
Results for the Quarter ending  
June 30, 2014 : By 14<sup>th</sup> August, 2014  
September 30, 2014 : By 15<sup>th</sup> Nov, 2014  
December 31, 2014 : By 14<sup>th</sup> Feb,2015  
March 31, 2015 : By 30<sup>th</sup> May, 2015
- 12) Dividend Payment dates : By 14<sup>th</sup> August , 2014





13) Dematerialisation of Shares : As on 31-03-2014, 95.33% of Company's shares representing 2,78,37,324 shares were held in the de-materialized form.

Shares with NSDL – 2,53,98,015

Shares with CDSL - 24,39,309

14) Plant location : **Ambattur**  
No. 556, Vanagaram Road,  
Ambattur, Chennai – 600 053, Tamilnadu.  
Tel: +91-44-6692 1195 / 96/97  
Fax: +91-44-6692 1100  
E-mail: cs@uplamb.net

**Ranipet**  
25-B, SIPCOT Industrial Complex,  
Ranipet – 632 403, Tamil Nadu.  
Tel: +91-4172-664401 / 402/403/404/405  
Fax: +91-4172-664400  
E-mail: syndet@ultramarinepigments.net

**Lapiz Online**  
RR Tower – IV , Super A - 16 &17,  
T V K Industrial Estate, Guindy  
Chennai – 600032  
Tel: +91-44-42901300  
Fax: +91-44- 42901310  
E-mail : info@lapizonline.com

15) Categories of Shareholders (as on 31.03.2014)	No. of Shares	% of Shareholders
Promoters/ Directors, their Relatives, Group Companies	1,47,78,654	50.61
Financial Institutions / Banks	82,745	0.28
NRI	4,50,917	1.55
Companies / Bodies Corporate	4,23,345	1.45
General Public	1,34,25,979	45.98
Clearing Member & Trusts	38,360	0.13
	<b>2,92,00,000</b>	<b>100.00</b>



## 16) Distribution of Shareholding as on 31.03.2014

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 500	3629	59.09	708830	2.43
501- 1000	944	15.37	778951	2.67
1001-2000	528	8.60	840445	2.88
2001-3000	246	4.01	619174	2.12
3001-4000	168	2.74	588639	2.01
4001-5000	140	2.28	660240	2.26
5001-10000	245	3.99	1934945	6.63
Over 10000	241	3.92	23068776	79.00
<b>TOTAL</b>	<b>6141</b>	<b>100.00</b>	<b>29200000</b>	<b>100.00</b>

## 17) Stock Market price data for the year 2013 – 14

Month	Bombay Stock Exchange Ltd		
	High	Low	No. of Shares
April -2013	64.70	57.25	2,53,458
May-2013	60.85	49.50	1,17,296
June-2013	54.50	47.10	84,811
July-2013	54.00	42.50	42,269
August-2013	47.00	40.15	19,151
September-2013	45.00	39.50	77,973
October-2013	40.75	38.10	68,071
November-2013	43.90	38.65	1,68,852
December-2013	45.85	39.00	56,323
January-2014	49.50	40.00	86,013
February-2014	57.00	40.00	6,68,390
March-2014	56.45	47.30	3,22,624

## 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 the 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, 2014.

for **ULTRAMARINE & PIGMENTS LTD.**,

**R. SAMPATH**  
Chairman & Managing Director

Chennai  
27th May, 2014



## Independent Auditors' Certificate on Corporate Governance

To the Members of  
Ultramarine & Pigments Limited.

We have examined the compliance of conditions of corporate governance by **Ultramarine & Pigments Limited** for the year ended on 31<sup>st</sup> March 2014 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  
**CNK & Associates LLP,**  
Chartered Accountants  
Firm Registration No.: 101961W

**H. V. Kishnadwala**  
Partner  
Membership No.: 037391

Chennai  
27th May, 2014



## Independent Auditors' Report

To the Members of  
Ultramarine & Pigments Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Ultramarine & Pigments Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs]. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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 purpose 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 those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs];
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of  
**CNK & Associates LLP,**  
Chartered Accountants  
Firm Registration No.: 101961W

**H. V. Kishnadwala**  
Partner  
Membership No.: 037391

Chennai  
27th May, 2014



## Annexure to Independent Auditor's Report

Referred in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- 1 (b) As explained to us, the management carries out the physical verification of the fixed assets at reasonable intervals. The discrepancies noticed on such verification, which were not material, have been appropriately dealt with in the financial statements;
- 1 (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 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;
- 2 (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;
- 2 (c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between physicals stocks and the book records 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 has not granted nor accepted any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 3(b) to 3(g) of the paragraph 4 of the Order are not applicable to the Company.
- 4 In our opinion and according to information and explanation given to us, there is an adequate internal control system 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 weakness has been noticed in internal control system in respect of these areas and we have not observed any continuing failure to correct major weakness 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 of the Companies Act, 1956 have been so entered;
- 5 (b) To the best of our knowledge and belief and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time;
- 6 The Company has not accepted any deposits from the public accordingly, clause (vi) of paragraph 4 of the Order is not applicable to the Company;
- 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 pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost 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 / VAT, Wealth Tax, Service tax Custom duty, Excise-duty, Cess and other material statutory dues applicable to it and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2014, for a period of more than six months from the date they became payable;
- 9 (b) Disputed statutory dues that have not been deposited on account of disputed matters in respect of Income Tax pending before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	51,434	Assessment Year 2006-07	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	*32,02,733	Assessment Year 2009-10	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	*1,22,83,636	Assessment Year 2010-11	Commissioner of Income Tax, Appeals
Tamil Nadu Value Added Tax, 2006	Tamil Nadu VAT	10,15,810	Financial Year 2012-13	Appellate Deputy Commissioner of Commercial Taxes, Chennai

\*Amounts paid under protest and not charged to profit and loss statement have not been included above. [Refer Note No. 4.1(c) of Notes forming part of Financial Statements]

- 10 The Company does not have any accumulated losses as on 31st March 2014 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 or 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 In our opinion, and as per information and explanation provided to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of the paragraph 4 of the Order are not applicable to the Company;
- 14 During the year, the Company does not have any 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, has been applied for the purpose for which loans were obtained;
- 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 During the year the Company has not made any preferential allotment of shares to the parties or companies covered in the register maintained under section 301 of the Companies Act, 1956;
- 19 During the year the Company has not issued any debentures accordingly, the clause (xix) of the paragraph 4 of the Order is not applicable to the Company;
- 20 The Company has not raised any money by way of public issues during the year. Therefore, the provisions of clause (xx) of the paragraph 4 of the Order are not applicable to the Company;
- 21 As per the information and explanations given by the management to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

**CNK & Associates LLP,**

Chartered Accountants

Firm Registration No.: 101961W

**H. V. Kishnadvala**

Partner

Membership No.: 037391

Chennai  
27th May, 2014



**Balance Sheet as at 31st March, 2014**

(Amount in rupees)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
<b>Equity and liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3.1	58,400,000	58,400,000
Reserves and Surplus	3.2	863,312,787	804,769,415
		<u>921,712,787</u>	<u>863,169,415</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3.3	-	20,000,001
Deferred tax liability (net)	3.4	49,934,183	53,650,851
Long-term provisions	3.5	32,894,041	32,112,297
		<u>82,828,224</u>	<u>105,763,149</u>
<b>Current Liabilities</b>			
Short-term borrowings	3.6	-	3,114,668
Trade payables	3.7	74,828,025	36,728,572
Other Current liabilities	3.8	82,214,190	70,443,011
Short-term provisions	3.9	108,765,802	111,117,157
		<u>265,808,017</u>	<u>221,403,408</u>
<b>Total</b>		<u><u>1,270,349,028</u></u>	<u><u>1,190,335,973</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible	3.10	405,737,871	401,611,425
Intangible	3.10	2,741,521	3,791,815
Capital work-in-progress		12,979,826	24,164,841
Non-current investments	3.11	132,170,372	132,170,372
Long term loans and advances	3.12	86,261,951	71,776,392
		<u>639,891,541</u>	<u>633,514,845</u>
<b>Current assets</b>			
Inventories	3.13	181,900,311	116,376,500
Trade receivables	3.14	219,259,691	238,688,968
Cash and bank balances	3.15	126,587,631	112,129,648
Short-term loans and advances	3.16	98,764,680	83,934,411
Other current assets	3.17	3,945,174	5,691,601
		<u>630,457,487</u>	<u>556,821,128</u>
<b>Total</b>		<u><u>1,270,349,028</u></u>	<u><u>1,190,335,973</u></u>

**Significant accounting policies and notes to Financial Statements 2 to 6**

As per our report of even date

For and on behalf of the Board of Directors

**For & on behalf of**  
**CNK & ASSOCIATES LLP**  
Chartered Accountants

**R. SAMPATH**  
Chairman & Managing Director

**H. V. KISHNADWALA**  
Partner

**KISHORE KUMAR SAHOO**  
Company Secretary

**GOPAKUMAR G. NAIR**  
Director

Chennai  
27th May, 2014


**Statement of Profit and Loss for the year ended 31st March, 2014** (Amount in rupees)

Particulars	Note	Year ended 31.03.2014	Year ended 31.03.2013
<b>Income</b>			
Revenue from Operations	3.18	1,504,538,679	1,401,503,596
Other Income	3.19	30,560,033	37,886,104
<b>Total Revenue</b>		<b>1,535,098,712</b>	<b>1,439,389,700</b>
<b>Expenses</b>			
Cost of material consumed	3.20	626,878,907	612,916,151
Purchase of Stock-in-Trade		172,639	29,043
Changes in inventories of finished goods and work-in-progress	3.21	(23,130,142)	(24,690,508)
Employees benefit expense	3.22	278,620,377	252,808,332
Finance costs	3.23	9,568,061	15,630,827
Depreciation and amortization expenses	3.10	56,118,174	57,631,473
Other expenses	3.24	370,991,642	351,402,075
<b>Total expenses</b>		<b>1,319,219,658</b>	<b>1,265,727,393</b>
Profit before tax		215,879,054	173,662,307
<b>Tax Expenses</b>			
Current tax expense		(75,500,000)	(58,800,000)
Deferred tax (expense) / credit		3,716,668	1,575,276
Tax adjustments for earlier years - (expense)/credit		(146,000)	4,799,887
<b>Profit for the year</b>		<b>143,949,722</b>	<b>121,237,470</b>
<b>Earnings per equity share Basic and Diluted - Par value Rs. 2/- per Share</b>	5.5	<b>4.93</b>	<b>4.15</b>

**Significant accounting policies and notes to Financial Statements** 2 to 6

As per our report of even date

For & on behalf of  
**CNK & ASSOCIATES LLP**  
Chartered Accountants

**H. V. KISHNADWALA**  
Partner

Chennai  
27th May, 2014

**KISHORE KUMAR SAHOO**  
Company Secretary

For and on behalf of the Board of Directors

**R. SAMPATH**  
Chairman & Managing Director

**GOPAKUMAR G. NAIR**  
Director

**Cash Flow Statement for the year ended 31st March, 2014**

(Amount in rupees)

	31.03.2014	31.03.2013
<b>Cash flows from operating activities</b>		
Net-profit before taxation, and extraordinary item	215,879,054	173,662,307
Adjustments for:		
Depreciation and amortisation expenses	56,118,174	57,631,473
Interest income	(6,063,521)	(17,848,233)
Dividend income	(5,112,943)	(10,225,885)
Interest expenses	9,568,061	15,630,827
Effect of exchange rate change	(114,377)	60,866
Loss / (Profit) on sale / discarded asset (Net)	3,589,916	800,671
<b>Operating profit before working capital change</b>	<b>273,864,364</b>	<b>219,712,026</b>
Adjustments for:		
Decrease / (Increase) in sundry debtors	19,324,045	(33,630,788)
Decrease / (Increase) in inventories	(65,523,811)	42,648,382
(Increase) / Decrease in Loans and advance	(9,666,313)	20,151,900
Increase in sundry creditors	39,979,996	(47,318,551)
<b>Cash generated from operations</b>	<b>257,978,281</b>	<b>201,562,968</b>
Income-taxes paid	(84,902,356)	(62,040,440)
<b>Net cash from operating activities (A)</b>	<b>173,075,925</b>	<b>139,522,528</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(51,789,302)	(35,518,545)
Sale of fixed assets	190,075	162,261
Proceeds from sale of investment	-	-
Interest received	6,063,521	13,954,896
Dividends received	5,112,943	10,225,885
(Increase) / Decrease in Bank / Inter corporate deposit	(19,721,974)	24,486,055
<b>Net cash from investing activities (B)</b>	<b>(60,144,737)</b>	<b>13,310,552</b>
<b>Cash flows from financing activities</b>		
(Re-payment of) / proceeds from long-term borrowings	(20,000,001)	(37,769,254)
Repayment of short term borrowings	(3,114,668)	3,114,668
Interest paid	(9,568,061)	(15,703,941)
Dividends paid	(76,865,716)	(101,810,910)
<b>Net cash used in financing activities (C)</b>	<b>(109,548,446)</b>	<b>(152,169,437)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>3,382,742</b>	<b>663,643</b>
Cash and cash equivalents as at the beginning of the year	44,569,255	43,905,612
Cash and cash equivalents as at the end of year	<b>47,951,997</b>	<b>44,569,255</b>
(a) Cash and cash equivalents		
(i) Balances with banks		
In deposit accounts with original maturity of less than 3 months	7,600,000	-
In other accounts	39,640,328	44,035,739
(ii) Cash on hand	711,669	533,516
	<b>47,951,997</b>	<b>44,569,255</b>

**Note:**

- Figures in the brackets represent cash outflows.
- Previous year figures have been regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date

For and on behalf of the Board of Directors

**For & on behalf of****CNK & ASSOCIATES LLP**

Chartered Accountants

**H. V. KISHNADWALA**

Partner

Chennai

27th May, 2014

34

**KISHORE KUMAR SAHOO**

Company Secretary

**R. SAMPATH**

Chairman &amp; Managing Director

**GOPAKUMAR G. NAIR**

Director



## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2014

### A. CORPORATE INFORMATION

Ultramarine & Pigments Limited (“UPL” or “the Company”) is a public limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in manufacturing and selling of pigments, surfactants, IT enabled services and Business Process Outsourcing (BPO) activities. The Company caters to both domestic and international markets.

### B. SIGNIFICANT ACCOUNTING POLICIES

- I a) The financial statements are prepared and presented in conformity with Generally Accepted Accounting principles (GAAP) in India, and comply in all material respects with the applicable Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on the accrual basis.
- b) All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as period of 12 months for the purpose of current – non-current classification of assets and liabilities.

### II USE OF ESTIMATES:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### III REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Gross sales include amounts recovered towards Excise Duty and are net of returns.

#### Income from services:

- i) In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of the contract and are net of service tax;
- ii) Income from BPO activities is recognized on an accrual basis, based on the terms of the contract with customers.
- iii) Income from Job work is accounted on dispatch of material and as per terms of agreement, which is generally on dispatch of material.



Income from wind operated generators:

Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

Dividend and interest income:

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable.

Export benefits:

The benefit accrued under the Duty Entitlement Pass Book Scheme, duty drawback scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

Sale of scrap:

Revenue from sale of scrap is recognised as and when scrap is sold.

Insurance Claims:

Insurance claims are accounted when there is a reasonable certainty of the realisability of the claim amount or on the date of maturity of the Insurance Policy.

#### **IV FIXED ASSETS AND DEPRECIATION:**

##### **Tangible Assets:**

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition, installation and bringing the asset to its working condition for its intended use.

- V** Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the useful life of the assets as estimated by Management, whichever is higher. In the case of Computers and Network Equipments acquired for the IT Enabled Services Division and BPO activities, depreciation is computed over the estimated useful life of 4 years. In the case of Leasehold improvement, depreciation is provided over lease period or useful life of the asset whichever is less. Leasehold rights are amortised on a straight line method over its lease period. Individual assets costing less than Rs.10,000 are written off fully in the year of purchase.

#### **VI INTANGIBLE ASSETS AND AMORTISATION:**

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

#### **VII IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS:**

The Company assesses whether there is any indication that an asset may be impaired at each balance sheet date. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date



there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost impaired earlier.

#### VIII INVESTMENTS:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-current investments. Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment

#### IX INVENTORIES:

Items of Inventory are valued on the principle laid down by Accounting Standard 2 on "Valuation of Inventories" on the basis given below:

(a)	Raw Materials, Stores & Spares and Fuel	Lower of cost (determined on weighted average basis) and net realizable value.
(b)	Packing Material	Lower of cost (determined on FIFO basis) and net realizable value.
(c)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(d)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads, based on normal operating capacity and excise duty.
(e)	Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.	

#### X EMPLOYEE BENEFITS :

##### Defined contribution plan

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

##### Defined benefit plans

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

**Retirement and other employee benefits:**

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

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- (ii) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- (iii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
- (v) Actuarial gains/losses are recognized immediately to the statement of profit and loss and are not deferred.

**XI FOREIGN CURRENCY TRANSLATION:****Initial recognition:**

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss.

**Conversion:**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are not translated.

**Forward Exchange Contracts:**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**XII BORROWING COSTS:**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized 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 recognized as an expense in the period in which they are incurred.

**XIII LEASE RENTALS:**

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

**Finance leases**

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Operating leases**

Other leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in statement of profit and loss on accrual basis over the term of the lease.

**XIV EARNINGS PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**XV TAXATION:**

Tax expense comprises of current and deferred tax charge or credit.

Current Tax is determined as the amount of income tax payable to the taxation authorities in respect of taxable income for the period.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date.

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

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.



**XVI PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:****Provisions:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**Contingent Liability:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**Contingent liabilities are disclosed for:**

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent assets are not recognized in the financial statements, since this may result in recognition of income that may never be realized.

**XVII SEGMENT REPORTING:**

Segments are identified in line with AS-17 "Segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment.

**Identification of Segment**

Based on the Company's business model, Laundry and allied products, IT enabled services & BPO activities and WindTurbine Generator have been considered as the reportable business segments. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**Inter segment transfers**

The Company accounts for inter segment revenues at cost plus basis.

**Unallocated items**

Unallocable income and expenses includes general corporate income and expense items which are not allocated to any business segment.

**XVIII CASH AND CASH EQUIVALENTS**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term bank deposits with original maturity of three months or less.



## Notes forming part of financial statements for the year ended 31st March, 2014

### Note 3.1 : Share Capital

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Authorised Shares</b>		
50,000,000 (March 31, 2013: 50,000,000) equity shares of Rs 2/- each	<b>100,000,000</b>	100,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
29,200,000 (March 31, 2013: 29,200,000) Equity Shares of Rs 2/- each fully paid up.	<b>58,400,000</b>	58,400,000

#### Terms/rights attached to equity shares

- The Company has only one class of share referred to as equity shares having a par value of Rs.2/-. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- There is no change in issued and paid up share capital during the year.

#### (e) The details of shareholders holding more than 5% shares

	As at 31.03.2014		As at 31.03.2013	
	No. of shares	% held	No. of shares	% held
Thirumalai Chemicals Limited	<b>3,044,800</b>	<b>10.43</b>	3,044,800	10.43
S. Santhanam	<b>1,741,711</b>	<b>5.96</b>	1,741,711	5.96
R. Sampath	<b>1,564,780</b>	<b>5.36</b>	1,474,239	5.05
S. Sridhar	<b>1,503,569</b>	<b>5.15</b>	1,503,569	5.15

**Notes forming part of financial statements for the year ended 31st March, 2014**

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Note 3.2 : Reserves and surplus</b>		
<b>General reserve</b>		
Balance at the beginning of the year	395,500,000	382,500,000
Add: Transferred from surplus	15,000,000	13,000,000
<b>Balance at the end of the year</b>	<b>410,500,000</b>	<b>395,500,000</b>
<b>Surplus</b>		
Opening balance	409,269,414	377,897,660
Add: Profit for the year	143,949,722	121,237,470
	<b>553,219,136</b>	<b>499,135,130</b>
Less: Appropriations	-	-
Proposed dividend [amount per share Rs.2.50/- (Previous year Rs.2.25/-)]	(73,000,000)	(65,700,000)
Tax on proposed dividend	(12,406,350)	(11,165,715)
Transfer to general reserve	(15,000,000)	(13,000,000)
Closing balance	<b>452,812,787</b>	<b>409,269,415</b>
<b>Total</b>	<b>863,312,787</b>	<b>804,769,415</b>
<b>Note 3.3 : Long term borrowings</b>		
<b>Secured term loan from financial institution</b>		
Export-Import Bank of India [Refer Note (a) and (b) below]	-	20,000,001
<b>Total</b>	<b>-</b>	<b>20,000,001</b>
<b>Notes:</b>		
(a) An exclusive charge by way of hypothecation over wind turbine generators and second pari passu charge by way of hypothecation of the Company's other movable fixed assets and books debts.		
(b) Repayable in twelve quarterly equal instalments starting from 20th Mar 2012 of Rs. 66,66,667/- with interest @ 11.50%. (Refer Note 3.8 : current portion of long-term borrowings)		
<b>Note 3.4 : Deferred tax liabilities (net)</b>		
Deferred tax liability:		
On account of timing difference in Depreciation and amortisation	66,307,183	74,522,441
<b>Sub-Total</b>	<b>66,307,183</b>	<b>74,522,441</b>
Deferred tax assets:		
Liabilities allowable on payment basis	16,373,000	20,799,531
Provision for doubtful receivables	-	72,059
<b>Sub-Total</b>	<b>16,373,000</b>	<b>20,871,590</b>
<b>Total</b>	<b>49,934,183</b>	<b>53,650,851</b>



## Notes forming part of financial statements for the year ended 31st March, 2014

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Note 3.5 : Long term provisions</b>		
<b>Provision for employee benefits : (Non funded)</b>		
Provision for gratuity (Refer note no.5.1 )	23,894,628	23,576,341
Provision for compensated absences	8,999,413	8,535,956
<b>Total</b>	<b>32,894,041</b>	<b>32,112,297</b>
<b>Note 3.6 : Short term borrowings</b>		
<b>Secured</b>		
Loan repayable on demand from banks	-	3,114,668
<b>Total</b>	<b>-</b>	<b>3,114,668</b>
<b>Note:</b>		
Cash credit / export credit facilities is 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.		
<b>Note 3.7 : Trade payables</b>		
Trade Payables (refer note no.6.2 for details of dues to micro, small and medium enterprises)	74,828,024	36,728,572
<b>Total</b>	<b>74,828,024</b>	<b>36,728,572</b>
<b>Note 3.8 : Other current liabilities</b>		
Current maturities of long-term borrowings(Refer note 3.3)	20,000,001	37,769,257
Interest accrued but not due on borrowings	78,904	181,041
Unpaid Dividend (Refer note below)	3,480,568	3,301,771
Deposit from customers	1,248,908	1,254,908
Others	57,405,810	27,936,034
<b>Total</b>	<b>82,214,191</b>	<b>70,443,011</b>
<b>Note:</b>		
Unpaid dividend represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
<b>Note 3.9 : Short term provisions</b>		
<b>For Employee benefits</b>		
Provision for gratuity (non-funded)	3,953,372	18,641,967
Provision for compensated absences (non-funded)	7,596,667	7,124,670
Provision for bonus and ex-gratia	5,494,417	4,634,621
<b>For Others</b>		
Provision for excise duty	6,314,996	3,850,184
Proposed equity dividend	73,000,000	65,700,000
Provision for tax on proposed equity dividend	12,406,350	11,165,715
<b>Total</b>	<b>108,765,802</b>	<b>111,117,157</b>

**Notes forming part of financial statements for the year ended 31st March, 2014****(Amount in rupees)****Note 3.10 : Fixed Assets**

Description	Gross Block			As at Mar 31, 2014	Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions	Sales/ Adjustment		As at April 1, 2013	Charge for the period	Sales/ Adjustment	As at Mar 31, 2014	As at Mar 31, 2014	As at Mar 31, 2013
<b>Tangible (A)</b>										
Land - Freehold	13,952,428	-	-	<b>13,952,428</b>	-	-	-	-	<b>13,952,428</b>	13,952,428
- Leasehold (see note below)	49,219,046	-	-	<b>49,219,046</b>	952,894	497,162	-	<b>1,450,056</b>	<b>47,768,990</b>	48,266,152
Buildings	69,288,927	16,742,705	-	<b>86,031,632</b>	38,818,005	2,248,572	-	<b>41,066,577</b>	<b>44,965,055</b>	30,470,923
Plant & Machinery	435,819,135	30,268,765	10,127,329	<b>455,960,571</b>	285,729,148	26,647,075	6,368,573	<b>306,007,650</b>	<b>149,952,921</b>	150,089,987
Wind Turbine Generators	232,414,032	-	-	<b>232,414,032</b>	98,372,407	19,984,129	-	<b>118,356,536</b>	<b>114,057,496</b>	134,041,625
Kilns	57,671,307	-	-	<b>57,671,307</b>	54,791,644	-	-	<b>54,791,644</b>	<b>2,879,663</b>	2,879,663
Computer Equipments	39,868,278	6,558,170	90,000	<b>46,336,448</b>	34,651,878	1,479,208	85,500	<b>36,045,585</b>	<b>10,290,862</b>	5,216,400
Furniture Fixtures	7,372,328	-	-	<b>7,372,328</b>	4,206,015	309,309	-	<b>4,515,323</b>	<b>28,57,005</b>	3,166,313
Leasehold Improvements	11,013,987	6,088,051	8,173,106	<b>89,28,932</b>	8,026,437	1,609,593	8,173,106	<b>1,462,924</b>	<b>74,66,008</b>	2,987,550
Office Equipments	9,155,430	600,812	-	<b>9,756,242</b>	3,612,859	608,680	-	<b>4,221,539</b>	<b>5,534,703</b>	5,542,571
Vehicles	7,138,544	1,516,021	-	<b>8,654,565</b>	2,140,731	698,207	-	<b>2,838,937</b>	<b>5,815,628</b>	4,997,813
<b>Details of Asset used for R&amp; D</b>										
Lab Equipment	-	203,346	-	<b>203,346</b>	-	6,233	-	<b>6,233</b>	<b>197,113</b>	-
	<b>932,913,442</b>	<b>61,977,870</b>	<b>18,390,435</b>	<b>976,500,877</b>	<b>531,302,018</b>	<b>54,088,168</b>	<b>14,627,179</b>	<b>570,763,004</b>	<b>405,737,872</b>	<b>401,611,425</b>
<b>Intangible (B)</b>										
Computer Software	17,266,860	996,446	136,250	<b>18,127,056</b>	13,475,046	2,030,006	119,516	<b>15,385,536</b>	<b>2,741,520</b>	3,791,815
Intellectual Property	1,900,000	-	-	<b>1,900,000</b>	1,900,000	-	-	<b>1,900,000</b>	-	-
	<b>19,166,860</b>	<b>996,446</b>	<b>136,250</b>	<b>20,027,056</b>	<b>15,375,046</b>	<b>2,030,006</b>	<b>119,516</b>	<b>17,285,536</b>	<b>2,741,521</b>	<b>3,791,815</b>
<b>Total (A) + (B)</b>	<b>952,080,302</b>	<b>62,974,316</b>	<b>18,526,685</b>	<b>996,527,933</b>	<b>546,677,061</b>	<b>56,118,174</b>	<b>14,746,695</b>	<b>588,048,541</b>	<b>408,479,392</b>	<b>405,403,240</b>
Previous Year	929,428,704	31,106,544	8,454,945	952,080,302	496,537,602	57,631,473	7,492,014	546,677,061	405,403,240	

Note: (1) Agreement for lease for 99 years with Gujarat Industrial Development Corporation to be executed after compliance of stipulated conditions.

(2) Addition to Building includes Rs. 500/- paid for 5 shares of Rs. 100/- each in Thirumalai House Office Unit Owners Condominium.



## Notes forming part of financial statements for the year ended 31st March, 2014

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Note 3.11 : Non-current investments (At cost)</b>		
<b>Non trade investment in equity shares</b>		
<b>Quoted</b>		
2,045,177 (March 31, 2013 : 2,045,177) equity shares of Rs 10/- each fully paid up in Thirumalai Chemicals Limited.	<b>132,153,971</b>	132,153,971
<b>Unquoted</b>		
350 (March 31, 2013 : 350) equity shares of US\$ 1 each fully paid up in LAPIZ Inc., U.S.A. (Associate Company)	<b>16,401</b>	16,401
<b>Total</b>	<b>132,170,372</b>	<b>132,170,372</b>
<b>Notes:</b>		
(a) Aggregate amount of Quoted Investments		
Cost	<b>132,153,971</b>	132,153,971
Market value	<b>181,816,235</b>	189,996,943
(b) Aggregate amount of unquoted investments	<b>16,401</b>	16,401
<b>Note 3.12 : Long-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other loans and advances		
Advance income taxes (net of provisions)	<b>60,912,794</b>	51,656,438
Loans and advances to employees	<b>471,382</b>	1,367,526
Deposits with related party (Refer note no. 5.3)	<b>1,400,000</b>	1,400,000
Security deposits	<b>23,477,775</b>	17,352,428
<b>Total</b>	<b>86,261,951</b>	<b>71,776,392</b>
<b>Note 3.13 : Inventories (valued at lower of cost or net realizable value)</b>		
Raw materials and components	<b>27,930,954</b>	20,166,824
Work in progress	<b>36,637,800</b>	21,393,800
Finished goods	<b>70,728,700</b>	62,842,558
Packing materials	<b>5,325,022</b>	6,035,465
Fuel	<b>3,417,226</b>	3,531,003
Stores and spares	<b>3,066,390</b>	2,406,850
Raw materials in Transit	<b>34,794,219</b>	-
<b>Total</b>	<b>181,900,311</b>	<b>116,376,500</b>
<b>Raw materials</b>		
Soda Ash	<b>2,443,505</b>	6,864,293
Active Matter	<b>9,878,128</b>	3,506,477
Sulphur	<b>1,912,697</b>	1,751,622
China Clay	<b>5,186,474</b>	3,072,768
Others	<b>8,510,150</b>	4,971,664
<b>Total</b>	<b>27,930,954</b>	<b>20,166,824</b>

**Notes forming part of financial statements for the year ended 31st March, 2014**

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Work in progress</b>		
Pigments	36,637,800	21,393,800
<b>Total</b>	<u>36,637,800</u>	<u>21,393,800</u>
<b>Finished goods</b>		
Pigments	49,536,800	40,465,100
Detergents	4,144,161	4,198,635
Sulphonation	17,047,739	18,178,823
<b>Total</b>	<u>70,728,700</u>	<u>62,842,558</u>
<b>Note 3.14 : Trade receivables</b>		
<b>Debtors outstanding for a period exceeding six months from the due date</b>		
Secured, considered good (Refer note below)	-	-
Unsecured, considered good	19,337,749	21,140,697
	<u>19,337,749</u>	<u>21,140,697</u>
<b>Other debts</b>		
Unsecured, considered good	199,921,942	217,548,271
<b>Total</b>	<u>219,259,691</u>	<u>238,688,968</u>
<b>Note 3.15 : Cash and Bank balances</b>		
(a) Cash and cash equivalents		
(i) Balances with banks		
In current account	33,670,053	43,981,659
In EEFC accounts	5,970,275	54,080
In deposit accounts with original maturity of less than 3 months	7,600,000	-
(ii) Cash on hand	711,669	533,516
	<u>47,951,997</u>	<u>44,569,255</u>
(b) Other Bank balances		
(i) Margin money with banks	62,550	58,622
(ii) Short-term bank deposits with original maturity of the period between three months and twelve months	75,092,516	64,200,000
(ii) Un-claimed dividend accounts (see Note below)	3,480,568	3,301,771
<b>Total</b>	<u>126,587,631</u>	<u>112,129,648</u>

**Note**

These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities.



## Notes forming part of financial statements for the year ended 31st March, 2014

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Note 3.16 : Short-term loans and advances</b>		
(Unsecured, considered good, unless stated otherwise)		
Inter corporate deposits (including accrued interest)	<b>65,166,310</b>	56,519,578
Advances recoverable in cash or in kind or for value to be received	<b>5,334,820</b>	5,340,739
Balance with central excise and sales tax authorities	<b>22,438,948</b>	16,746,638
Export incentives receivable	<b>1,630,973</b>	497,978
Advance to suppliers	<b>2,847,643</b>	4,181,918
Loans and advances to employees	<b>1,345,986</b>	647,560
	(A)	83,934,411
Advance to supplier (considered doubtful)	-	212,000
Less provision for doubtful debts	-	(212,000)
	(B)	-
<b>Total</b>	(A)+(B)	<b>83,934,411</b>
<b>Note 3.17 : Other current assets</b>		
Interest/Income accrued but not due	<b>3,462,212</b>	3,893,337
Unbilled revenue	<b>482,962</b>	1,728,764
Others	-	69,500
<b>Total</b>	<b>3,945,174</b>	<b>5,691,601</b>



**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

	Year ended 31.03.2014	Year ended 31.03.2013
<b>Note 3.18 : Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods (Gross)	1,317,662,455	1,280,720,000
Less : Excise Duty recovered on sales	120,352,696	121,469,417
	<u>1,197,309,759</u>	<u>1,159,250,583</u>
Traded goods	253,706	30,826
	<u>1,197,563,465</u>	<u>1,159,281,409</u>
<b>Details of Products sold:</b>		
(i) Finished goods		
Pigments	588,028,918	562,642,915
Detergents	38,878,177	73,743,300
Sulphonation	690,755,360	644,333,785
	<u>1,317,662,455</u>	<u>1,280,720,000</u>
(ii) Traded goods	253,706	30,826
	<u>1,317,916,161</u>	<u>1,280,750,826</u>
Sale of power from Wind turbine generators	17,343,743	25,327,158
	<u>1,214,907,208</u>	<u>1,184,608,567</u>
<b>Income from services</b>		
Income from processing	11,612,749	30,642,999
Income from IT enabled services	250,819,039	164,210,379
Income from BPO activities	24,775,190	20,508,830
	<u>287,206,978</u>	<u>215,362,208</u>
<b>Other operating income</b>		
Export Incentives	2,424,494	1,532,822
	<u>2,424,494</u>	<u>1,532,822</u>
<b>Revenue from operations</b>	<u><u>1,504,538,679</u></u>	<u><u>1,401,503,596</u></u>
<b>Note 3.19 : Other Income</b>		
Interest received		
From banks	5,013,540	7,564,224
From companies on short term deposits	4,309,906	4,592,254
From others	202,288	5,691,755
Dividend received - from long term investments	5,112,943	10,225,885
Rent received	-	6,635
Sundry receipts (see Note below)	15,921,357	3,260,986
Sundry balances written back (net )	-	2,684,142
Gain on foreign currency transactions / translations (net)	-	3,860,224
<b>Total</b>	<u><u>30,560,034</u></u>	<u><u>37,886,105</u></u>

Note: Sundry receipts include Rs.1,45,60,000/- received on maturity of Keyman Insurance policy



## Notes forming part of financial statements for the year ended 31st March 2014

(Amount in rupees)

	Year ended 31.03.2014	Year ended 31.03.2013
<b>Note 3.20 : Cost of material consumed</b>		
Inventory at the beginning of the year	20,166,824	84,234,748
Add : Purchases	634,643,037	548,848,227
	<u>654,809,861</u>	<u>633,082,975</u>
Less: Inventory at the end of the year	27,930,954	20,166,824
Cost of material consumed	<u>626,878,907</u>	<u>612,916,151</u>
<b>Details of materials consumed</b>		
Soda Ash	58,669,074	52,803,496
Active Matter	434,074,808	437,068,103
Sulphur	34,030,889	37,744,395
China Clay	23,305,730	18,750,001
Others	76,798,406	66,550,157
<b>Total</b>	<u>626,878,907</u>	<u>612,916,151</u>
Note: The above figures have been ascertained on the basis of opening stock plus purchases less closing stock and therefore, include adjustments of excesses and shortages ascertained on physical count, write off of un-serviceable items, etc.		
<b>Note 3.21 : Changes in inventories of Finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	36,637,800	21,393,800
Finished goods	70,728,700	62,842,558
<b>Total</b>	<u>107,366,500</u>	<u>84,236,358</u>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	21,393,800	16,614,800
Finished goods	62,842,558	42,931,050
	<u>84,236,358</u>	<u>59,545,850</u>
<b>Net (Increase)/decrease in Stocks</b>	<u>(23,130,142)</u>	<u>(24,690,508)</u>
<b>(Increase)/decrease in work in progress</b>		
Pigments	(15,244,000)	(4,779,000)
<b>Total</b>	<u>(15,244,000)</u>	<u>(4,779,000)</u>
<b>(Increase)/decrease in finished goods</b>		
Pigments	(9,071,700)	(6,561,400)
Detergents	54,474	(1,963,201)
Sulphonation	1,131,084	(11,386,907)
<b>Total</b>	<u>(7,886,142)</u>	<u>(19,911,508)</u>

**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

	Year ended 31.03.2014	Year ended 31.03.2013
<b>Note 3.22 : Employee benefits expense</b>		
Salaries, Wages, Bonus and other benefits	218,261,241	198,684,043
Directors' Remuneration	24,746,412	17,480,264
Contribution to Provident Fund and other funds	18,166,835	17,042,219
Gratuity expenses	2,896,100	7,336,763
Staff Welfare and amenities	14,549,789	12,265,043
<b>Total</b>	<b>278,620,377</b>	<b>252,808,332</b>
<b>Note 3.23 : Finance costs</b>		
Interest on term loan	4,205,478	7,431,488
Interest on deferred payments	260,028	3,509,090
Interest on income tax payments	637,874	275,000
Other borrowing costs	4,464,681	4,415,249
<b>Total</b>	<b>9,568,061</b>	<b>15,630,827</b>
<b>Note 3.24 : Other expenses</b>		
Consumption of stores and Spares	8,043,892	6,436,021
Power and Fuel	135,266,278	139,118,190
Excise Duty on stocks ( Net)	2,464,812	(467,536)
Repairs and Maintenance:		
Machinery	18,155,262	21,886,963
Buildings	10,685,449	11,123,387
Others	4,591,901	4,189,888
Packing Expenses and materials consumed	23,412,843	29,232,733
Processing Charges paid	6,353,468	3,976,237
Freight and Forwarding expenses	22,638,488	24,554,881
Insurance	4,365,222	4,107,664
Commission on sales	2,243,238	1,217,209
Advertisement and Sales Promotion expenses	10,227,344	10,287,778
Rent	22,761,860	21,188,999
Rates & Taxes	2,331,355	1,945,821
Travelling expenses	21,551,227	20,678,424
Communication expenses	6,951,152	8,558,153
Legal and Professional Fees	16,600,480	8,130,622
Commission to Non Executive Directors	2,474,641	1,748,027
Donation	5,527,000	5,002,000
Assets Scrapped / Loss on Sale of Assets ( net )	3,589,916	800,671
Loss on foreign currency transactions / translations (net)	1,110,033	-
Prior period expenses	369,197	668,269
Sundry balances written off (net )	560,464	-
Miscellaneous expenses	38,716,120	27,017,674
<b>Total</b>	<b>370,991,642</b>	<b>351,402,075</b>



## Notes forming part of financial statements for the year ended 31st March, 2014

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>Payment to Auditors (included in miscellaneous expenses)</b>		
<b>As auditors:</b>		
Audit Fees	700,000	700,000
Tax audit fees	125,000	125,000
Certification	370,000	340,000
<b>In other capacity:</b>		
Taxation matters	75,000	75,000
Other services	100,000	150,000
Service tax	169,332	171,804
<b>Total</b>	<b>1,539,332</b>	<b>1,561,804</b>

### Note 4 : Other disclosures as per revised schedule VI

#### Note 4.1 : Contingent liabilities and commitments (to the extent not provided for)

##### (a) Contingent liabilities

(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	480,000	480,000
(ii) Bank Guarantees issued and outstanding	478,381	380,000

##### (b) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	2,015,177
Against which advance paid	-	441,700
(ii) Import duty on Goods imported under advance licence pending fulfilment of export obligation	-	5,683,937
(iii) The Company had entered into an agreement on 28th April, 2011 with Gujarat Industrial Development Corporation (GIDC) for allotment of land at Dahej. The Company has acquired the land at Dahej-Petroleum, Chemicals and Petro Chemicals Investment Region (PCIR) in Gujarat with the intention of expanding its surfactant chemicals manufacturing and processing operations. As per the said agreement, the Company within a period of two years from the agreement date is required to build factory. However, due to delay in the availability of adequate infrastructure (including water supply), the proposed expansion is likely to be delayed. As per the agreement with the GIDC the Company is liable to pay penalty for delay in implementation of the project. As on 31st March 2014, Rs. 13,29,770 has been provided for in the books of account towards the same.		

**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

	As at 31.03.2014	As at 31.03.2013
<b>[c] No provision has been made in respect of the following demands raised by the authorities since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous</b>		
(i) By the Income tax authorities (fully deposited with tax authorities)	<b>57,061,890</b>	51,302,944
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act	<b>108,119</b>	108,119
(iii) Sales Tax Authorities	<b>1,015,810</b>	1,268,806

**Note 4.2 : Value of imports calculated on CIF basis (on accrual basis)**

Raw materials	<b>337,979,520</b>	228,445,731
Spare parts	-	1,456,856
Capital goods	<b>10,359,156</b>	65,599

**Note 4.3 : (a) Expenditure in Foreign Currency**

Travelling	<b>5,145,003</b>	5,895,220
Software Expenses	<b>140,917</b>	31,735
Legal and Professional Fees	<b>8,612,967</b>	-
Other matters	<b>157,849</b>	77,601

**(b) Details of consumption of imported and indigenous items**

	For the year ended 31st March 2014		For the year ended 31st March, 2013	
	(Rs.)	%	(Rs.)	%
<b>Imported</b>				
Raw materials	<b>364,771,209</b>	<b>58.19</b>	286,014,977	46.66
<b>Indigenous</b>				
Raw materials	<b>262,107,697</b>	<b>41.81</b>	326,901,174	53.34
Consumption of stores and components is 100% indigenous.				

**Note 4.4 : Remittance in foreign currencies on account of dividends**

	2014	2013
(i) No. of Non-Resident shareholders	None	None
(ii) No. of shares held by them	NA	NA

**Note 4.5 : Earnings in foreign currencies (on accrual basis)**

	2014	2013
Export of goods calculated on FOB basis	<b>222,123,345</b>	252,259,145
Income from IT enabled services	<b>250,819,039</b>	164,210,379



## Notes forming part of financial statements for the year ended 31st March 2014

(Amount in rupees)

Year ended 31.03.2014	Year ended 31.03.2013
--------------------------	--------------------------

### Note 5 : Disclosures in accordance with Accounting Standards (AS)

#### Note 5.1 : (AS)-15 Employee benefits

##### Defined contribution plans

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

#### I. Defined Contribution Plans:

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Y.E. 31.03.2014	Y.E. 31.03.2013
a. Contribution to Employees Provident Fund *	12,499,973	12,170,492
b. Contribution to Employees State Insurance Scheme	3,999,665	3,773,552
c. Contribution to Employees Superannuation Fund	1,768,511	3,427,114
<b>Total</b>	<b>18,268,149</b>	<b>19,371,158</b>

\* Includes contribution of Rs.105,000 (Previous year Rs. 1,260,000) Included in Director's Remuneration.

#### 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	Y. E. 31.03.2014	Y. E. 31.03.2013
a. Present Value of Obligation as at April 1, 2013	42,218,309	37,742,849
b. Interest Cost	3,377,465	3,208,142
c. Past Service Cost	Nil	Nil
d. Current Service Cost	3,227,664	2,416,601
e. Curtailment Cost / (Credit)	Nil	Nil
f. Settlement Cost / (Credit)	Nil	Nil
g. Benefits Paid	(17,308,871)	(3,052,921)
h. Actuarial (Gain) / Loss	(3,666,566)	1,903,638
l. Present Value of Obligation as at March 31, 2014	27,848,001	42,218,309

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

Particulars	Y. E. 31.03.2014	Y. E. 31.03.2013
a. Current Service Cost	3,227,664	2,416,601
b. Past Service Cost	Nil	Nil
c. Interest Cost	3,377,465	3,208,142
d. Curtailment Cost / (Credit)	Nil	Nil
e. Settlement Cost / (Credit)	Nil	Nil
f. Net Actuarial (Gain) / Loss	(3,666,566)	1,903,638
g. Total Expenses recognised in Statement of Profit and Loss	2,938,563	7,528,381

**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

Particulars	Y. E. 31.03.2014 Gratuity	Y. E. 31.03.2013 Gratuity
3. Following are the Principal Actuarial Assumptions used		
a. Discount Rate	9.29%	8.00%
b. Salary Escalation Rate	7.00%	7.00%
c. Turnover Rate	10.00%	10.00%
d. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

**Experience Adjustment:**

	For the year ended 31st March				
	2014	2013	2012	2011	2010
On plan Liability (Gains) / Loss	(1,592,628)	129,027	599,564	1,115,955	(544,647)
On plan Assets (Gains) / Loss	-	-	-	-	-

**Other Long Term benefits**

The Company's Long Term benefit includes Leave encashment payable at the time of retirement in full, or encashable during the year in which services are rendered subject to limit of 90 days. Present value of obligation as at the beginning of the year is Rs.15,660,667 (Prev. Year Rs. 13,960,343) and the actuarial gains and losses recognised in full in the Statement of Profit and Loss is Rs. 935,452 (Prev. Year Rs.1,700,284). The present value of obligation as at March 31,2014 is Rs. 16,596,079 (Prev. Year Rs. 15,660,627).

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Note 5.2 : 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 & BPO activities and generation of power from wind turbine.

**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.

e. Inter Segment transfers are made on cost plus basis.



## Notes forming part of financial statements for the year ended 31st March 2014

(Amount in rupees)

	Year ended 31.03.2014		Year ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>1. Revenue</b>				
External Revenue				
Laundry and Allied Products	<b>1,211,600,708</b>		1,191,457,232	
IT Enabled Services & BPO activities	<b>275,594,229</b>		184,719,209	
Wind Turbine Generator	<b>19,660,245</b>		25,327,158	
<b>Total</b>	<b>1,506,855,181</b>		1,401,503,598	
Less : Elimination ( Inter Segment Revenue )		<b>2,316,502</b>		2,617,582
		<b>1,504,538,679</b>		<b>1,398,886,016</b>
<b>2. Result</b>				
Profit/(Loss) before Interest and Corporate Expenses but after Depreciation/Amortisation				
Laundry and Allied Products	<b>169,805,625</b>		185,171,046	
IT Enabled Services & BPO activities	<b>56,267,494</b>		5,220,514	
Wind Turbine Generator	<b>(7,439,977)</b>		1,919,276	
<b>Total</b>	<b>218,633,143</b>		192,310,836	
Interest and Finance charges		<b>(9,568,061)</b>		(15,630,827)
Add: Unallocated Expenses/ Income(Net) and Corporate Expenses		<b>6,813,972</b>		(3,017,702)
Provision for Tax		<b>(75,500,000)</b>		(58,800,000)
Excess/(Short) Provision for Taxation for earlier years written back/(off)		<b>(146,000)</b>		4,799,887
Deferred Tax		<b>3,716,668</b>		1,575,276
<b>Net Profit</b>		<b>143,949,722</b>		<b>121,237,470</b>

**Other Information****3. Segment Assets**

Laundry and Allied Products	<b>659,073,543</b>	613,705,789
IT Enabled Services & BPO activities	<b>117,956,418</b>	82,035,136
Wind Turbine Generator	<b>126,675,053</b>	165,069,696
Unallocated/Corporate	<b>366,644,013</b>	329,525,352
<b>Total</b>	<b>1,270,349,026</b>	1,190,335,973



**Notes forming part of financial statements for the year ended 31st March 2014****(Amount in rupees)**

	Year ended 31.03.2014		Year ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>4. Segment Liabilities</b>				
Laundry and Allied Products	<b>129,673,283</b>		91,199,722	
IT Enabled Services & BPO activities	<b>40,213,532</b>		19,029,305	
Unallocated/Corporate	<b>178,749,424</b>		216,937,531	
<b>Total</b>		<b>348,636,239</b>		327,166,558
<b>5. Capital Expenditure</b>				
Laundry and Allied Products	<b>58,925,252</b>		26,384,576	
IT Enabled Services & BPO activities	<b>17,028,391</b>		7,401,808	
Unallocated/Corporate	-		1,732,161	
		<b>75,953,643</b>		35,518,545
<b>6. Depreciation</b>				
Laundry and Allied Products	<b>30,336,912</b>		29,159,721	
IT Enabled Services & BPO activities	<b>5,396,814</b>		8,156,452	
Wind Turbine Generator	<b>19,986,285</b>		19,986,285	
Unallocated/Corporate	<b>398,164</b>		329,015	
<b>Total</b>		<b>56,118,175</b>		57,631,473

**Note 5.3 : 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 Limited  
Lapiz Inc, U.S.A.

**(b) Other related parties**

Thirumalai Charity Trust  
Chempak Industries  
Hamsa Investments Associates Pvt. Ltd.  
Varadaraja Credits & Investments Pvt. Ltd.  
Meera Parthasarathy  
S. Srinath

**(c) Key Management Personnel:**

Mr. R. Sampath, Chairman & Managing Director  
Mr. S. Sridhar, Joint Managing Director  
Mrs. Indira Sundararajan, Wholetime Director  
Mr. V. Bharatram, President(Operations), IT-Enabled Services and BPO activities Division.  
Mr. B. Sreenivasacharyulu - Senior General Manager



## Notes forming part of financial statements for the year ended 31st March 2014

(Amount in rupees)

### B. Details of transactions with above parties :

Particulars	Companies in which company has the substantial interest	Other related parties	Key Management Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Purchase of goods</b>				
- Thirumalai Chemicals Limited	3,737			3,737
	-			-
<b>Sale of goods</b>				
- Thirumalai Chemicals Limited	40,764 (37,056)			40,764 (37,056)
<b>Income from IT Enabled Services</b>				
- LAPIZ Inc. USA	214,526,650 (138,269,097)			214,526,650 (138,269,097)
<b>Reimbursement of expenses paid</b>				
- Thirumalai Chemicals Limited	-			-
	(44,898)			(44,898)
<b>Remuneration paid to</b>				
- Mr. V. Bharathram			3,457,855 (3,147,026)	3,457,855 (3,147,026)
- Mr. B. Sreenivasacharyulu			2,667,380 (2,422,324)	2,667,380 (2,422,324)
- Ms. Meera Parthasarathy		1,368,560 (1,204,548)		1,368,560 (1,204,548)
- Mr. S. Srinath		185,629 (266,550)		185,629 (266,550)
- Mr. S. Santhanam			2,474,641 (1,748,027)	2,474,641 (1,748,027)
<b>Remuneration to Directors</b>				
- Mr. R. Samapth, Chairman & Managing Director			8,248,804 (6,555,099)	8,248,804 (6,555,099)
- Mr. S. Sridhar, Joint Managing Director			8,248,804 (4,370,066)	8,248,804 (4,370,066)
- Ms. Indira Sundararajan, Wholetime Director			8,248,804 (6,555,099)	8,248,804 (6,555,099)
<b>Reimbursement of expenses received</b>				
- Thirumalai Chemicals Limited	84,270			84,270
	-			-
<b>Rent paid to</b>				
- Thirumalai Chemicals Limited	4,063,942 (4,110,417)			4,063,942 (4,110,417)
<b>Rendering of Services to</b>				
- Thirumalai Chemicals Limited	28,090 (235,956)			28,090 (235,956)

**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

**B. Details of transactions with above parties :**

Particulars	Companies in which company has the substantial interest	Other related parties	Key Management Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Receiving of services from</b>				
- Thirumalai Chemicals Limited	96,857 (94,748)			96,857 (94,748)
- Hamsa Investments Associates Pvt Ltd		1,818,939 (1,198,239)		1,818,939 (1,198,239)
- Varadharaja Credits & Investments Pvt Ltd.		722,019 (2,233,966)		722,019 (2,233,966)
<b>Outstanding payables</b>				
- Thirumalai Chemicals Limited	322,278 (69,473)			322,278 (69,473)
- Hamsa Investments Associates Pvt Ltd		104,889 (53,861)		104,889 (53,861)
- Varadharaja Credits & Investments Pvt Ltd.		13,706 (7,581)		13,706 (7,581)
<b>Directors Remuneration Payables</b>				
- Mr. R. Sampath			3,078,838 (228,331)	3,078,838 (228,331)
- Ms. Indira Sundararajan			2,371,020 -	2,371,020 -
- Mr. S. Sridhar			2,511,706 (570,066)	2,511,706 (570,066)
- Mr. S. Santhanam			2,474,641 (1,748,027)	2,474,641 (1,748,027)
<b>Directors Remuneration Recoverable</b>				
- Ms. Indira Sundararajan			-	-
			(815,441)	(815,441)
<b>Outstanding receivables</b>				
- Thirumalai Chemicals Limited	-			-
	(6,999)			(6,999)
- LAPIZ Inc. USA		38,240,968 (29,348,842)		38,240,968 (29,348,842)
<b>Donations paid</b>				
- Thirumalai Charity Trust		5,500,000 (5,000,000)		5,500,000 (5,000,000)
<b>Deposits given</b>				
- Thirumalai Chemicals Limited	-			-
	(13,642,774)			(13,642,774)
<b>Interest income on deposits given</b>				
- Thirumalai Chemicals Limited	-			-
	(232,558)			(232,558)
<b>Outstanding deposits receivables</b>				
- Thirumalai Chemicals Limited	1,400,000 (1,400,000)			1,400,000 (1,400,000)

Meeting fees paid to Non Executive Directors Rs. 9,86,098 (Prev. Year Rs. 10,64,048) including Service Tax.

(c) The sum of Rs. 481,972 receivable from LAPIZ Inc. has been written off during the year.



## Notes forming part of financial statements for the year ended 31st March 2014

(Amount in rupees)

### Note 5.4 : AS 19 Details of Leasing arrangements

The Company has taken certain premises for office use and godown under cancellable / non-cancellable lease agreements. Some of these agreements have a price escalation clause. Details of Lease rental payments and future lease rental commitment under non-cancellable lease are as under :

	2013-14	2012-13
Lease rental charged in the Statement of Profit & Loss	22,761,860	28,215,040
Future minimum lease commitment		
Payable not later than one year	10,084,500	Nil
Payable later than one year and not later than five years	58,509,390	Nil
Payable later than five years	24,025,233	Nil

### Note 5.5 : AS 20 Disclosure regarding earning per share (EPS)

The basic and diluted EPS is calculated as under:

Profit attributed to equity shareholders (Rs)	143,949,722	121,237,470
No. of equity shares (of Rs.2 each)	29,200,000	29,200,000
Earning per share	4.93	4.15

### Note 5.6 : Disclosures as required by AS 27 financial reporting of interest in joint ventures.

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

Name and Country of Incorporation : LAPIZ INC, USA.

Proportion of ownership interest : 35.00%

Proportionate share for the year ended 31st March 2014 in respect of

i. Assets	Rs.15,683,453 (Prev. Year Rs.11,937,379)
ii. Liabilities	Rs. 14,282,171 (Prev. Year Rs.11,172,347)
iii. Income	Rs.72,981,330 (Prev. Year Rs.51,519,347)
iv. Expenses	Rs.72,188,515 (Prev. Year Rs.50,380,639)

### Note 6.1 : The Company has incurred Research and Development expenses as under:

Particulars	2013-14	2012-13
<b>On Capital Account :</b>		
Lab Equipment	203,346	167,253
<b>On Revenue Account (included in Miscellaneous expenses in Note No. 3.24):</b>		
Salaries & Allowances	4,704,956	-
Contributions to Provident fund and other funds	352,227	-
Chemicals and Consumables	1,197,473	906,583
Other expenses	93,297	41,289
<b>Total</b>	<b>6,551,299</b>	<b>1,115,125</b>

**Notes forming part of financial statements for the year ended 31st March 2014**

(Amount in rupees)

**Note 6.2 : Disclosures required as per Micro, small and medium enterprises development act, 2006.**

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

Particulars	2013-14	2012-13
(i) Interest payable to the suppliers as at the end of the accounting year	<b>830,387</b>	830,387
(ii) 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
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act	Nil	Nil
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	<b>830,387</b>	830,387
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

**Note 6.3 : As at the year end, the exposure in foreign currency of the Company is as under:**

Particulars	2013-14		2012-13	
	Foreign Currency	Amt in Rs.	Foreign Currency	Amt in Rs.
Account Receivable	\$889,212.22 £54,151.08	53,085,970 5,360,415	\$1,142,684.67 -	61,796,387 -
Accounts Payable	\$569,725.47 £491.66	34,308,868 48,669	- £35,704.25	- 2,915,252
Forward Contract outstanding at the year end for hedging accounts payable	-	-	\$100,000.00 £679.26	5,408,000 55,462

**Note 6.4 :** Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

**For & on behalf of**  
**CNK & ASSOCIATES LLP**  
Chartered Accountants

**H. V. KISHNADWALA**  
Partner

Chennai  
27th May, 2014

For and on behalf of the Board of Directors

**R. SAMPATH**  
Chairman & Managing Director

**KISHORE KUMAR SAHOO**  
Company Secretary

**GOPAKUMAR G. NAIR**  
Director



## FINANCIAL HIGHLIGHTS FOR 10 YEARS

(Rs. In lakhs)

Sl. No.	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
1	Share capital	584	584	584	584	584	584	584	584	584	365
2	Reserves & surplus	8,633	8,048	7,604	7,253	6,573	7,415	6,706	6,205	5,365	4,756
3	Net Worth	9,217	8,632	8,188	7,837	7,157	7,999	7,290	6,789	5,949	5,121
4	Fixed Assets (Net)	4,215	4,296	4,526	4,072	2,973	3,196	2,243	2,122	2,136	2,282
5	Sales/ Other Income	15,351	14,394	13,825	12,372	10,839	11,125	8,832	8,139	6,342	6,363
6	Gross Profit before Interest & Depreciation	2,816	2,469	2,548	2,880	2,120	2,276	2,347	2,866	2,073	2,050
7	Interest & Finance Charges	96	156	171	41	90	74	29	20	19	28
8	Depreciation	561	576	550	427	430	346	285	284	278	301
9	Current Tax (incl. Fringe Benefit Tax)	(755)	(588)	(371)	(771)	(671)	(156)	(563)	(413)	(332)	(328)
10	Deferred Tax	36	64	(86)	60	149	(278)	49	37	24	105
11	Net Profit after Tax	1,440	1,212	1,369	1,701	1,078	1,422	1,519	2,186	1,469	1,499
12	Dividend (incl. Dividend Tax)	854	769	1,018	1,021	1,021	683	1,025	1,170	732	624
13	Dividend (%)	125.00	112.50	150.00	150.00	150.00	100.00	150.00	175.00	110.00	150.00
14	*Earnings Per share (Rs)	4.93	4.15	4.69	5.83	3.69	4.77	5.22	6.88	5.34	41.06

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











**The Akshaya Vidya Trust**

# The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994  
Vedavalli Higher Secondary School, Walaja (State Board) 1999  
Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School,  
Ranipet (CBSE) 2003

## Two decades in Education

The main aim of our schools has been to provide an all round development and quality education for the children. We have over 2300 students, 135 teaching and 85 support staff. Every year the children are exposed to new programmes within the school and are encouraged to participate in programmes conducted by other schools and colleges. To provide a secular atmosphere, the children celebrate different religious festivals like Ramzan, Navratri and Christmas. Many other special programmes like the UN day, World AIDs day, Anti Drugs day and Women's day are also conducted. This year some new programmes like the Traffic Day for Kindergarten and the School Carnival were introduced. The traffic park and the stalls in the carnival were completely organised by the students. A sum of Rs. 50,000 was raised through the carnival and was contributed to the Prime Minister's Relief Fund. All the school events are conducted by students, giving them hands on experience on team work and events management.

The children of our schools are given exposure of various kinds. Field trips to museums, post office, fire station, factories and historical places are among a few places they visit. Within the school, they get exposure to different vocations such as cooking, stitching, plumbing, self defence, and gardening, to name a few. They also interact with visitors to the school.

Our core beliefs have been to provide a fear free environment for learning and learning by doing. The teachers of our school have been a continuous support for the execution of these core beliefs. To facilitate this in the classrooms, our teachers go through training and attend various workshops for better understanding. Seminars on varied topics on education are conducted during the year for the benefit of the teachers. During our 7th Annual Smt. Sathyabama Teachers' Seminar, we had stalwarts in education to talk about "Integrating Sports and art in Education".

The schools have impressive infrastructural facilities with well ventilated rooms, labs, libraries, AV rooms, playgrounds, auditorium, and greenery around to offer an excellent environment for learning. Every aspect of Vedavalli Vidyalaya, from curriculum design to classroom planning, is carefully and creatively planned, to ensure a congenial atmosphere for academic pursuit and individual growth.

We are proud as our alumni stand out in their work places and as our students, stand tall ready to face the future.



Tel: +91-4172-231860, 230870

Visit us: [www.vedavallividyalaya.org](http://www.vedavallividyalaya.org)

E-mail: [vedavalli94@yahoo.com](mailto:vedavalli94@yahoo.com)



# Thirumalai Charity Trust



Thirumalai Charity Trust (TCT), set up in 1970 has been working on rural healthcare, women empowerment, disability, de-addiction and village development for more than 3 decades. TCT is currently active in 315 villages in Vellore District of Tamil Nadu and is managing the Thirumalai Mission Hospital at Ranipet.

TCT is working towards

- Catalyzing rural people to build sustainable communities and improve their quality of life
- Mobilizing and motivating women volunteers for grassroots work
- Building community based organizations with local leaders
- Creating ripple effects in the community as beneficiaries become change agents
- Developing and delivering a unique model of accessible, affordable primary and secondary healthcare



Our Thirumalai Mission Hospital (TMH) was started in April 2010. TMH addresses major medical problems in the community such as Diabetes, Hypertension, Osteoporosis, Cancer in Women and Obesity in appropriate screening and intervention programmes. Our Primary Healthcare team supports these programmes and involves village based volunteers and community based organizations to provide follow up care.



The TMH is well equipped for OP and IP services in General Medicine, General Surgery, Orthopaedics, Obstetrics and Gynaecology, Paediatrics, Emergency, E.N.T., Dentistry and Physiotherapy. The services are supported by good laboratory and other diagnostic facilities. Eye and Cardiology camps are conducted periodically and patients requiring surgery and other treatment are referred for care and follow-up. The hospital built with ground and two floors, has a built up area of 15,000 sq. feet. It offers a good ambience for patients along with friendly and compassionate staff.



We now propose to continue our rehabilitation service for families suffering from alcoholism in our hospital. We are also planning to start ophthalmic and intensive medical care services.



TCT needs your support in its mission. We invite you to see our activities. TCT's Integrated Primary and Secondary Healthcare Project offers 100% tax exemption to its donors. Please visit our website [www.thirumalaicharitytrust.org](http://www.thirumalaicharitytrust.org) and contact [admin@tmhospital.org](mailto:admin@tmhospital.org) for any further details.



# ULTRAMARINE & PIGMENTS LIMITED

[ CIN: L24224MH1960PLC011856 ]

Registered office: 'Thirumalai House', Road No.29, Near Sion Hill Fort, SION (East), Mumbai- 400022

Tel: 022-43686200, Fax: 022-24011699, Email: cs@uplamb.net

www.ultramarinepigments.net

## 53<sup>rd</sup> Annual General Meeting – August 7, 2014

### Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of member(s)													
Registered address													
Email													
Folio No. / Client ID													
DP ID													

I / We, being the member(s) of ..... shares of the above named Company, hereby appoint

Name: ..... Email .....

Address: .....

..... Signature: .....

*Or failing him / her*

Name: ..... Email .....

Address: .....

..... Signature: .....

*Or failing him / her*

Name: ..... Email .....

Address:.....

..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 53<sup>rd</sup> Annual General Meeting of the Company, to be held on the Thursday of 7<sup>th</sup> August, 2014 at 3.30 p.m at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga-C.Rly. Mumbai – 400 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

(Contd...)

Resolution No.	RESOLUTIONS	Vote(Optional see Note 2*) Please mention No. of shares	
		For	Against
<b>Ordinary Business</b>			
1.	Consider and adopt audited financial statement for the financial year ended 31.03.2014, Reports of the Board of Directors and Auditors		
2.	Declaration of Dividend.		
3.	Re-appointment of Mr. S. Sridhar who retires by rotation		
4.	Appointment of Auditors and fixing their remuneration		
<b>Special Business</b>			
5.	Appointment of Dr. Gopakumar G. Nair as an Independent Director		
6.	Appointment of Mr. Vinod G. Nehemiah as an Independent Director		
7.	Appointment of Mr. Nimish U. Patel as an Independent Director		
8.	Appointment of Mr. T.R. Madhavan as an Independent Director		
9.	Approval of the Remuneration of the Cost Auditor		

Signed this ..... Day of.....,2014

Affix Revenue Stamp here
--------------------------------

.....  
Signature of the member

.....  
Signature of Proxy holder(s)

**Note:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- \*2. It is optional to indicate your preference. If you leave the for or against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Please complete all details including details of member(s) in above box before submission.



# ULTRAMARINE & PIGMENTS LIMITED

[ CIN: L24224MH1960PLC011856 ]

Registered office: 'Thirumalai House', Road No.29, Near Sion Hill Fort, SION (East), Mumbai- 400022

Tel: 022-43686200, Fax: 022-24011699, Email: cs@uplamb.net

www.ultramarinepigments.net

## 53<sup>rd</sup> Annual General Meeting – August 7, 2014

### Attendance Slip

Registered Folio No. / DP ID No. / Client ID No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company

I hereby record my presence at the 53<sup>rd</sup> Annual General Meeting of the Company at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga- C. Rly. Mumbai – 400 019 on Thursday, 7<sup>th</sup> August, 2014 at 3.30 p.m.

.....  
*Name of Member /Proxy'*  
( in BLOCK Letters )

.....  
*Signature of the member /proxy*

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the AGM



**ULTRAMARINE &  
PIGMENTS LTD.**

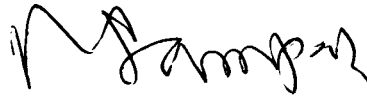
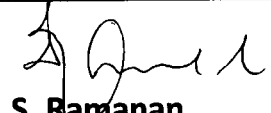
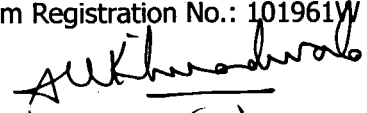

**MANUFACTURERS OF ULTRAMARINE BLUE  
AND SURFACTANTS**

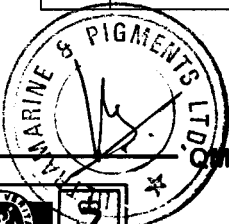
**CIN No. L24224MH1960PLC011856**

556, Vanagaram Road,  
Ambattur, Chennai - 600 053. India.  
Phone : 0091-44- 66921195 - 66921199 (5 Lines)  
Fax : 0091-44- 66921100  
E-Mail : exports@uplamb.net  
Website : www.ultramarinepigments.net

**Form A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the Company	Ultramarine & Pigments Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation: Un-qualified / matter of emphasis	Un – qualified
4.	Frequency of Observation: whether appeared first time...../ repetitive .... / since how long period....	Not Applicable
5.	Signatures	
	CEO / Managing Director:	 <b>R. Sampath</b> Chairman and Managing Director
	CFO :	 <b>S. Ramanan</b> General Manager - Finance
	Auditor of the Company:	<b>CNK &amp; Associates LLP,</b> Chartered Accountants Firm Registration No.: 101961W  <b>H. V. Kishnadwala</b> Partner Membership No.: 037391
	Audit Committee Chairman:	 <b>Gopakumar G. Nair</b>



**QMS Certified to ISO 9001 : 2008 - EMS Certified to ISO 14001 : 2004**



**Regd. Office : THIRUMALAI HOUSE  
Road No.29, Sion - East, Mumbai - 400 022.  
Phone : 022 - 24035137, 24017834 Fax : 022 - 2401 1699**

