



**ULTRAMARINE &
PIGMENTS LTD.**

MANUFACTURERS OF INORGANIC PIGMENTS

556, Vanagaram Road,
Ambattur, Chennai - 600 053. India.
Phone : 0091-44- 66921195 - 66921199 (5 Lines)
Fax : 0091-44- 26821201
E-Mail : exports@uplamb.net
Website : www.ultramarinepigments.net
CIN : L24224MH1960PLC011856

22nd August, 2017

The Manager – Listing Compliance
Department of Corporate Services,
BSE Limited,
P.J.Towers, 25th floor,
Dalal street, fort,
Mumbai – 400 001

FAX NO. 2272 3121 / 2037 / 3719 / 2941

Dear Sirs,

**Sub: Submission of Annual Report pursuant to Regulation 34(1) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Scrip Code: 506685

In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit a soft copy of Annual Report -2017 of the Company approved and adopted by the Shareholders in the annual general meeting held on 11th August, 2017 for your records.

Thanking you

For Ultramarine & Pigments Ltd.,

[Kishore Kumar Sahoo]
Company Secretary

Certified towards QMS 9001 : 2008 / EMS 14001:2004 / OHSAS 18001 : 2007

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

ULTRAMARINE & PIGMENTS LTD.

**56th Annual Report
2016–2017**



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Board of Directors

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

Independent Directors

- Dr. Gopakumar. G. Nair
 Mr. Nimish U. Patel
 Mr. T. R. Madhavan
 Mr. Vinod G. Nehemiah
 Mr. Navin M. Ram
 Mr. S. Ragothaman

Audit Committee

- Mr. T. R. Madhavan, Chairman
 Mr. Nimish U. Patel
 Ms. Tara Parthasarathy
 Mr. S. Ragothaman

Nomination and Remuneration Committee

- Mr. Vinod G. Nehemiah, Chairman
 Dr. Gopakumar. G. Nair
 Mr. R. Sampath
 Mr. Navin M. Ram

Corporate Social Responsibility Committee

- Mr. T. R. Madhavan, Chairman
 Mr. Vinod G. Nehemiah
 Mr. R. Sampath

Stake holders Relationship Committee

- Dr. Gopakumar. G. Nair, Chairman
 Mr. T. R. Madhavan
 Mrs. Indira Sundararajan

Chief Financial Officer

Mr. S. Ramanan

Company Secretary

Mr. Kishore Kumar Sahoo

Auditors

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

Factory

Ambattur

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

Bankers

Bank of India

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 Agent

Cameo Corporate Services Limited
 Subramanian Building, 1, Club House Road,
 Anna Salai, Chennai - 600002,
 Ph : +91-44-28460390
 Fax : +91-44-28460129
 E-mail: investor@cameoindia.com

General Information

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

56th Annual General Meeting

Date & Time

11th August, 2017 at 3.00 p.m.

Venue

2nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga – C. Rly, Mumbai – 400019

Dividend declared

200 % (₹ 4.00 per share)

Book closure

From 4th August, 2017 to 11th August, 2017 (both days inclusive)

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. A route map to the venue of AGM is appended in Page No. 86

**NOTICE**

NOTICE is hereby given that the **FIFTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED** will be held at 2nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga – C. Rly, Mumbai – 400019 on Friday, the 11th day of August, 2017 at 3.00 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, 2017, the reports of the Board of Directors and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Indira Sundararajan (DIN: 00092203), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT appointment of M/s. Brahmayya & Co., Chartered Accountants (Registration No. 000511S) to hold office as Auditors of the Company, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company be and is hereby ratified and that the remuneration to Auditors for the financial year ending 31st March, 2018 shall be fixed by the Board of Directors of the Company.”

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 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, 2018, 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 aggregate not more than ten percent 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 4th August, 2017 to 11th August, 2017 (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 3rd day of August, 2017 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 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 erstwhile Companies Act, 1956 and Section 124 & 125 of Companies Act, 2013 the Company has transferred the unpaid or unclaimed dividend, if any, up to 2008-2009 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.

The shareholders may note that Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, was notified by the Ministry of Corporate Affairs effective from September 7, 2016. The Rule contains *inter alia* the following provisions:

- i) transfer of all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more in the name of IEPF suspense account.
- ii) the unclaimed dividend and corresponding shares transferred to IEPF Authority / suspense account including all benefits accruing on such shares, if any, can be claimed back from the IEPF authority after following the procedure prescribed in the Rules.

In compliance with the requirements set out in the Rules, the Company has communicated to the concerned shareholders individually, whose shares are liable to be transferred to the IEPF suspense account under the said Rules for taking appropriate action.

Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, a published copy of notice to Shareholders, and a list of shareholders, whose shares are liable to be transferred to IEPF Suspense account as per the said Rules have been posted in the Company's website: www.ultramarinepigments.net/investors for the information of the shareholders.

7. Details under SEBI Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form 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 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(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 2017 are being sent in the permitted mode.
9. Electronic copy of the Notice of the 56th 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 Participants(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 56th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
10. Members may note that the Notice of the 56th Annual General Meeting and the Annual Report for 2016-17 will 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 shares 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, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 56th Annual General Meeting (AGM) by electronic means and the business may be



transacted through e-Voting Services. The facility of casting the votes by the members using electronic voting system from a place other than venue of AGM (“remote e-voting”) will be provided by Central Depository Services of India Limited (CDSL).

- II. The facility for voting through ballot paper will be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-voting will be able to exercise their rights at the meeting through ballot paper.
- III. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 8th August, 2017 at (9.00 a.m.) and ends on 10th August, 2017 at (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 of 5th August, 2017 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date are not entitled to vote at the meeting venue.
- (iii) The shareholders should log in to the e-voting website: www.evotingindia.com.
Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. ● The Sequence no. is printed on the address slip of the Annual report cover.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non-Individual Shareholders and Custodians.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
15. 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 of 4th August, 2017.
16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 5th August,2017, may obtain the login ID and password by sending a request at evoting@cdslindia.com. However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.



17. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut –off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper.
18. Ms. Ranjana Mimani, Company Secretary in practice (Membership No.17083) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e –voting facility.
20. The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e –voting in the presence of at least two witnesses not in the employment of the Company and shall make , not later than three days of the conclusion of AGM, a consolidated scrutinizer’s report of the total votes cast in favour of or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
21. The Results declared along with the report of the Scrutinizer shall be placed on the Company’s website: www.ultramarinepigments.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
22. 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 Saturdays, 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

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 and to issue Cost Audit report for the financial year ending March 31, 2018 as per the following details;

Name of the Cost Auditor	Audit fees (₹)
Mr. G. Sundaresan (Membership No. 11733)	25,000/-

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Directors and Key Managerial personnel of the Company and their relatives are, concerned or interested, in the resolution set out at Item No. 5 of the Notice.

Regd. Office:
Thirumalai House,
Plot No. 101-102, Road No. 29, SION (East),
Mumbai-400 022
Date: 26th May, 2017

By the Order of the Board

For **ULTRAMARINE & PIGMENTS LIMITED**
[Kishore Kumar Sahoo]
Company Secretary



DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER SEBI LISTING REGULATIONS:

Name of the Director	Indira Sundararajan
DIN	00092203
Date of Birth	09.05.1948
Qualification	B Sc. Tech
Expertise in specific functional areas	Mrs. Indira Sundararajan is a Technologist with extensive experience in Business and Trade.
Relationship with Director	Mr. R. Sampath, Non Executive Chairman is Brother
Directorship in other Companies	None
Membership /Chairmanship in Committees	Member, Stakeholders Relationship Committee
Shareholding in the Company	She holds by herself 1,071,855 equity shares in the Company.

Regd. Office:
Thirumalai House,
Plot No. 101-102, Road No. 29, SION (East),
Mumbai-400 022

Date: 26th May, 2017.

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

[Kishore Kumar Sahoo]
Company Secretary

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

To
Dear Members,
 Your Directors have the pleasure of presenting the 56th Annual Report and the audited financial statement of the Company for financial year ended March 31, 2017.

FINANCIAL RESULTS:

The financial performance of the Company for the year ended March 31, 2017 is summarized below:

Particulars	₹. In lacs	
	Year ending 2016-2017	Year ending 2015-2016
Gross Profit before finance Costs, depreciation & amortisation	5,229	4,235
Finance costs	(25)	(9)
Profit before depreciation, amortisation and Tax	5,204	4,226
Depreciation & amortisation	(414)	(322)
Profit before Tax	4,790	3,904
Current Tax Expense	(1,298)	(965)
Profit after Current Tax	3,492	2,939
Provision for Deferred Tax	(250)	(212)
Excess provision for earlier years	(2)	8
Profit after Tax	3,240	2,735
Balance brought forward from previous year	6,764	5,259
Profit available for appropriation	10,004	7,994
Appropriations:		
Dividend	-	(1,022)
Tax on Dividend	-	(208)
Closing Balance	10,004	6,764

DIVIDEND:

Your Directors have recommended a Dividend of ₹ 4/- per share of the nominal value of ₹ 2/- each for the year ended March 31, 2017 [previous year ₹ 3.50/- per share of nominal value ₹ 2/- per share]. The payment of dividend together with the tax thereon absorbed a sum of ₹ 1,405.77 Lakhs. The dividend, if declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 18th August, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS**OPERATIONS AND FINANCIAL PERFORMANCE**

Your Company has performed well with all divisions making significant contributions during the financial year. Revenues from operations improved by 16% to ₹ 255.41 crores, and the profit before tax by 23% to ₹ 47.90 crores.

This was made possible by better capacity utilisation of both the manufacturing plants situated at Ranipet & Ambattur. These improvements are due to a continuous upgradation of our technical capabilities with a sizeable investment in plant & machinery at both the manufacturing facilities. The manufacturing operations have also



focused this year on an optimal product mix. Overall, we saw an improvement of margins, with 17% gross profit from manufacturing (15.5% in FY16), and 32.8% gross profit from ITES (24% in FY16).

Detailed analysis of segment wise performance is given below.

Pigment Division

The profitability of this division improved this year, inspite of tepid volume growth in the retail market. A focus on value added products in the exports market, and improved cash flow from the domestic industrial market strengthened our financials. With a growing emphasis on R&D, we expect to keep pace with the value-added market globally and domestically. We expect this division to retain its health over the coming year.

The Pigments division achieved a net revenue of ₹ 72.61crores (4907 MT) in this financial year [(as compared to ₹ 66.37 crores (4747 MT) in the previous financial year)] showing a 14% increase in volumes, and a 10% increase in value.

Surfactants Division

With debottlenecking of the plant, we were able to add 20% to our capacity, which we were able to use fully. While some raw material prices remained soft over the year, others rose rapidly. We were able to add more vendors for these raw materials, and source them competitively. We have introduced new products, and now offer a wider variety of surfactants for the home and personal care industry.

Due to the debottlenecking and a focus on value added products, the Surfactants division increased its revenues by 23% to ₹ 149.47 crores in this financial year, as compared to ₹ 121.33 crores in FY 15-16. We were able to tap the export market this year, and maintained better margins over the previous year.

Wind Mill Generation

The Company has optimised the ratio of captive consumption to sale to State Grid. This has resulted in reduction of power cost and outstanding dues from State electricity board.

This year the total units generated went up by 66% to 70.34 lakhs units & with the easing of evacuation problem to State Grid, revenue (including captive consumption) improved by 67%.

IT Division

During the year under review, this division reported an income of ₹ 31.36 crores, while the revenue growth remained muted, profit improved by 23%. This was

possible due to better pricing, increased revenue in certain segments, improved margins from operations and reduction in overhead cost.

Exports

The export earnings from manufacturing divisions went up by 21% mainly on account of addition of more distributors in new overseas markets. We improved our offering in value added products in the pigments division, and were able to add efficiency to our product matching according to customer specifications.

We added new export customers in surfactants, in Brazil, Australia, South East Asia, helping improve both revenues and profits for the division.

Earnings Per Share (EPS)

Earnings Per Share (EPS) is at ₹ 11.10 (Previous Year ₹ 9.37) and Cash Earnings Per Share (CEPS) is ₹ 12.51 (Previous Year ₹ 10.47) on the paid up value of ₹ 2/- per share.

INTERNAL FINANCIAL CONTROL

The Company maintains all its records in an ERP system tailor made to suit Company specific requirements. The work flow and majority of approvals are routed through this system.

The Company has put in place adequate systems and well drawn procedures for ensuring internal financial controls and are being followed in the normal course of operations of the Company.

Internal Auditor is present at the Audit Committee meetings and the quarterly reports, observation & the management responses are reviewed. Audit committee ensures that appropriate actions to correct deviations, if any, are taken up immediately by the management.

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

The Company has enlisted the services of an external firm of Chartered Accountants to evaluate the internal financial control systems and put in place the process of identifying risks & establishment of adequate 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.



RISKS AND CONCERNS

1. The domestic market for pigments continued to pose challenge both in the form of competition from unorganised sector & shrinking demand for laundry and white washing applications. With the introduction of GST this may be mitigated to some extent.
2. Availability of Alpha Olefin, a key imported raw-material of Surfactants division continues to be erratic, plagued by artificial shortages and delays in shipment. This will affect the capacity utilisation.

PROSPECTS & OUTLOOK

Product mix and capacity utilization are the two key factors that drive our revenue and profitability. We continue to explore newer markets with more value added products. As stated in our earlier reports, emphasis on new products in Pigments division like violet, yellow etc. yielded a good result and going forward we will encash this opportunity to our advantage.

CAUTIONARY STATEMENT

The statements made in the report describe 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.

SHARE CAPITAL

The paid up equity share capital as on 31st March, 2017 was ₹ 5.84 crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

DIRECTORS

- (i) As per the provisions of Companies Act, 2013, Mrs. Indira Sundararajan (DIN.00092203), retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.
- (ii) Mr. S. Sridhar (DIN.00091424) ceased to be Director with effect from 08.08.2016.
- (iii) Mr. S. Santhanam (DIN.00092016) ceased to be Director with effect from 08.08.2016.
- (iv) Mr. R. Senthilkumar (DIN. 0007506297) appointed as Whole-time Director of the Company for a period of 3 years with effect from 01.08.2016.
[ii, iii, iv: considered /approved by the shareholders through e-voting and poll conducted for the Annual General Meeting held on 08.08.2016]

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors had furnished to the Company a declaration under section 149 (7) of the Companies Act, 2013 stating that they meet criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

MEETINGS

During the year, five Board meetings and five Audit Committee meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of Board Committees was carried out.

The performance of Chairman of the Board was reviewed by the Independent Directors taking into account the views of the Executive Directors. The parameters considered were leadership ability, adherence to corporate governance practices etc.

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated). The parameters considered were compliance to regulation and statutes with due emphasis on corporate governance, technical competence, contribution to discussion on strategy / performance, motivating and reviewing key employees etc.

The Independent Directors have assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation of Independent Directors was done by the entire Board of Directors (excluding the Independent Director being evaluated). They are evaluated on various parameters viz., participation in Board and Committee meetings, value addition to discussions on strategy, objectivity and independence of views, suggesting in best practices and new perspectives from their experience. etc.

The evaluation process was conducted through a format of questionnaire with provision for rating on a scale from 1 to 5 (5 being the highest and 1 being the lowest).



POLICIES

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed companies. In compliance with the same, the Company has formulated the policies. The corporate governance policies viz. Policy on Related Party Transactions, Corporate Social Responsibility Policy, Policy on Board Diversity, Policy on Disclosure of Material Event / Information, Code of Fair Disclosure under SEBI (Prohibition of Insider Trading) Regulations, 2015, Whistle Blower Policy etc. are available on our Company's website: www.ultramarinepigments.net.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy of the Company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub – section (3) of Section 178 of the Companies Act, 2013 was framed on the recommendation of Nomination and Remuneration Committee and approved by the Board. The key objective of this policy is selection, appointment of and remuneration to Key Managerial Personnel, Directors and Senior Management Personnel. The said policy is given as Annexure – 1 to the Director's Report.

RISK MANAGEMENT POLICY

A Risk Management Policy was framed and approved by the Board. The objective of this policy is to minimize the adverse impact of various risks on business goals and objectives and enhancement of the value of stakeholders. The Board has constituted a risk management committee and during the year, the Committee met once to review the risk management framework comprising of various risks and the mitigation plan.

VIGIL MECHANISM (Whistle blower policy)

The vigil mechanism of the Company incorporates a whistle blower policy in terms of listing agreement (now SEBI Listing Regulations) with Stock Exchange. Through this policy it aims to provide an avenue for employees to raise their concerns on any violation of legal or regulatory requirements, fraud, misfeasance, misrepresentation of financial statements and reports.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17.

No. of complaints received: Nil, No. of complaints disposed off: NA

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec. 134 (5) of the Companies Act, 2013, the Directors confirm that.

- i] in the preparation of the annual accounts for the year ended March 31, 2017 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, 2017 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.
- iv] the annual accounts have been prepared on a "going concern "basis.
- v] that proper internal financial controls are laid down and are adequate and operating effectively.
- vi] that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Particulars of loans and investments are provided in the financial statements (Please refer Note 3.9, 3.10, and 3.11 to the financial statement).

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons



which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee was obtained for the transactions which were foreseen and repetitive in nature. The transactions for which omnibus approval was required were placed before the Audit Committee and Board for their review and approval.

A policy on Related Party Transactions was framed, approved by the Board and posted on the Company's website, www.ultramarinepigments.net.

The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC - 2 is not applicable.

STATEMENT PURSUANT TO SEBI LISTING REGULATIONS

The Company's shares are listed with Bombay Stock Exchange Ltd. Your Company has paid the respective annual listing fees and there are no arrears.

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance is annexed herewith. As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate on Corporate Governance is enclosed to the Board's Report.

AUDITORS

Pursuant to the provision of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rule, 2014, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Brahmayya & Co., Chartered Accountants, Chennai as statutory auditors is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

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 2016-17.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Company has appointed M/s. R.M. Mimani & Associates LLP, a firm of Company Secretaries in practice

as Secretarial Auditor to undertake the secretarial audit of the Company. The Secretarial audit report in Form MR- 3 is given in Annexure -2 to this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT- 9 are given in Annexure – 3 to this report.

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1),(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in Annexure – 4 & 5 to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars required to be included in terms of section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure – 6 to this report.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY:

A report on CSR initiatives of the Company and CSR policy are given in Annexure – 7 to this report.

ACKNOWLEDGEMENT

Your Directors thank the various Central and State Government Departments, Organisations and Agencies for their help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., shareholders, customers, dealers, vendors, banks for their support. The Directors place on record their sincere appreciation of all employees of the Company for their commitment and continued contribution to the Company.

On Behalf of the Board
For **Ultramarine & Pigments Limited.,**

Indira Sundararajan
Managing Director
[DIN: 00092203]

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

Place: Chennai
Date: 26th May, 2017



ANNEXURE - DIRECTOR'S REPORT

Annexure - 1

Nomination and Remuneration Policy

Objectives

The Key Objectives of the Committee and the Policy:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Role of the Committee

The role of the Committee *inter alia* will be the following:

- a) to formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management.
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board (i) policy relating to remuneration for, Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matter relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration are reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration Policy

Managing Director(s), Whole-time Director, Non – Executive and Independent Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non - Executive Directors. This will then be approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director(s), and Whole-time Director. Remuneration is paid within the ceiling approved by the Shareholders.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees, and commission if any, payable on the net profit of the Company as per the ceiling prescribed under Companies Act, 2013.

CEO, COO, CFO, CS and Senior Management Personnel

The remuneration of CEO, COO, CFO, CS and senior management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company, while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry as a whole.



R M MIMANI & ASSOCIATES LLP

Company Secretaries

A-101, Excellency, Old Raviraj Complex, Jessal Park, Bhayander (East), Thane - 401105

Ph. No. 022-69999914, Email:rmimani222@gmail.com

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To

The Members

Ultramarine & Pigments Limited, Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ultramarine & Pigments Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon .

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. Other law applicable specifically to the Company, as detailed below;
 - a. Explosive Act, 1974
 - b. Hazardous Wastes (Management and Handling) Rules, 1989
 - c. The Chemical Weapons Convention Act, 2000
 - d. Information Technology Act, 2000 and the rules made thereunder
 - e. Copyrights Act, 1957
 - f. The Trade Marks Act, 1999
 - g. Factories Act, 1948 and the rules made thereunder



We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.
- (iii) The listing agreement entered into by the Company with Stock Exchanges in India.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above and further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company.

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and /Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent in compliance with Secretarial Standard. There exists a formal system for Directors to seek and obtain further information and clarification on the agenda items before the meeting for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, majority decision carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there were no specific events/actions in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

For **R M MIMANI & ASSOCIATES LLP**
[COMPANY SECRETARIES]

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No: 4234

Place: Mumbai
Date: 26th May, 2017

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



Annexure - "A"

To,
The Members
Ultramarine & Pigments Limited
Mumbai

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- 2.. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Whereever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R M MIMANI & ASSOCIATES LLP**
[COMPANY SECRETARIES]

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No: 4234

Place: Mumbai
Date: 26th May, 2017



EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L24224MH1960PLC011856
Registration Date	25.10.1960
Name of the Company	Ultramarine & Pigments Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	Thirumalai House, Plot No.101/102, Road No.29, SION (East), Mumbai - 400022. Ph: 022-43686200
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Ltd, Subramanian Building No.1, Club House Road Anna Salai, Chennai - 600002 Ph: 044 – 28460390, Fax : 044 - 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the Company
1	Surfactants	202	58.45
2	Pigments	201	28.00
3	ITES	620	12.28

* As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA

S.No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
-	-	-	-	-	-



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	11,013,814	-	11,013,814	37.72	11,056,814	-	11,056,814	37.87	0.15
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3,120,353	-	3,120,353	10.69	3,083,820	-	3,083,820	10.56	-0.13
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other - Trust	1,206,133	-	1,206,133	4.13	1,206,224	-	1,206,224	4.13	0.00
Sub-Total (A) (1)	15,340,300	-	15,340,300	52.54	15,346,858	-	15,346,858	52.56	0.02
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter = (A) (1) + (A) (2)	15,340,300	-	15,340,300	52.54	15,346,858	-	15,346,858	52.56	0.02



Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	41,168	800	41,968	0.14	41,168	800	41,968	0.14	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	33,356	-	33,356	0.11	33,356	-	33,356	0.11	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	74,524	800	75,324	0.25	74,524	800	75,324	0.25	
(2) Non- Institutions									
(a) Bodies Corporate									
i. Indian	245,995	-	245,995	0.84	289,033	-	289,033	0.99	0.15
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	7,495,152	1,217,850	8,713,002	29.84	7,823,474	1,135,860	8,959,334	30.68	0.84
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	3,924,945	-	3,924,945	13.44	3,533,937	-	3,533,937	12.10	-1.34



Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(C) Others (Specify)									
Clearing members	3,856	-	3,856	0.01	22,724	-	22,724	0.08	0.07
Hindu undivided families	369,938	-	369,938	1.27	411,058	-	411,058	1.41	0.14
NRI	520,140	-	520,140	1.78	543,273	-	543,273	1.86	0.08
Trusts	6,500	-	6,500	0.02	1,000	-	1,000	0.00	0.02
Foreign Portfolio Investor (Individual)	-	-	-	-	17,459	-	17,459	0.06	0.06
Sub-Total (B)(2)	12,566,526	1,217,850	13,784,376	47.21	12,641,958	1,136,660	13,778,618	47.19	-0.02
Total Shareholding of Public = (B) (1) + (B) (2)	12,641,050	1,218,650	13,859,700	47.46	12,716,482	1,136,660	13,853,142	47.44	-0.02
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27,911,100	1,288,900	29,200,000	100.00	28,063,340	1,136,660	29,200,000	100.00	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27,911,100	1,288,900	29,200,000	100.00	28,063,340	1,136,660	29,200,000	100.00	-



(ii) Shareholding of Promoters:

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	THIRUMALAI CHEMICALS LIMITED	3,044,800	10.43	-	3,044,800	10.43	-	-
2	SANTHANAM SUNDARARAJAN	1,222,636	4.19	-	1,222,636	4.19	-	-
3	SRIDHAR SUNDARARAJAN	1,223,595	4.19	-	1,223,595	4.19	-	-
4	INDIRA SUNDARARAJAN	1,071,855	3.67	-	1,071,855	3.67	-	-
5	BHOOMA PARTHASARATHY	811,763	2.78	-	811,763	2.78	-	-
6	JAYALAKSHMI SUNDARARAJAN	732,040	2.51	-	732,040	2.51	-	-
7	R SAMPATH	872,242	2.99	-	872,242	2.99	-	-
8	S SANTHANAM	519,075	1.78	-	519,075	1.78	-	-
9	PARTHASARATHY RANGASWAMY	716,331	2.45	-	736,331	2.52	-	0.07
10	SUJATA SAMPATH	582,634	1.99	-	582,634	1.99	-	-
11	DAYA SRIDHAR	482,928	1.65	-	482,928	1.65	-	-
12	KALA SUNDARARAJAN	396,970	1.36	-	396,970	1.36	-	-
13	RANGASWAMY PARTHASARATHY	407,400	1.39	-	407,400	1.39	-	-
14	SRIDHAR SUNDARARAJAN	350,449	1.20	-	350,449	1.20	-	-
15	DEEPA AJAY	306,200	1.05	-	306,200	1.05	-	-
16	RANGASWAMY SAMPATH (G S FAMILY TRUST)	315,301	1.07	-	315,301	1.07	-	-
17	RANGASWAMY SAMPATH	260,207	0.89	-	260,207	0.89	-	-
18	R SAMPATH (R S FAMILY TRUST)	259,243	0.89	-	259,243	0.89	-	-
19	SUJATA SAMPATH (V S FAMILY TRUST)	260,869	0.84	-	260,960	0.89	-	-



Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
20	GEETHA .S	192,962	0.66	-	192,962	0.66	-	-
21	BHOOMA PARTHASARATHY (M P FAMILY TRUST)	187,960	0.64	-	187,960	0.64	-	-
22	PARTHASARATHY RANGASWAMY (T P FAMILY TRUST)	182,760	0.63	-	182,760	0.63	-	-
23	PRAVIN RANGACHARI	180,030	0.62	-	180,030	0.62	-	-
24	S VARADARAJAN	160,000	0.55	-	160,000	0.55	-	-
25	SRINATH SRIDHAR	144,680	0.50	-	144,680	0.50	-	-
26	S VIDYA	107,515	0.37	-	107,515	0.37	-	-
27	S NARAYAN	72,800	0.25	-	72,800	0.25	-	-
28	SAM C SALES & MARKET CREATING LLP	75,553	0.26	-	0	0.00	-	-0.26
29	RAMYA BHARATHRAM	36,360	0.12	-	59,360	0.20	-	0.08
30	V BHARATHRAM	36,000	0.12	-	36,000	0.12	-	-
31	MEERA PARTHASARATHY	48,120	0.16	-	48,120	0.16	-	-
32	TARA PARTHASARATHY	20,000	0.07	-	20,000	0.07	-	-
33	ADITYA RAJAN	17,200	0.06	-	17,200	0.06	-	-
34	KAVYA NARAYAN	16,000	0.05	-	16,000	0.05	-	-
35	UTTARA B	16,000	0.05	-	16,000	0.05	-	-
36	V S SUNDARARAJAN	4,108	0.01	-	4,108	0.01	-	-
37	BINA RAJAN	4,000	0.01	-	4,000	0.01	-	-
38	PRATHAMESH KARKAL	1,600	0.01	-	1,600	0.01	-	-
39	VARADARAJAN SANTHANAM	114	-	-	114	-	-	-
40	JASMINE LTD	0	0.00	-	39,020	0.13	-	0.13
Total		15,340,300	52.54	-	15,346,858	52.56	-	0.02

*(iii) Change in Promoters' Shareholding (please specify, if there is no change):*

Sl. No	Name of Promoters Datewise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year					
1.	R. Parthasarathy	1,123,731	3.84	1,123,731	3.84
	17.11.2016 Market purchase	20,000	0.07	1,143,731	3.91
At the End of the year		1,143,731	3.91	1,143,731	3.91
At the beginning of the year					
2.	Ramya Bharathram	36,360	0.12	36,360	0.12
	23.11.2016 Market purchase	23,000	0.08	59,360	0.20
At the End of the year		59,360	0.20	59,360	0.20
At the beginning of the year					
3.	SAM – C- Sales Market creating LLP	75,553	0.26	75,553	0.26
	18.11.2016 – 25.11.2016	-1,414	0.01	74,139	0.25
	25.11.2016 – 02.12.2016	-200	0.00	73,939	0.25
	02.12.2016 – 09.12.2016	-1,793	0.01	72,146	0.24
	09.12.2016 – 16.12.2016	-2,822	0.01	69,324	0.23
	16.12.2016 – 23.12.2016	-4,781	0.01	64,543	0.22
	23.12.2016 – 31.12.2016	-12,751	0.04	51,792	0.18
	02.01.2017	-3,023	0.01	48,769	0.17
	03.01.2017	-8,229	0.03	40,540	0.14
	04.01.2017	-2,678	0.01	37,862	0.13
	05.01.2017	-37,862	0.13	0	0.00
	Market sale				
At the End of the year		0	0.00	0	0.00
At the beginning of the year					
4.	Jasmine Limited	0	0.00	0	0.00
	29.12.2016 Market purchase	39,020	0.13	39,020	0.13
At the End of the year		39,020	0.00	39,020	0.13

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	R Sundararajan	616,789	2.11	613,278	2.11
2.	K. Sridhar	320,662	1.09	316,662	1.08
3.	T. Vijayaraghavan	685,000	2.35	685,000	2.35
4.	R. Ramachandran	322,855	1.10	322,855	1.10
5.	Govindbhai Baldev Desai	314,100	1.07	314,100	1.07
6.	Srinivasan Krishnaswamy	285,618	0.97	234,982	0.80
7.	Saroja Srinivasan	280,300	0.96	271,800	0.93
8.	K. Sridhar	257,000	0.88	257,000	0.88
9.	K. Padma	189,691	0.65	189,691	0.65
10.	S. Bhooma	171,064	0.58	169,404	0.58

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1.	Mr. Vinod G. Nehemiah, Director	177,600	0.61	177,600	0.61
	During the year	-	-	-	-
	At the End of the year	177,600	0.61	177,600	0.61
2.	At the beginning of the year				
	Mr. Nimish U. Patel, Director	52,589	0.18	52,589	0.18
	During the year	-	-	-	-
	At the End of the year	52,589	0.18	52,589	0.18



Sl. No.	Name of the Directors and KMP Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	At the beginning of the year				
	Dr. Gopakumar G Nair, Director	18,000	0.06	18,000	0.06
	During the year	-	-	-	-
	At the End of the year	18,000	0.06	18,000	0.06
4.	Mr. T.R. Madhavan, Director	600	0.00	600	0.00
	During the year	-	-	-	-
	At the End of the year	600	0.00	600	0.00
	At the beginning of the year				
5.	Mr. Navin M Ram, Director	500	0.00	500	0.00
	During the year	550	-	1,050	-
	At the End of the year	1,050	0.00	1,050	0.00
	At the beginning of the year				
6.	Mr. S. Ragothaman, Director	500	0.00	500	0.00
	During the year	-	-	-	-
	At the End of the year	500	0.00	500	0.00
	At the beginning of the year				
7.	Mr. S. Ramanan, CFO	934	-	934	0.00
	During the year	-	-	-	-
	At the End of the year	934	0.00	934	0.00
	At the beginning of the year				
8.	Mr. Kishore Kumar Sahoo, Company Secretary	10	0.00	10	0.00
	During the year	-	-	-	-
	At the End of the year	10	0.00	10	0.00

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in Lakhs

Sl. No	Particulars of Remuneration	Indira Sundararajan, Vice Chairperson and Managing Director	Tara Parthasarathy, Joint Managing Director	R. Senthil Kumar Whole-time Director
1				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57.00	26.91	18.62
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	1.32	1.14
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	128.79	51.52	-
5	Others, Variable pay	-	-	7.00
Total (A)		186.11	79.75	26.76

B. Remuneration to other Directors:

₹ in Lakhs

Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Gopakumar G. Nair	Nimish U. Patel	T.R. Madhavan	Vinod G Nehemiah	Navin M. Ram	S. Raghothaman	
1.	Independent Directors							
	• Fee for attending board /committee meetings	3.60	4.40	5.20	2.80	3.20	3.20	22.40
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
Total (1)		3.60	4.40	5.20	2.80	3.20	3.20	22.40
		R. Sampath	S. Santhanam	S. Sridhar				
2.	Other Non-Executive Directors							
	• Fee for attending board /committee meetings	3.20	0.80	0.40				4.40
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
Total (2)		3.20	0.80	0.40				4.40
Total (B) = (1)+(2)								26.80



C. Remuneration to other Directors, key managerial personnel other than MD/MANAGER/WTD:

₹ in Lakhs

S. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.60	12.85	40.45
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–
5	Others, please specify	–	–	–
Total (C)		27.60	12.85	40.45

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

On Behalf of the Board
For **Ultramarine & Pigments Limited.,**

Indira Sundararajan
Managing Director
[DIN: 00092203]

Place: Chennai
Date: 26th May, 2017



Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2016 - 17

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1.	Indira Sundararajan	Vice Chairperson and MD	85:1
2.	Tara Parthasarathy	Joint Managing Director	37:1
3.	R. Senthil Kumar *	Whole-time Director	11:1

* Appointed in the year, 2016

- ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year, 2016-17.

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Indira Sundararajan	Vice Chairperson and MD	19.13
2.	Tara Parthasarathy	Joint Managing Director	27.47
3.	R. Senthil Kumar	Whole-time Director	NA
4.	S. Ramanan	Chief Financial Officer	6.84
5.	Kishore Kumar Sahoo	Company Secretary	13.30

- iii) The percentage decrease in the median remuneration of Employees in the financial year is 2.25%.

- iv) The Company has 916 permanent employees on the rolls of Company as on 31st March, 2017.

- v) Relationship between average increase in remuneration and Company's performance:

The profit before tax for the financial year ended 31st March, 2017 increased by 23% whereas the average decrease in remuneration was 38% due to cessation of Chairman and Managing Director and a Joint Managing Director.

- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

₹ in Lakhs

Sl. No.	Particulars	Year (2016-17)	Year (2015-16)	Percentage of increase
1	Sales	25,541	22,023	16%
2	Profit before tax	4,790	3,904	23%
3.	Remuneration of the KMP	334	563	(41%)



vii) Market capitalization and price earnings ratio details are as under:

Particulars	As on 31.03.2017	As on 31.03.2016	Increase / (Decrease) (%)
Price Earnings Ratio	19.68	11.61	69.51
Market Capitalization (Rs. in Crore)	538.45	317.70	69.49

The Company has not made any public issue of shares.

viii) Average percentage decrease in the salaries of employees other than the managerial personnel in the financial year is 32.89% whereas the decrease in the managerial remuneration was 44.22%.

ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

Sl. No.	Name of Key Managerial Personnel	Designation	Percentage increase in Remuneration	Percentage of increase in performance
1.	Indira Sundararajan	Vice Chairperson and MD	19%	16%
2.	Tara Parthasarathy	Joint Managing Director	27%	16%
3.	R. Senthil Kumar	Whole – time Director	NA	16%
4.	S. Ramanan	Chief Financial Officer	7%	16%
5.	Kishore Kumar Sahoo	Company Secretary	13%	16%

x) The key parameter for any variable component of remuneration availed by Managing Directors:

Only Commission is payable in addition to monthly remuneration. The Commission is based on the performance of the Company and is paid upon recommendation of Nomination and Remuneration Committee. Variable compensation is payable to a Whole-time director of the Company.

xi) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable

xii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



Annexure - 5

Details of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Remuneration (₹)	Percentage of equity shares held in the Company	Date of commencement of employment	Last Employment held
1.	Mrs. Indira Sundararajan	69	B.Sc. Tech 25 yrs	Vice Chairperson and Managing Director	18,611,820	3.67	01/07/2003	Thirumalai Chemicals Ltd.,
2.	Ms. Tara Parthasarathy	31	B Tech, Master of Environmental Management (MEM) 7 Yrs	Joint Managing Director	7,974,948	0.07	16/03/2015	World Resources Institute, Bangalore
3.	*Mr. R. Senthil Kumar	50	Science Graduate 28 yrs	Whole – time Director	2,676,052	0.00	20/07/1988	Ultramarine & Pigments Ltd., as General Manager-Operations

*Appointed as Whole-time Director with effect from 01/08/2016.

Notes:

1. Remuneration includes Company's contribution to Provident Fund, Medical Benefits, Leave Travel Allowance and commission payable etc.
2. Nature of employment is contractual.

On Behalf of the Board
For **Ultramarine & Pigments Limited.**,

Indira Sundararajan
Managing Director
[DIN: 00092203]

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

Place: Chennai

Date: 26th May, 2017



Annexure - 6

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

I. CONSERVATION OF ENERGY

- a) Energy saving systems are incorporated wherever necessary and 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 31.03.2017	Year Ending 31.03.2016
a) Purchased Units	KW /HR	6,287,465	5,151,321
Total amount paid	₹	51,944,427	44,573,204
Rate/ Unit	₹	8.26	8.65
b) Own Generation			
Through Windmill	KW/HR	1,069,335	570,559
Through Solar	KW/HR	160,143	95,054
Through DG	KW/HR	154,262	162,802
Unit / Litre of Diesel Oil	KW/HR	3.29	3.32
Cost Per Unit	₹	16.67	15.57
2. COAL AND COKE			
Coal & Coke & Pet Coke	₹	31,528,820	24,801,370
Coal & Coke & Pet Coke	Tons	1,976	1,564
Rate / Ton	₹	15,955	15,854
3. FURNACE OIL/ DIESEL / SKO ETC			
Furnace Oil / Diesel / SKO Etc.	KL	1,236	991
Total amount	₹	38,507,280	28,709,294
Rate / KL	₹	31,308	28,965
4. RESEARCH & DEVELOPMENT EXPENDITURE ON R&D			
i) Capital	₹	4,527,487	5,914,401
ii) Recurring	₹	13,577,108	13,252,854
iii) Total	₹	18,104,595	19,167,255
iv) Total R&D Expenditure as a percentage of total turnover		0.71%	0.87%

II. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION

Your Company is taking initiatives for improving the 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 stiff competition faced in the international market, vigorous efforts are being made to enhance our revenue from IT-Enabled Services Division. Earnings in Foreign Exchange from Exports and Services are given in Notes forming part of Accounts.

On Behalf of the Board

For Ultramarine & Pigments Limited.,

Indira Sundararajan
Managing Director
[DIN: 00092203]

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

Place: Chennai
Date: 26th May, 2017



Annual Report on Corporate Social Responsibility (CSR) activities

A policy on Corporate Social responsibility (CSR) was adopted and implemented in the year 2014. CSR policy is stated herein below.

Composition of CSR Committee:

Mr. T.R. Madhavan	Chairman of the Committee	(Independent Director)
Mr. Vinod G. Nehemiah	Member of the Committee	(Independent Director)
Mr. R. Sampath	Member of the Committee	(Non-Executive Director)

CSR Policy

(approved by the Board of Directors on 27th May, 2014)

Corporate Social Responsibility (CSR) Philosophy

In UPL, giving back to the community is considered as a necessity and not a choice. Since inception, it has been inculcated in our employees and our management that the Company's well-being hinges not only upon the financial health, efficiency of production and general health and wealth of our employees but also upon the health, wealth and opportunities available to the weaker section of the society with special focus on rural people.

CSR Vision:

- To catalyze rural people to build sustainable communities and improve their quality of life.
- To build community based organizations with local leaders.
- To develop and deliver a unique model of accessible, affordable primary and secondary health care.
- Rehabilitation service for families suffering from alcoholism.

CSR contribution:

Pursuant to the provisions of Companies Act, 2013, the Company should spend in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial year. In compliance with the said provision, the expenditure made by the Company towards CSR activities for the financial year 2016 -17 is given below:

Particulars	Amount
i) Average net profit of the Company for the last three years (computed as per the provision of section 198 of the Companies Act, 2013)	₹ 2,938 Lakhs
ii) Prescribed CSR expenditure: 2% of (i) above	₹ 58.99 Lakhs
iii) Total amount spent for the financial year towards CSR activities	₹ 67.00 Lakhs



iv) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub – heads: 1) Direct expenditure on projects or programs. (2) Overheads: (₹ in lakhs)	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount spent direct or through implementing agency
1.	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i) promoting health care including preventive health care	Ranipet, Vellore district of Tamil Nadu	70.00	67.00	178.57	Implementing agency – “Thirumalai Charity Trust”
2.	Awareness Programs relating to health care						

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) policy, is in compliance with CSR objectives and policy of the Company’.

On Behalf of the Board
For **Ultramarine & Pigments Limited.,**

Place: Chennai
Date: 26th May, 2017

Indira Sundararajan
Managing Director
[DIN: 00092203]

T.R. Madhavan
Chairman, CSR Committee
[DIN: 00163992]



CORPORATE GOVERNANCE REPORT, 2017

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulations”]

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 conditions as required by SEBI Listing Regulations.

Board of Directors

(a) Composition of Board as on 31.03.2017

Category	No. of Directors
Executive Directors	3
Non – Executive and Non Independent Directors including Chairman	1
Non executive and Independent Directors	6

(b) Relevant details of Directors

Name of Directors	Category	No. of Directorships of other Public Companies	No. of Memberships of Board Sub-committees
Mr. R. Sampath*	Non-Executive	1	4
Mrs. Indira Sundararajan**	Executive	-	-
Ms. Tara Parthasarathy***	Executive	-	-
Mr. R. Senthil Kumar ****	Executive	-	-
Mr. S. Sridhar \$	Non-Executive	-	-
Mr. S. Santhanam@	Non-Executive	2	-
Dr. Gopakumar G. Nair	Non Executive Independent	3	4
Mr. Nimish U. Patel	Non Executive Independent	3	3
Mr. T.R Madhavan	Non Executive Independent	-	-
Mr. Vinod G. Nehemiah	Non Executive Independent	-	-
Mr. Navin M. Ram	Non Executive Independent	-	-
Mr. S. Ragothaman	Non Executive Independent	8	7

(*) Chairman

(**) Vice Chairperson and Managing Director

(***) Joint Managing Director

(****) Appointed as Whole – time Director with effect from 01.08.2016.

(\$) Ceased to be Director with effect from 08.08.2016.

(@) Ceased to be Director with effect from 08.08.2016.

**(c) Board Meetings:****Number of Board meetings held during the year,2016-17**

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

27/05/2016, 08/08/2016, 12/11/2016, 11/02/2017 & 23/03/2017

The Company Secretary in consultation with Chairman 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) Attendance of Directors at Board meetings and Annual General Meeting

Name of the Directors	Attendance at the Board meetings held on					Attendance at the AGM held on August 8, 2016
	May 27, 2016	August 8, 2016	November 12, 2016	February 11, 2017	March 23, 2017	
Mr. R. Sampath	✓	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	✓	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	✓	✓	✓	✓	✓
Mr. R. Senthil Kumar	–	✓	✓	✓	✓	✓
Mr. S.Sridhar	✓	Absent	–	–	–	Absent
Mr. S. Santhanam	✓	✓	–	–	–	✓
Dr. Gopakumar G. Nair	✓	✓	✓	✓	✓	✓
Mr. Nimish U. Patel	✓	✓	✓	✓	✓	✓
Mr. T. R. Madhavan	✓	✓	✓	✓	✓	✓
Mr. Vinod G. Nehemiah	✓	✓	Leave of absence	✓	✓	✓
Mr. Navin M. Ram	✓	✓	✓	✓	✓	✓
Mr. S. Ragothaman	✓	Leave of absence	✓	✓	✓	Leave of absence

Board Committees**Audit Committee**

Composition of Audit Committee:

Mr. T.R. Madhavan	(Chairman)
Mr. Nimish U. Patel	(Member)
Ms. Tara Parthasarathy	(Member)
Mr. S. Ragothaman	(Member)

The composition of Audit Committee meets with the requirements under section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the year, five meetings of the Audit Committee were held on the following dates: 27/05/2016, 08/08/2016, 12/11/2016, 11/02/2017, and 23/03/2017.

Members of the Committee, Chief Financial Officer as well as the concerned partner of the Statutory Auditor remained present at all the meetings.

The Company Secretary acts as Secretary to the Audit Committee.

Attendance record of Audit Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Mr. T.R. Madhavan	Independent	Chairman	5	5
Dr. Gopakumar G. Nair *	Independent	Member	1	1
Mr. Nimish U. Patel	Independent	Member	5	5
Ms. Tara Parthasarathy	Executive	Member	5	5
Mr. S. Ragothaman **	Independent	Member	4	3

* Dr. Gopakumar G. Nair relieved from the membership of Audit Committee w.e.f 27/05/2016.

** Mr. S. Ragothaman inducted as a member of the Audit Committee w.e.f 27/05/2016.

Mr. S. Ragothaman, is a fellow member of Institute of Chartered Accountants of India. He possesses more than 30 years of experience in Project Finance, Investment Banking, Leasing, Bill Discounting and Financial Restructuring. Last position held as General Manager, ICICI Bank Limited (formerly ICICI Limited).

The Audit Committee review the financial statements and the auditors' report thereon before being placed before the Board; review and monitor the auditors independence and performance, and effectiveness of audit process; recommend for appointment, remuneration and terms of appointment of auditors of the Company; review the statutory and regulatory compliances, internal financial controls and risk management systems, approve related party transactions etc.

The Committee Member's also review the Statement of outstanding Debts, particularly overdue.

Nomination and Remuneration Committee

Composition of the Committee:

Mr. Vinod G. Nehemiah	(Chairman)
Dr. Gopakumar G. Nair	(Member)
Mr. Navin M. Ram	(Member)
Mr. R. Sampath	(Member)

During the year, two meetings of the Committee were held on 25/05/2016, and 11/02/2017.

Attendance record of Nomination and Remuneration Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Mr. Vinod G. Nehemiah	Independent	Chairman	2	2
Dr. Gopakumar G. Nair	Independent	Member	2	1
Mr. Navin M. Ram	Independent	Member	2	2
Mr. R. Sampath	Non-Executive	Member	2	2

Appointment and payment of remuneration to the Directors and key management personnel are referred to/reviewed by the Committee.

**Stakeholders Relationship Committee**

Composition of the Committee:

Dr. Gopakumar G. Nair	(Chairman)
Mr. T.R. Madhavan	(Member)
Mr. S. Sridhar*	(Member)
Mrs. Indira Sundararajan**	(Member)

* Mr. S. Sridhar relieved from the membership of Stakeholders Relationship Committee w.e.f 27/05/2016.

** Mrs. Indira Sundararajan, inducted as a member of the Stakeholders Relationship Committee w.e.f 12/11/2016.

Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer. All complaints whenever received from any investor were timely attended for redressal. Total of 2 complaints were received from the Shareholders during 2016-17, 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.

During the year, one meeting of the Committee was held on 27/05/2016.

Attendance record of Stakeholders Relationship Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Dr. Gopakumar G. Nair	Independent	Chairman	1	1
Mr. T.R. Madhavan	Independent	Member	1	1
Mr. S. Sridhar	Non-Executive	Member	1	Nil

Corporate Social Responsibility (CSR) Committee:

Composition of the Committee:

Mr. T.R. Madhavan	(Chairman)
Mr. Vinod G. Nehemiah	(Member)
Mr. R. Sampath	(Member)

During the year, two meetings of the Committee were held on 27/05/2016 & 23/03/2017. All the members of the Committee were present.

Risk Management Committee

Composition of Risk Management Committee:

Mr. R. Sampath	(Chairman)
Mr. T.R. Madhavan	(Member)
Ms. Tara Parthasarathy	(Member)
Mr. R. Senthil Kumar	(Member)
Mr. S. Ramanan, CFO	(Member)

The Company has adopted and implemented a risk management policy.

During the year, one meeting of the Risk Management Committee was held on 11/02/2017. All the members of the Committee were present. The Company Secretary acts as Secretary to the Committee. The Committee reviewed the risk management framework comprising of various risks and the mitigation plan.



Independent Directors meeting

During the year under review, the Independent Directors met on 23rd March, 2017, *inter alia* to discuss and review:

- (i) Performance of non – independent directors;
- (ii) Performance of the Chairperson of the Company;
- (iii) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent directors were present at the meeting.

Familiarization program for Independent Directors

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programs about the Company. During the financial year, Senior Management of the Company has made presentations, provided information relating to Company's operations, function, and strategy plan of the Company to the independent directors. The details of familiarization program are available at the website of the Company: [www.ultramarinepigments.net / investors /](http://www.ultramarinepigments.net/investors/).

Remuneration of Directors

Managing Director, Whole-time Director

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31/03/2017.

(Amount in Rupees)

Name	Salary	Others	Commission/ variable pay	Total
1. Mrs. Indira Sundarajanan-VCMD	5,700,000	32,400	12,879,420	18,611,820
2. Ms. Tara Parthasarathy- Joint MD	2,691,180	132,000	5,151,768	7,974,948
3. Mr. R. Senthil Kumar-WTD	1,861,752	114,300	700,000	2,676,052

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

Non – Executive Directors and Independent Directors

All the Non – Executive Directors and Independent Directors will be paid a commission not exceeding 1% of net profit of the Company with effect from 01/04/2016. The same was approved by the shareholders at the Annual General meeting held on 08/08/2016.

Sitting fee is payable to the Non-Executive Directors for attending the Board / Committee meetings. The sitting fee paid to the non-executive Directors (2016 -17) is as under:

Name	Amount (₹)
Mr. R. Sampath	320,000
Mr. S. Sridhar	40,000
Mr. S. Santhanam	80,000
Dr. Gopakumar .G. Nair	360,000
Mr. Nimish Patel	440,000
Mr. T.R. Madhavan	520,000
Mr. Vinod G Nehemiah	280,000
Mr. Navin M. Ram	320,000
Mr. S. Ragothaman	320,000
Total	2,680,000

Sitting fees paid 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.

**Shareholdings of Directors**

Details of shares held by Non-Executive Directors as on 31/03/2017

Name	No. of Shares held
Mr. R.Sampath	1,967,953
Dr. Gopakumar G.Nair	18,000
Mr. Nimish U. Patel	52,589
Mr. T.R Madhavan	600
Mr. Vinod G Nehemiah	177,600
Mr. Navin M. Ram	1,050
Mr. S. Ragothaman	500

Brief details of General Body Meetings

The Fifty sixth Annual General Meeting of the Company for the financial year 2016-2017 would be held on **Friday, the 11th Day of August, 2017 at 3.00 p.m. at 2nd floor, Matusree Ratanbai Palan Hall, Shri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga- C. Rly. Mumbai – 400 019.**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2015 – 2016	08/08/2016	3.30 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai – 400 019.
2014 – 2015	07/08/2015	3.30 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai – 400 019.
2013 – 2014	07/08/2014	3.30 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai – 400 019.

- Special resolutions passed in the previous three annual general meetings : Nil
- Special resolution passed last year through postal ballot : Nil
- Special resolution is proposed to be conducted through postal ballot : Nil

Remote e – voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e – voting facility. The Company has engaged CDSL to provide e-voting facility to all the members.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e – voting can exercise their vote at the AGM.

Code of Conduct

In compliance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, 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, 2017. The Vice Chairperson and Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

Prevention of Insider trading

The Company has adopted a code of conduct on insider trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This code of conduct also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The code of fair disclosure is available on Company's website: www.ultramarinepigments.net / investors/ policies.

**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 a report are duly submitted to the Audit Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the internal auditors including 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. These 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 relatives that have any potential conflict with the interest of the Company.

(iii) Details of Non-compliance

There were no cases 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) Establishment of vigil mechanism and affirmation that no personnel have been denied access to the Audit Committee

The Company has implemented a vigil mechanism policy (Whistle blower policy), whereby the employees can raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The policy safeguards the whistle blower and also provides a direct access to the Chairman of Audit Committee. During this year, no complaints were received under this mechanism nor has any personnel been denied access to the Audit Committee.

(v) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company fulfills the following discretionary requirement pursuant to Regulation 27(1) of the Listing regulations read with Part E of Schedule II.

- The Non- Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and allowed reimbursement of expenses incurred in performance of his duties.
- The Company is in the regime of un-qualified financial statements.

vi) Risk Management

The Company has well laid down procedures and adopted a risk management policy to inform Board members about the risk assessment and minimization procedures.

(vii) CEO / CFO Certification

Appropriate certification as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

(viii) 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. All material information for investors, Financial results, Annual Report, report on corporate governance, Shareholding pattern, Company's policies are posted in the Company's website at www.ultramarinepigments.net.

**(ix) 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.

(x) Management Discussion and Analysis

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

(xi) General Shareholders Information

- 1) Date, time and venue of 56th AGM : Friday, the 11th August, 2017 at 3.00 P.M
2nd Floor, Matusree Ratanbai Palan Hall,
Shri Naranji Shamji Mahajanwadi,
452 - 453, Bhaudaji Road,
Matunga –C Rly, Mumbai - 400019
- 2) Date of Book Closure : 4th August, 2017 to 11th August, 2017
(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: +91-22-24017834/41/61/69
Fax : +91-22-24011699
E. Mail : cs@uplamb.net
- 8) Registrars and Share Transfer Agent : Cameo Corporate Services Limited
Subramanian Building, 1, Club House Road,
Anna Salai, Chennai - 600002
Ph : +91-44-28460390
Fax : +91-44-28460129
E.Mail : investor@cameoindia.com
- 9) Compliance Officer : Mr. Kishore Kumar Sahoo – Company Secretary
Ultramarine & Pigments Ltd.,
Thirumalai House, Road No.29,
Sion (East), Mumbai – 400 022.
Phone:+91-22-24017841/ 2401 7853
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 : 26th May, 2017
 Mailing of Annual Reports : 2nd week of July, 2017
 Results for the Quarter ending :
 June 30, 2017 : By 11th August, 2017
 September 30, 2017 : By 15th Nov, 2017
 December 31, 2017 : By 14th Feb, 2018
 March 31, 2018 : By 30th May, 2018
- 12) Dividend Payment dates : By 18th August, 2017
- 13) Dematerialisation of Shares : As on 31/03/2017, 96.11% of Company's shares representing 28,063,340 shares were held in the de-materialized form.
 Shares with NSDL – 25,569,603
 Shares with CDSL – 2,493,737
- 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
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 Digital Services
 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@lapizdigital.com



15) Categories of Shareholders as on 31.03.2017

Category	No. of Shares	% of Shareholders
Promoter/Promoter group	15,346,858	52.56
Financial Institutions / Banks	41,968	0.14
NRI	543,273	1.86
Companies / Bodies Corporate	289,033	0.99
HUF and General Public	12,921,788	44.25
FII	33,356	0.11
Clearing Member & Trusts	23,724	0.08
Total	29,200,000	100.00

16) Distribution of Shareholding as on 31.03.2017

No. of Shares	No. of Shareholders	% of Shareholders	No of Shares	% of Shareholding
Up to 5000	8,051	94.73	4,458,546	15.27
5001-10000	235	2.77	1,845,747	6.32
10001-20000	104	1.22	1,518,044	5.20
20001-30000	25	0.29	635,866	2.18
30001-40000	20	0.23	680,314	2.33
40001-50000	11	0.13	511,819	1.75
50001-100000	15	0.18	1,170,999	4.01
Over 100000	38	0.45	18,378,665	62.94
Total	8,499	100.00	29,200,000	100.00

17) Stock Market price data and BSE Sensex for the year 2016 – 2017

Month	Market Price at BSE Limited			BSE Sensex	
	High	Low	No.of Shares	High	Low
April -2016	123.70	107.50	191,082	26,100.54	24,523.20
May-2016	145.00	118.10	242,725	26,837.20	25,057.93
June-2016	147.95	121.00	309,065	27,105.41	25,911.33
July-2016	151.20	135.00	333,893	28,240.20	27,034.14
August-2016	147.80	133.00	275,720	28,532.25	27,627.97
September-2016	190.00	134.00	747,899	29,077.28	27,716.78
October-2016	207.50	164.00	487,992	28,477.65	27,488.30
November-2016	212.00	146.00	518,193	28,029.80	25,717.93
December-2016	180.00	160.20	209,634	26,803.76	25,753.74
January-2017	184.50	164.00	188,055	27,980.39	26,447.06
February-2017	181.70	164.00	202,534	29,065.31	27,590.10
March-2017	187.30	151.40	245,439	29,824.62	28,716.21

**18) Statement showing unclaimed dividend as on March 31, 2017**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid/unclaimed dividend account required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The unclaimed amounts along with their due dates for transfer to IEPF is mentioned below:

Sl. No.	Year	Nature	Dividend Amount per share (in ₹)	Amount of unclaimed dividend as on March 31, 2017 (in ₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2009-10	Final	3.00	488,019.00	09/10/2017
2	2010-11	Final	3.00	462,873.00	15/10/2018
3	2011-12	Final	3.00	470,010.00	25/10/2019
4	2012-13	Final	2.25	525,530.25	14/09/2020
5	2013-14	Final	2.50	792,400.00	17/10/2021
6	2014-15	Final	3.00	1,031,313.00	17/10/2022
7	2015-16	Interim	3.50	1,298,419.50	02/06/2023

The details of unclaimed dividend are available on the Company's website: [www.ultramarinepigments.net/investors/investors information](http://www.ultramarinepigments.net/investors/investors%20information)

19) Corporate Ethics

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

For Ultramarine & Pigments Ltd.

Indira Sundararajan
Managing Director
[DIN: 00092203]

Place: Chennai
Date: 26th May, 2017

Declaration by the CEO under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

In accordance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2017.

For Ultramarine & Pigments Ltd.

Indira Sundararajan
Managing Director
[DIN: 00092203]

Place: Chennai
Date: 26th May, 2017



CEO / CFO Certification

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors
Ultramarine & Pigments Limited

We, Indira Sundararajan, Managing Director, and S. Ramanan, Chief Financial Officer of Ultramarine & Pigments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement of Ultramarine & Pigments Limited for the year ended 31st March, 2017 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that there are no:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year; and
 - (iii) instances of significant fraud of which we have become aware.

Place: Chennai
Date: 26th May, 2017

(Indira Sundararajan)
Managing Director
[DIN: 00092203]

(S. Ramanan)
Chief Financial Officer



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 31st March, 2017 as per Regulations 17 -27, clauses (a) to (m) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 with 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 Regulations as applicable.

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
Brahmayya & Co.
Chartered Accountants
Firm Regn. No. 000511S

R. Nagendra prasad
Partner
Membership No.203377

Place: Chennai
Date: 26th May, 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of
Ultramarine & Pigments Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Ultramarine & Pigments Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the 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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017 and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – "A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure – "B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 4.1 to the financial statements;
 - ii) The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 7.5 to the financial statements

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn. No. 000511S

R. Nagendra prasad
Partner
Membership No.203377

Place: Chennai

Date: 26th May, 2017



Annexure to Independent Auditor's Report

[Referred to in paragraph 8 under 'Report on Other Legal and Regulatory requirements' of our Report of even date]

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (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 were not material;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company except in one case wherein a portion of land costing ₹ 28,750/- for which the title of the property is in the name of the Company as per revenue records and in occupation of a third party claiming the title and the Company has taken steps to protect its title and the case is pending disposal.

Immovable properties of land whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the Bank and the Company for which confirmations have been obtained from respective bankers.

- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. The discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the Company for the year;
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposit to which the provisions of Sections 73 to 76 of the Act and The Companies (Acceptance of Deposits) Rules, 2014 would apply. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal related to compliance with above provisions.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act 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;
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March, 2017, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no outstanding amounts in respect of service tax, duty of customs, duty of excise that have not been deposited with the appropriate authorities on account of any dispute. Disputed income tax, value added tax that have not been deposited on account of disputed matters pending before appropriate authorities are as under:



Name of the Statute	Nature of the dues	Amount (₹)	Year to which relates	Forum where dispute is pending
Income tax Act, 1961	Income-tax	51,434	Financial Year 2005-06	Commissioner of Income tax (Appeal), Mumbai
Income tax Act, 1961	Income-tax	3,035,744	Financial Year 2009-10	Commissioner of Income tax (Appeal), Mumbai
Income tax Act, 1961	Income-tax	10,680,474	Financial Year 2011-12	Commissioner of Income tax (Appeal), Mumbai
Tamilnadu Value Added Tax, 2006	Tamilnadu Value Added Tax	412,758	Financial Year 2012-13	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Tamilnadu Value Added Tax, 2006	Tamilnadu Value Added Tax	840,846	Financial Year 2013-14 & 2014-15	Joint Commissioner of Commercial Taxes, Chennai

Amounts paid under protest and not charged to Statement of Profit and Loss has not been included above. [Refer Note 4.1 (c)(i)] to the financial statements].

- (viii) According to the information and explanations given to us, the Company did not avail any loan or borrowings from banks or financial institutions and also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 3(viii) of the Order are not applicable;
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the year and accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under report.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn. No. 000511S

R. Nagendra prasad
Partner
Membership No.203377

Place: Chennai

Date: 26th May, 2017



ANNEXURE - “B” TO AUDITORS’ REPORT

Referred to in paragraph 9 (f) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited (“the Company”) as of 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and



expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: 26th May, 2017

For **Brahmayya & Co.**
Chartered Accountants
Firm Regn. No. 000511S

R. Nagendra prasad
Partner
Membership No.203377

**Balance Sheet as at 31st March, 2017****(Amount in Rupees)**

Particulars	Note	As at 31.03.2017	As at 31.03.2016
Equity and liabilities			
Shareholders' Funds			
Share Capital	3.1	58,400,000	58,400,000
Reserves and Surplus	3.2	1,410,952,764	1,086,937,253
		<u>1,469,352,764</u>	<u>1,145,337,253</u>
Non-Current Liabilities			
Deferred tax liability (net)	3.3	100,868,654	78,815,251
Long-term provisions	3.4	8,437,019	13,497,946
		<u>109,305,673</u>	<u>92,313,197</u>
Current Liabilities			
Trade payables			
Total outstanding dues to Micro, Small & Medium Entreprises	3.5	-	-
Total outstanding dues to creditors other than Micro, Small & Medium Entreprises		224,575,771	166,361,828
Other Current liabilities	3.6	90,037,409	88,400,056
Short-term provisions	3.7	31,077,892	36,757,629
		<u>345,691,072</u>	<u>291,519,513</u>
Total		<u>1,924,349,509</u>	<u>1,529,169,963</u>
Assets			
Non-current assets			
Property, Plant and Equipment	3.8	595,872,493	522,317,639
Intangible Assets	3.8	2,519,066	2,112,098
Capital work-in-progress		2,071,498	20,967,419
Non-current investments	3.9	182,693,971	133,693,971
Long term loans and advances	3.10	107,610,523	99,018,654
		<u>890,767,551</u>	<u>778,109,781</u>
Current assets			
Current Investments	3.11	201,340,995	15,008,400
Inventories	3.12	253,946,825	207,404,804
Trade receivables	3.13	341,173,533	266,072,313
Cash and bank balances	3.14	154,839,854	119,363,023
Short-term loans and advances	3.15	73,296,353	135,303,910
Other current assets	3.16	8,984,398	7,907,732
		<u>1,033,581,958</u>	<u>751,060,182</u>
Total		<u>1,924,349,509</u>	<u>1,529,169,963</u>

As per our report of even date

For and on behalf of the Board of Directors

For and on behalf of
Brahmayya & Co.
Chartered Accountants
Firm Regn. No. 0005115

INDIRA SUNDARARAJAN
Managing Director
DIN:00092203

TARA PARTHASARATHY
Joint Managing Director
DIN:07121058

T.R. MADHAVAN
Director
DIN:00163992

R. NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place : Chennai

Date : 26th May, 2017


Statement of Profit and Loss for the year ended 31st March, 2017 (Amount in Rupees)

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
Income			
Revenue from Operations	3.17	2,554,105,594	2,202,288,729
Other Income	3.18	21,720,646	49,927,960
Total Revenue		2,575,826,240	2,252,216,689
Expenses			
Cost of material consumed	3.19	1,296,026,082	1,035,391,276
Purchase of Stock-in-Trade		12,328,443	33,584
Changes in inventories of finished goods and work-in-progress	3.20	(40,886,445)	31,566,960
Employees benefit expense	3.21	332,615,877	361,488,813
Finance costs	3.22	2,463,520	945,741
Depreciation and amortization expenses	3.8	41,358,750	32,160,114
Other expenses	3.23	452,865,277	400,191,951
Total expenses		2,096,771,504	1,861,778,439
Profit before tax		479,054,736	390,438,250
Tax Expenses			
Current tax expense		(129,780,000)	(96,480,000)
Deferred tax (expense) / credit		(24,990,382)	(21,214,052)
Tax adjustments for earlier years - (expense) / credit		(268,843)	802,858
Profit for the year		324,015,511	273,547,056
Earnings per equity share Basic and Diluted-Par value ₹ 2/- per Share		11.10	9.37

As per our report of even date

For and on behalf of the Board of Directors

For and on behalf of
Brahmayya & Co.
Chartered Accountants
Firm Regn. No. 000511S

INDIRA SUNDARARAJAN
Managing Director
DIN:00092203

TARA PARTHASARATHY
Joint Managing Director
DIN:07121058

T.R. MADHAVAN
Director
DIN:00163992

R. NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place : Chennai
Date : 26th May, 2017

**Cash Flow Statement for the year ended 31st March, 2017**

(Amount in Rupees)

	31.03.2017	31.03.2016
Cash flows from operating activities		
Net-profit before taxation and extraordinary item	479,054,736	390,438,250
Adjustments for:		
Depreciation and amortisation expenses	41,358,750	32,160,114
Interest income	(11,730,118)	(18,684,328)
Dividend income	(3,683,567)	(28,640,878)
Interest expenses	2,463,520	945,741
Provision for Leave Encashment	(8,578,261)	2,906,113
Effect of exchange rate change	2,175,875	2,033,147
Bad Debts Written off	4,962,022	15,032,672
Profit on sale of Long term Investments	-	(1,556,224)
Loss / (Profit) on sale / discarded asset (Net)	(33,131)	(193,063)
Operating profit before working capital change	505,989,826	394,441,544
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(80,972,115)	(62,767,351)
Decrease / (Increase) in inventories	(46,542,021)	(3,209,095)
(Increase) / Decrease in Loans and advances	201,153	(20,485,658)
Increase / (Decrease) in Trade Payables	58,213,943	57,562,759
Increase / (Decrease) in Other Current Liabilities	4,884,864	6,681,769
Cash generated from operations	441,775,650	372,223,968
Income-taxes paid	(136,311,523)	(97,113,533)
Net cash from operating activities (A)	305,464,127	275,110,435
Cash flows from investing activities		
Purchase of fixed assets	(97,296,533)	(177,734,334)
Purchase of long term Investment	(53,000,000)	(1,540,000)
Increase in short Investment	-	-
Purchase of Current Investment	(571,479,749)	(15,008,400)
Sale of Current Investment	385,147,155	-
Sale of Long term Investments	4,000,000	1,572,625
Sale of fixed assets	421,086	244,542
Interest received	10,952,574	20,897,810
Dividends received	3,683,567	28,640,878
(Increase) / Decrease in deposit with Companies	48,299,295	51,658,473
Net cash from investing activities (B)	(269,272,605)	(91,268,406)

**Cash Flow Statement for the year ended 31st March, 2017**

(Amount in Rupees)

	31.03.2017	31.03.2016
Cash flows from financing activities		
(Re-payment of) / proceeds from long-term borrowings	-	-
Interest Paid	(2,015,396)	(884,330)
Dividends paid	-	(228,438,815)
Net cash used in financing activities (C)	(2,015,396)	(229,323,145)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	34,176,126	(45,481,116)
Cash and cash equivalents as at the beginning of the year	115,540,481	161,021,597
Cash and cash equivalents as at the end of the year	149,716,607	115,540,481
Components of Cash and cash equivalents		
(i) Balances with banks		
In deposit accounts with original maturity of less than 3 months	-	-
In other accounts	66,338,473	82,020,032
(ii) Cash on hand	78,134	240,449
Add: Short-term bank deposits with original maturity of the period between three months and twelve months	83,300,000	33,280,000
	149,716,607	115,540,481

Note:

- Balances lying in Margin money & unclaimed dividend accounts amounting to ₹ 4,330,847/- (PY ₹ 3,822,542/-) not considered as Cash & Cash equivalent.
- Figures in the brackets represents cash outflows.

As per our report of even date

For and on behalf of the Board of Directors

For and on behalf of
Brahmayya & Co.
Chartered Accountants
Firm Regn. No. 000511S

INDIRA SUNDARARAJAN
Managing Director
DIN:00092203

TARA PARTHASARATHY
Joint Managing Director
DIN:07121058

T.R. MADHAVAN
Director
DIN:00163992

R. NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai

Date: 26th May, 2017



Notes to Financial Statement for the year ended 31st March, 2017

1. CORPORATE INFORMATION

Ultramarine & Pigments Limited ("the Company") is a public limited Company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited 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.

2. SIGNIFICANT ACCOUNTING POLICIES

- I a) The financial statements are prepared and presented in conformity with Generally Accepted Accounting Principles in India (GAAP), and comply in all material respects with the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. 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 III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – 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 turbine 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 accounts the amount outstanding and the rate applicable.

Export benefits:

The benefit accrued under the Merchandise Exports from India Scheme (MEIS), 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.

IV PROPERTY, PLANT & EQUIPMENTS AND DEPRECIATION:**Property, Plant & Equipments:**

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 based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the assets have been determined by the Management based on the technical assessment/evaluation.

Category of Assets	Useful life in years	
	As per Schedule II	As per Company's assessment
Tangible		
Plant & Machinery	12 – 40	5 – 40
Computer Equipments	3 – 6	3 – 4
R&D Lab Equipments	10	2 – 10

In the case of Leasehold improvement, amortisation is provided over lease period or useful life of the asset whichever is less. Leasehold rights for land are amortised on a straight line method over its lease period. Individual assets costing less than ₹ 10,000 are fully depreciated 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 ₹ 25,000/- is amortised out in the year of acquisition. Other Software acquired is amortised over its estimated useful life of 3 years;
 - b) Intellectual Property is amortised over its estimated useful life of 2 years.

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 goods are not written down below cost if the finished products in which they will be utilized are expected to be sold at or above the cost of materials.	

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. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Retirement and other employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and 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. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.
- (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 a straight-line basis as per the terms of the lease agreement.

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 at 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 LIABILITES 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 Wind Turbine 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 current market prices.

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 and 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.

XIX CASH FLOW STATEMENT

The Cash Flow Statement is prepared by using the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows during the period by Operating, Investing and Financing activities of the Company.

**XX GOVERNMENT GRANTS AND SUBSIDIES:**

- i. Grants from the Government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- ii. Government Grants related to specific Plant and Equipment has been credited to the gross value of the respective Plant and Equipment and the Carrying value of the asset has been arrived at after adjustment of amount of Grant received. Government grants in the nature of promoters' contribution are credited to capital reserve and treated as a part of Shareholders' funds.
- iii. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Company are recognized in the year of performance/eligibility in accordance with the related scheme.

XXI DIVIDEND

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Notes forming part of financial statements for the year ended 31st March, 2017**Note 3.1 : Share Capital****(Amount in Rupees)**

	As at 31.03.2017	As at 31.03.2016
Authorised Shares		
50,000,000 (March 31, 2016: 50,000,000) equity shares of ₹ 2/- each	100,000,000	100,000,000
Issued, subscribed and fully paid-up shares		
29,200,000 (March 31, 2016: 29,200,000) Equity Shares of ₹ 2/- each fully paid up.	58,400,000	58,400,000

Terms/rights attached to equity shares

- (a) The Company has only one class of share referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.
- (b) The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on 26th May 2017, recommended a final dividend of ₹ 4/- per equity share. The payment of dividend is subject to approval of Shareholders at their meeting to be held on 11th August, 2017.
- (c) 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.
- (d) 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 31.03.2017		As at 31.03.2016	
	No. of shares	% held	No. of shares	% held
Thirumalai Chemicals Limited	3,044,800	10.43	3,044,800	10.43
R. Sampath	1,967,953	6.74	1,967,862	6.74
S. Santhanam	1,741,711	5.96	1,741,711	5.96
S. Sridhar	1,574,044	5.39	1,574,044	5.39



Notes forming part of financial statements for the year ended 31st March, 2017

(Amount in Rupees)

	As at 31.03.2017	As at 31.03.2016
Note 3.2 : Reserves and surplus		
General reserve		
Balance at the beginning of the year	410,500,000	410,500,000
Add: Transferred from surplus	-	-
Balance at the end of the year	410,500,000	410,500,000
Surplus		
Opening balance	676,437,253	525,895,715
Add: Net profit for the year	324,015,511	273,547,054
	1,000,452,764	799,442,769
Less: Appropriations		
Interim dividend	-	(102,200,000)
Tax on interim dividend	-	(20,805,516)
Closing Balance	1,000,452,764	676,437,253
Total	1,410,952,764	1,086,937,253
<p>The Board of Directors, in the meeting held on 26th May, 2017, have recommended a final dividend of ₹ 4/- per share amounting to ₹ 116,800,000/- on equity shares of ₹ 2/- each for the year, 2016-17 subject to the approval of the Shareholders at the ensuing Annual General Meeting. Dividend Distribution Tax on the same amounts to ₹ 23,777,732/-. This final dividend on shares will be recorded as a liability on the date of approval by the Shareholders.</p>		
Note 3.3 : Deferred tax liabilities (net)		
Deferred tax liability:		
On account of timing difference in Depreciation and amortisation	109,987,683	88,047,445
Sub-Total	109,987,683	88,047,445
Deferred tax assets:		
Liabilities allowable on payment basis	9,119,029	9,232,194
Sub-Total	9,119,029	9,232,194
Total	100,868,654	78,815,251
Note 3.4 : Long term provisions		
Provision for employee benefits :		
Provision for compensated absences	8,437,019	13,497,946
Total	8,437,019	13,497,946

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	As at 31.03.2017	As at 31.03.2016
Note 3.5 : Trade payables		
Total outstanding dues to Micro, Small and Medium Enterprises (Refer Note 7.2)	-	-
Total outstanding dues to Creditors other than Micro, Small and Medium Enterprise (Refer note below)	224,575,771	166,361,828
Total	224,575,771	166,361,828
Note: Trade payables includes amounts payable to related party - ₹ 299,158/- (PY - ₹ 14,063/-)		
Note 3.6 : Other current liabilities		
Creditors for capital goods	6,289,429	11,246,067
Unpaid Dividend	5,068,565	3,771,290
Deposit from Dealers	1,220,656	1,221,656
Statutory Dues	9,582,030	9,510,222
Advance from Customers	13,640,726	3,937,014
Due to Directors	23,882,956	29,354,274
Other liabilities	30,353,047	29,359,533
Total	90,037,409	88,400,056
(i) Unpaid dividend represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
Note 3.7 : Short term provisions		
For Employee benefits		
Provision for gratuity	-	-
Provision for compensated absences	4,996,678	8,514,012
Provision for bonus and ex-gratia	22,557,184	24,744,001
For Others		
Provision for excise duty	3,524,030	1,779,338
Provision for tax	-	1,720,278
Total	31,077,892	36,757,629

**Note 3.8 : Property, Plant and Equipment & Intangible Assets****(Amount in Rupees)**

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2016	Additions	Sales/ Adjust-ment	As at March 31, 2017	As at April 1, 2016	Charge for the year	Sales/ Adjust-ment	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Property, Plant and Equipment (A)										
Land - Freehold	13,952,428	-	-	13,952,428	-	-	-	-	13,952,428	13,952,428
- Leasehold	44,133,009	-	-	44,133,009	2,193,030	445,521	-	2,638,551	41,494,458	41,939,979
Buildings	88,223,931	21,117,922	-	109,341,853	45,808,128	2,463,720	-	48,271,848	61,070,005	42,415,803
Plant & Machinery	619,513,713	77,142,147	-	696,655,860	341,703,367	21,467,489	-	363,170,856	333,485,004	277,810,346
Wind Turbine Generators	232,414,032	-	-	232,414,032	129,757,374	5,700,419	-	135,457,793	96,956,239	102,656,658
Kilns	57,671,307	417,147	-	58,088,454	54,791,644	-	-	54,791,644	3,296,810	2,879,663
Computer Equipments	56,879,856	4,511,394	118,931	61,272,319	44,166,972	5,342,788	112,984	49,396,776	11,875,543	12,712,884
Furniture Fixtures	11,285,060	2,118,445	-	13,403,505	7,568,794	699,729	-	8,268,523	5,134,982	3,716,266
Leasehold Improvements	9,233,578	-	-	9,233,578	4,432,904	780,978	-	5,213,882	4,019,696	4,800,674
Office Equipments	13,315,304	3,100,167	-	16,415,471	8,826,052	1,407,019	-	10,233,071	6,182,400	4,489,252
Vehicles	12,492,802	1,415,570	2,069,832	11,838,540	4,694,969	1,444,205	1,687,824	4,451,350	7,387,190	7,797,833
Details of Asset used for R&D										
Lab Equipment	7,335,757	4,527,487	-	11,863,244	189,902	655,604	-	845,506	11,017,738	7,145,855
	1,166,450,777	114,350,279	2,188,763	1,278,612,293	644,133,136	40,407,472	1,800,808	682,739,800	595,872,493	522,317,641
Intangible Assets (B)										
Computer Software	19,880,116	1,358,245	-	21,238,361	17,768,017	951,278	-	18,719,295	2,519,066	2,112,099
Intellectual Property	1,900,000	-	-	1,900,000	1,900,000	-	-	1,900,000	-	-
	21,780,116	1,358,245	-	23,138,361	19,668,017	951,278	-	20,619,295	2,519,066	2,112,099
As on 31st March 2017 (A+B)	1,188,230,893	115,708,524	2,188,763	1,301,750,654	663,801,153	41,358,750	1,800,808	703,359,095	598,391,559	524,429,740
As on 31st Mar 2016	1,013,728,693	175,424,834	922,637	1,188,230,890	632,512,197	32,160,114	871,158	663,801,153	524,429,737	-

- Note: (1) Cost of Building includes ₹ 500/- paid for 5 shares of ₹ 100/- each in Thirumalai House Office Unit Owners Condominium.
- (2) Plant and Machinery includes Solar Thermal Heating System of ₹ 11,747,706/- is net of Subsidy/ Support amounting to ₹ 5,130,000/- received during the year

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	As at 31.03.2017	As at 31.03.2016
Note 3.9 : Non-current investments		
Non trade investment in equity shares		
Quoted		
2,045,177 (March 31, 2015 : 2,045,177) equity shares of ₹ 10/- each fully paid up in Thirumalai Chemicals Limited.	132,153,971	132,153,971
Unquoted		
(i) Investment in Bonds		
154, 6% NHAI 54EC Bonds-2015-16 (Tranche-XVI) , Non-Convertible Redeemable Taxable Bonds of ₹ 10,000/- each (March 2015-Nil)	1,540,000	1,540,000
(ii) Investment in Mutual Funds		
875,480.42 units of BOI AXA Equity Debt Rebalancer Fund	10,000,000	–
48,360.93 units of SBI Magnum Balanced Fund	5,000,000	–
235,225.36 units of L & T India Prudence Fund	5,000,000	–
50,206.92 units of Franklin India Templeton Balanced Fund	5,000,000	–
95,505.80 units of HDFC Balanced Fund	12,000,000	–
6,025.82 units of Birla Sunlife Balanced “95 Fund - Direct Plan	4,000,000	–
86,382.83 units of Reliance Regular Saving Fund - Balanced Option	4,000,000	–
36,526.35 units of ICICI Prudential MF Balanced Fund	4,000,000	–
Total	182,693,971	133,693,971
Notes:		
(a) Aggregate amount of Quoted Investments		
Cost	132,153,971	132,153,971
Market value	1,810,186,163	367,927,342
(b) Aggregate amount of unquoted investments-Bonds & Mutual Funds	50,540,000	1,540,000
Note 3.10 : Long-term loans and advances		
Unsecured, considered good		
Capital Advances	1,478,350	5,951,058
Deposits with Corporates	10,000,000	–
Advance income taxes	64,668,668	63,779,973
Prepaid Expenses	3,103,361	–
Loans and advances to employees	532,368	2,214,036
Deposits for leased premises	12,161,700	12,066,700
Security Deposits	9,121,864	8,348,934
Other Deposits	6,544,212	6,657,953
Total	107,610,523	99,018,654

Note: Advance income tax is net of provision for tax ₹ 172,159,610/- (Previous Year ₹ 151,663,696/-)



Notes forming part of financial statements for the year ended 31st March, 2017

(Amount in Rupees)

	As at 31.03.2017	As at 31.03.2016
Note 3.11 Current Investments		
125,263.75 units of BOI AXA Treasury Advantage Fund-Direct Plan-Daily Dividend (Re-investment)	125,894,003	15,008,400
8,707.26 units of HDFC Liquid Fund Daily Dividend	8,879,843	-
10.16 units of ICICI Prudential Daily Dividend	1,074	-
5,014.97 units of UTI Treasury Advantage Fund	5,026,774	-
2,245,529.73 units of BOI AXA Short Term Income Fund	40,000,000	-
910,066.95 units of ICICI Prudential Banking & PSU Debt Fund	16,500,000	-
394,642.61 units of UTI Short Term Income Fund	5,039,301	-
Total	201,340,995	15,008,400
Note 3.12 : Inventories		
Raw materials and components	72,096,637	37,668,039
Raw materials in Transit	30,362,945	59,219,992
Work in progress	77,130,226	56,220,580
Finished goods	46,148,159	38,725,786
Finished goods in Transit	13,134,427	-
Packing materials	6,790,835	8,118,324
Fuel	3,694,419	3,100,144
Stores and spares	4,589,177	4,351,939
Total	253,946,825	207,404,804
Raw materials		
Soda Ash	3,037,209	3,068,764
Active Matter	55,147,408	17,620,164
Sulphur	867,144	1,177,511
China Clay	3,389,709	5,471,817
Others	9,655,167	10,329,783
Total	72,096,637	37,668,039
Work in progress		
Pigments	48,686,800	38,029,400
Sulphonation	28,443,426	18,191,180
Total	77,130,226	56,220,580
Finished goods (including finished goods in transit)		
Pigments	50,327,600	31,273,400
Detergents	1,967,127	3,006,262
Sulphonation	6,987,859	4,446,124
Total	59,282,586	38,725,786

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	As at 31.03.2017	As at 31.03.2016
Note 3.13 : Trade receivables		
Debtors outstanding for a period exceeding six months from the due date		
Unsecured, considered good	14,774,532	13,490,861
Unsecured, considered doubtful	248,115	248,115
	15,022,647	13,738,976
Less : Provision for bad and doubtful debts	(248,115)	(248,115)
	14,774,532	13,490,861
Other debts		
Unsecured, considered good	326,399,001	252,581,452
Total	341,173,533	266,072,313
Note : Debtors includes receivables from Related party - ₹ 67,275/- (PY - Nil)		
Note 3.14 : Cash and Bank balances		
(a) Cash and cash equivalents		
(i) Cash on hand	78,134	240,449
(ii) Balances with banks		
In current account	66,338,473	82,020,032
	66,416,607	82,260,481
(b) Other Bank balances		
(i) Margin money with banks	54,682	51,252
(ii) in Deposit Accounts	83,300,000	33,280,000
(iii) Unclaimed dividend accounts (refer note (i))	5,068,565	3,771,290
Total	154,839,854	119,363,023
Note: (i) These balances are not available for use by the Company as they represent corresponding un-paid dividend liabilities		
Note 3.15 : Short-term loans and advances		
(Unsecured, considered good, unless stated otherwise)		
Deposits with Corporates	22,000,000	81,600,000
Advance to suppliers	2,902,654	14,203,671
Loans and advances to employees	1,139,211	1,745,269
Advances recoverable in cash or in kind or for value to be received	4,089,309	1,804,716
Balance with central excise and sales tax authorities	34,991,149	27,088,176
Prepaid Expenses	7,905,428	8,862,078
Advance income tax	268,602	-
Total	73,296,353	135,303,910

Note: Advance income tax is net of provision for tax ₹129,780,000/- (PY - ₹ 96,480,000/-)



Notes forming part of financial statements for the year ended 31st March, 2017

(Amount in Rupees)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 3.16 : Other current assets		
Interest/Income accrued but not due	3,715,861	2,938,317
Unbilled revenue	922,218	1,636,630
Export incentives receivable	2,277,735	2,801,460
Exchange Gain on Forward Contracts	2,068,584	531,325
Total	8,984,398	7,907,732
Note 3.17 : Revenue from operations		
Sale of products		
Manufactured goods (Gross)	2,432,824,993	2,061,208,279
Less : Excise Duty recovered on sales	237,227,055	202,110,153
	2,195,597,938	1,859,098,126
Traded goods	12,648,495	50,342
	2,208,246,433	1,859,148,468
Details of Products sold:		
(i) Manufactured goods		
Pigments	776,314,249	712,277,166
Detergents	40,038,866	43,076,271
Sulphonation	1,616,471,878	1,305,854,842
	2,432,824,993	2,061,208,279
(ii) Traded goods		
Sulphonation	11,824,807	–
Others	823,688	50,342
	2,445,473,488	2,061,258,621
Sale of power from Wind turbine generators	19,630,590	12,173,423
	2,227,877,023	1,871,321,891
Income from services		
Income from processing	–	7,375,892
Income from IT enabled services	280,114,382	283,656,703
Income from BPO activities	33,516,108	29,417,232
	313,630,490	320,449,827
Other operating income		
Export Incentives	12,598,081	10,517,011
	12,598,081	10,517,011
Revenue from operations	2,554,105,594	2,202,288,729

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 3.18 : Other Income		
Interest received		
Banks	7,175,766	6,211,738
Deposits with Companies	3,846,111	11,635,409
Bonds	92,400	-
Others	615,841	837,181
Dividend received		
From Long term Investments	642,456	28,632,478
From Current Investments	3,041,111	8,400
Rent received	33,000	7,500
Sundry receipts	177,699	248,293
Sundry balances written back (net)	1,745,372	586,029
Gain on foreign currency transactions / translations (net)	3,847,638	-
Recovery of Bad debts	150,000	-
Profit on Sale of Short term Investments(Net)	320,121	11,645
Profit on Sale of Long term Investments(Net)	-	1,556,224
Profit on Sale of Assets (Net)	33,131	193,063
Total	21,720,646	49,927,960
Note 3.19: Cost of material consumed		
Inventory at the beginning of the year	37,668,039	20,702,170
Add : Purchases	1,330,454,680	1,052,357,145
	1,368,122,719	1,073,059,315
Less: Inventory at the end of the year	72,096,637	37,668,039
Cost of material consumed	1,296,026,082	1,035,391,276
Details of materials consumed		
Soda Ash	69,894,637	54,224,045
Active Matter	1,057,225,061	823,305,606
Sulphur	34,869,340	41,646,146
China Clay	33,785,239	23,498,276
Others	100,251,805	92,717,203
Total	1,296,026,082	1,035,391,276

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.



Notes forming part of financial statements for the year ended 31st March, 2017

(Amount in Rupees)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 3.20 : Changes in inventories of Finished goods and work-in-progress		
Inventories at the end of the year		
Work-in-progress	77,130,226	56,220,580
Finished goods	59,282,586	38,725,786
Total	136,412,812	94,946,366
Inventories at the beginning of the year		
Work-in-progress	56,220,580	29,329,200
Finished goods	38,725,786	105,087,551
	94,946,366	134,416,751
Add/(Less) Adjustment for Excise duty on Stocks	(580,001)	7,903,425
Net (Increase)/Decrease in stocks	(40,886,445)	31,566,960
(Increase)/Decrease in work in progress		
Pigments	(10,657,400)	(8,700,200)
Sulphonation	(28,443,426)	(18,191,180)
Total	(39,100,826)	(26,891,380)
(Increase)/decrease in finished goods (inclusive of finished goods in transit)		
Pigments	(19,054,200)	44,507,400
Detergents	1,039,135	36,464
Sulphonation	(2,541,735)	21,817,900
Total	(20,556,800)	66,361,764
Note 3.21 : Employee benefits expense		
Salaries, Wages, Bonus and other benefits	260,293,116	270,074,219
Directors' Remuneration	28,466,650	45,055,016
Contribution to Provident Fund and other funds	22,845,274	22,410,833
Gratuity	742,661	3,393,045
Staff Welfare and amenities	20,268,176	20,555,700
Total	332,615,877	361,488,813
Note 3.22 : Finance costs		
Interest on income tax payments	559,117	67,515
Interest Others	1,904,403	878,226
Total	2,463,520	945,741

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 3.23 : Other expenses		
Consumption of stores and Spares	24,168,804	17,567,251
Power and Fuel (Note - 1)	127,947,010	108,618,657
Repairs and Maintenance:		
Machinery	39,954,601	22,783,143
Buildings	21,603,001	20,971,559
Others	4,975,477	4,604,574
Packing Expenses and materials consumed	29,255,778	26,603,125
Processing Charges	11,771,970	9,748,648
Laboratory expenses	2,450,144	1,867,485
Freight and Forwarding expenses	46,350,603	43,682,924
Insurance	7,024,040	5,388,656
Commission on sales	2,899,541	2,282,721
Advertisement and Sales Promotion expenses	10,404,041	10,303,442
Security Expenses	6,929,399	6,670,694
Software Lincense Expenses	3,105,395	2,473,724
Water Charges	2,484,034	2,061,903
Rent	19,714,062	19,189,161
Rates & Taxes	2,024,581	2,032,797
Travelling & Coveyance expenses	22,670,829	24,331,607
Communication expenses	7,380,750	8,437,876
Legal and Professional Fees	19,798,010	18,077,624
Sitting fees to Directors	2,693,400	2,404,400
Commission to Non Executive Directors	5,151,768	-
Donation (Refer Note 7.4)	7,200,000	6,603,381
Bad Debts written off	4,962,022	15,032,672
Loss on foreign curency transactions / translations (net)	961	792,569
Bank Charges	4,429,349	2,630,697
Miscellaneous expenses	15,515,707	15,030,661
Total	452,865,277	400,191,951

Note : 1. Power and fuel is net of wind power generated and utilised of ₹ 6,790,283/- (PY - ₹ 3,623,033)



Notes forming part of financial statements for the year ended 31st March, 2017

	(Amount in Rupees)	
	Year ended 31.03.2017	Year ended 31.03.2016
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	280,000	280,000
(ii) Bank Guarantees issued and outstanding	1,814,273	1,644,550
(iii) Letter of Credit issued and outstanding	-	-
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,986,700	14,595,365
Against which advance paid	1,256,700	6,581,892
<p>The Company was allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment the Company has paid the consideration and possession letter for land was obtained in May 2014. The Company is obligated to set up a manufacturing facility within the specified period as per the terms and conditions of allotment, failing which penalty as per agreement is payable. No demand for penalty is received from GIDC for the period ended 31st March 2017. (Provision for ₹ 1,329,770/- was made in the year ended 31.03.2014).</p>		
(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.		
(i) By the Income tax authorities [₹ 60,978,686/- (PY ₹ 60,978,686/-) deposited with tax authorities]	69,035,447	69,035,447
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	108,119	108,119
(iii) Sales Tax Authorities	4,661,410	4,661,410
(iv) Property tax	7,905,264	6,692,747
Note 4.2 Value of imports calculated on CIF basis (on accrual basis)		
	<u>2016-17</u>	<u>2015-16</u>
Raw materials	490,905,266	251,967,641
Spare parts	38,404	4,376,805
Capital goods	2,330,141	12,060,774
Lab Equipment	781,489	32,920
R&D Equipment	1,737,681	873,799

**Notes forming part of financial statements for the year ended 31st March, 2017**

(Amount in Rupees)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 4.3		
(a) Expenditure in Foreign Currency		
Travelling	5,089,026	4,514,138
Sales Promotion Expenses	261,254	–
Software expenses	160,989	–
Legal and Professional Fees	3,615,679	313,796
Commission	–	106,400
Other matters	3,536,249	194,859

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	(₹)	%	(₹)	%
(b) Details of consumption of imported and indigenous items				
Raw materials				
Imported	487,215,747	37.59	265,457,266	25.64
Indigenous	808,810,335	62.41	769,934,011	74.36
Stores & Spares				
Imported	–	–	4,857,268	27.65
Indigenous	24,173,862	100.00	12,709,984	72.35

2016-17 **2015-16****Note 4.4 Remittance in foreign currencies on account of dividends**

(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)

	2016-17	2015-16
Export of goods calculated on FOB basis	351,386,463	290,912,947
Income from IT enabled services	279,163,251	283,656,703

Note 5 Other Notes:

The Company's pending litigations comprise of claims against the Company by the parties and proceedings pending with Revenue authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. Refer Note 4.1 for details on contingent liabilities.



Note 6 Disclosures in accordance with Accounting Standards (AS)

Note 6.1 (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	(Amount in Rupees)	
	2016-17	2015-16
a. Contribution to Employees Provident Fund *	16,395,657	16,745,743
b. Contribution to Employees State Insurance Scheme	3,673,468	3,840,397
c. Contribution to Employees Superannuation Fund	2,673,069	2,020,557
Total	22,742,194	22,606,697

* Includes contribution of ₹ 158,400/- (Previous year ₹ 6,813) 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	(Amount in Rupees)	
	2016-17	2015-16
a. Present Value of Obligation as at April 1, 2016	38,061,024	34,994,600
b. Interest Cost	2,808,560	2,792,569
c. Current Service Cost	3,668,098	3,942,028
d. Benefits Paid directly by employer	-	(38,077)
e. Benefits Paid from fund	(3,643,085)	(2,737,133)
f. Actuarial (Gain) / Loss	(3,429,939)	(892,963)
g. Present Value of Obligation as at March 31, 2017	37,464,658	38,061,024
2. Change in the Fair Value of Plan Assets		
a. Fair Value of Plan Assets at the Beginning of the period	40,447,478	29,295,530
b. Adjustment to Opening balance	(542,569)	(336,004)
c. Expected Return on Plan Assets	3,179,319	2,310,970
d. Contribution by the Employer	-	11,135,302
e. Benefits Paid from the funds	(3,643,085)	(2,775,210)
f. Actuarial Gains / (Loss) on Plan Assets - Due to Experience	11,992	816,890
g. Fair Value of Plan Assets at the End of the period	39,441,143	39,630,588



Particulars	(Amount in Rupees)	
	2016-17	2015 -16
3. Expenses recognised in the Statement of Profit and Loss in respect of gratuity benefits		
a. Current Service Cost	3,668,098	3,942,028
b. Interest Cost	2,808,560	2,792,569
c. Expected return on plan assets	(3,167,327)	(2,310,970)
d. Net Actuarial (Gain) / Loss	(3,441,931)	(1,709,853)
e. Total Expenses recognised in Statement of Profit and Loss	(132,600)	2,713,774
4. Amount Recognized in the Balance Sheet		
a. Present value of Benefit Obligation at the end of the Period	(37,464,658)	(38,061,024)
b. Fair Value of Plan Assets at the End of the period	39,441,143	40,447,478
c. Funded Status (Surplus / (Deficit))	1,976,485	2,386,454
e. Net (Liability) / Asset Recognised in the Balance sheet	1,976,485	2,386,454
5. Category of Assets		
a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	39,441,143	40,447,478
e. Total	39,441,143	40,447,478
6. Following are the principal actuarial assumptions used		
a. Discount Rate	7.50%	7.75%
b. Salary Escalation Rate	7.00%	7.00%
c. Turnover Rate	10.00%	10.00%
d. Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Experience Adjustment:	(Amount in Rupees)				
	For the year ended 31st March				
	2017	2016	2015	2014	2013
On plan Liability (Gains) / Loss	(3,974,024)	(1,422,834)	1,718,116	(1,592,628)	129,027
On plan Assets (Gains) / Loss	11,922	816,890	435,267	-	-

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 180 days. Present value of obligation as at the beginning of the year is ₹ 22,011,958/- (Prev. Year ₹ 19,105,845/-) and the actuarial gains recognised in full in the Statement of Profit and Loss is ₹ 2,621,640/- (Prev. Year - loss of ₹ 4,516,655/-). The present value of obligation as at March 31,2017 is ₹ 13,433,696/- (Prev. Year ₹ 22,011,958/-).

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 6.2 Disclosure requirement of Accounting Standard 17 “Segment Reporting”.****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.

	Year ended 31.3.2017		Year ended 31.3.2016	
	₹	₹	₹	₹
1. Revenue				
External Revenue				
Laundry and Allied Products	2,220,844,814		1,877,041,370	
IT Enabled Services & BPO activities	313,630,189		313,073,935	
Wind Turbine Generator	26,420,873		15,796,458	
Total		2,560,895,877		2,205,911,763
Less : Elimination (Inter Segment Revenue)		6,790,283		3,623,035
		2,554,105,594		2,202,288,728
2. Result				
Profit/(Loss) before Interest and Corporate Expenses but after Depreciation/Amortisation				
Laundry and Allied Products	381,137,661		290,961,775	
IT Enabled Services & BPO activities	103,119,263		76,047,581	
Wind Turbine Generator	14,361,912		4,898,117	
Total		498,618,836		371,907,473
Interest and Finance charges		(2,463,520)		(945,743)
Add: Unallocated Expenses/				
Income(Net) and Corporate Expenses		(17,100,581)		19,476,518
Provision for Tax		(129,780,000)		(96,480,000)
Excess/(Short) Provision for Taxation for earlier years written back/(off)		(268,843)		802,858
Deferred Tax		(24,990,382)		(21,214,052)
Net Profit		324,015,511		273,547,054



Other Information	Year ended 31.03.2017	Year ended 31.03.2016
3. Segment Assets		
Laundry and Allied Products	1,085,861,364	932,249,694
IT Enabled Services & BPO activities	112,282,439	110,741,314
Wind Turbine Generator	127,185,584	123,441,995
Unallocated/Corporate	599,020,121	362,736,960
Total	1,924,349,508	1,529,169,963
4. Segment Liabilities		
Laundry and Allied Products	293,094,529	230,807,212
IT Enabled Services & BPO activities	26,001,888	31,014,747
Wind Turbine Generator	104,787	-
Unallocated/Corporate	135,795,541	122,010,751
Total	454,996,745	383,832,711
5. Capital Expenditure		
Laundry and Allied Products	112,847,084	187,370,690
IT Enabled Services & BPO activities	4,932,938	8,997,063
Wind Turbine Generator	-	-
Unallocated/Corporate		24,500
Total	117,780,022	196,392,253
6. Depreciation		
Laundry and Allied Products	27,768,479	19,042,164
IT Enabled Services & BPO activities	7,498,653	7,026,756
Wind Turbine Generator	5,707,361	5,707,361
Unallocated/Corporate	384,257	383,833
Total	41,358,750	32,160,114

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

(a) Companies / Enterprises in which relatives of Key Management Personnel have a significant influence.

Thirumalai Chemicals Limited

(b) Other Related Parties:

Thirumalai Charity Trust

Vedavalli Vidyalaya School

Meera Parthasarathy (relative of Key Management Personnel)

(c) Key Management Personnel:

Mrs. Indira Sundararajan, Vice Chairperson & Managing Director

Ms. Tara Parthasarathy, Joint Managing Director

Mr. V. Bharatram, President(Operations), IT-Enabled Services and BPO activities Division.

Mr. R. Senthilkumar, Whole-Time Director.

**(B) Details of transactions with above parties :**

Particulars	Companies in which relative(s) of KMP have significant influence	Other related parties	Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)
Sale of goods				
- Thirumalai Chemicals Limited	43,037			43,037
	(42,194)			(42,194)
Remuneration paid to				
- Mr. V. Bharathram			5,793,800	5,793,800
			(4,648,000)	(4,648,000)
- Ms. Meera Parthasarathy		2,603,950		2,603,950
		(2,412,523)		(2,412,523)
Remuneration to Directors:				
- Mr. R. Sampath, Chairman			-	-
			(14,075,641)	(14,075,641)
- Mrs. Indira Sundararajan, Vice Chairperson & Managing Director			18,611,820	18,611,820
			(15,699,687)	(15,699,687)
- Ms. Tara Parthasarathy, Joint Managing Director			7,974,948	7,974,948
			(6,423,291)	(6,423,291)
- Mr. R.Senthilkumar, Whole Time Director			2,676,052	2,676,052
			(-)	(-)
- Commission to Non Executive Directors			5,151,768	5,151,768
			(-)	(-)
			-	-
Rent paid to				
- Thirumalai Chemicals Limited	3,675,913			3,675,913
	(3,839,076)			(3,839,076)
Rendering of Services to				
- Thirumalai Chemicals Limited	130,500			130,500
	(226,710)			(226,710)
- Vedavalli Vidyalaya School		195,000		195,000
		(-)		(-)
Receiving of services from				
- Thirumalai Chemicals Limited	169,388			169,388
	(123,177)			(123,177)
Outstanding payables				
- Thirumalai Chemicals Limited	299,158			299,158
	(14,063)			(14,063)



Particulars	Companies in which relative(s) of KMP have significant influence	Other related parties	Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)
Directors Remuneration Payables				
- Mr. R. Sampath, Chairman & Managing Director			— (9,507,900)	— (9,507,900)
- Ms. Indira Sundararajan, Vice Chairperson & Managing Director			12,879,420 (9,999,688)	12,879,420 (9,999,688)
- Ms. Tara Parthasarathy, Joint Managing Director			5,151,768 (3,999,875)	5,151,768 (3,999,875)
- Mr. R. Senthil kumar, Whole-time Director			700,000 (—)	700,000 (—)
- Non Executive Directors Commission			5,151,768 (—)	5,151,768 (—)
Outstanding receivables				
- Thirumalai Chemicals Limited	— 54,960			— 54,960
- Vedavalli Vidyalaya School		67,275 (—)		67,275 (—)
Donations paid		6,700,000		6,700,000
- Thirumalai Charity Trust		(6,500,000)		(6,500,000)
Outstanding deposits receivables				
- Thirumalai Chemicals Limited	1,400,000 (1,400,000)			1,400,000 (1,400,000)

**Meeting fees paid to Non Executive Directors ₹ 2,680,000 /- (Prev. Year ₹ 2,733,840/-) including Service Tax.
[Refer Page No. 39 of this report for details of sitting fees paid]**



6.4 AS 19 Details of Leasing arrangements

The Company has taken certain premises for office use and godown under cancellable / noncancellable 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 :

	(Amount in Rupees)	
	<u>2016-17</u>	<u>2015-16</u>
Lease rental charged in the Statement of Profit & Loss	19,714,062	19,189,161
Future minimum lease commitment		
Payable not later than one year	18,551,717	19,071,192
Payable later than one year and not later than five years	74,258,457	61,087,436
Payable later than five years	-	12,537,270
6.5 AS 20 Disclosure regarding earnings per share (EPS)		
The basic and diluted EPS is calculated as under:	<u>2016-17</u>	<u>2015-16</u>
Profit attributed to equity shareholders (₹)	324,015,511	273,547,056
No. of equity shares (of ₹ 2 each)	29,200,000	29,200,000
Earnings per share	11.10	9.37

Note 7: Other disclosures

Particulars	(Amount in Rupees)	
	<u>2016-17</u>	<u>2015-16</u>
7.1 The Company has incurred Research and Development expenses as under:		
On Capital Account :		
Lab Equipment	4,527,487	5,914,401
On Revenue Account (included in miscellaneous expenses in note no: 3.24)		
Salaries & Allowances	7,601,799	5,537,844
Contributions to Provident fund and other funds	416,830	306,521
Chemicals and Consumables	5,454,805	1,340,184
Other expenses	103,674	153,904
Total	<u>18,104,595</u>	<u>13,252,854</u>

7.2 Disclosures required as per Micro, small and medium enterprises development Act, 2006.

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined based on the vendor information collected and available with the Company

Particulars	(Amount in Rupees)	
	<u>2016-17</u>	<u>2015-16</u>
(i) Interest payable to the suppliers as at the end of the accounting year	Nil	Nil
(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	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 MSME Development Act, 2006	Nil	Nil
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(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

**7.3 Details of derivative instruments and unhedged foreign currency exposures of the Company is as under:**

Particulars	2016-17		2015-16	
	Foreign Currency	Amt in INR ₹	Foreign Currency	Amt in INR ₹
Derivative instruments				
Forward exchange contracts outstanding at the year end for hedging				
Accounts Receivables (USD)	\$405,638	28,784,159	\$450,000	29,601,000
Others Receivables (USD)	\$44,362	3,164,341	–	–
Accounts Payables (USD)	\$267,375	18,122,678		
Unhedged Foreign Currency exposures				
Account Receivable				
USD	\$721,107	46,482,587	\$613,939	40,384,924
Euro	–	–	€5,700	422,599
GBP	£11,713	941,176	£13,001	1,223,649
CAD	\$182	8,721	\$357	17,921
AUD	\$1,316	64,455	–	–
Accounts Payable (USD)	\$789,890	51,421,809	\$8,899,294	59,203,579

7.4 Expenditure towards Corporate Social Responsibility activities:

- Gross amount required to be spent by the Company during the year: ₹ 5,899,000/-
- Amount spent during the year: ₹ 6,700,000/- contributed to Thirumalai Charity Trust registered u/s 35AC of Income Tax Act 1961, engaged in rural healthcare, women empowerment, disability, de-addiction and village development, surrounding the manufacturing location of the Company.

7.5 Disclosure on Specified Bank Notes

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in Hand as on 08-11-2016	194,500	144,295	338,795
(+) Permitted Receipts	–	1,704,811	1,704,811
(-) Permitted Payments	–	1,424,975	1,424,975
(-) Amount deposited in Banks	194,500	66,706	261,206
Closing Cash in Hand as on 30-12-2016	–	357,425	357,425

7.6 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 and on behalf of the Board of Directors

For and on behalf of
Brahmayya & Co.
Chartered Accountants
Firm Regn. No. 000511S

INDIRA SUNDARARAJAN
Managing Director
DIN:00092203

TARA PARTHA SARATHY
Joint Managing Director
DIN:07121058

T.R. MADHAVAN
Director
DIN:00163992

R. NAGENDRA PRASAD
Partner
Membership No.203377

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai

Date: 26th May, 2017

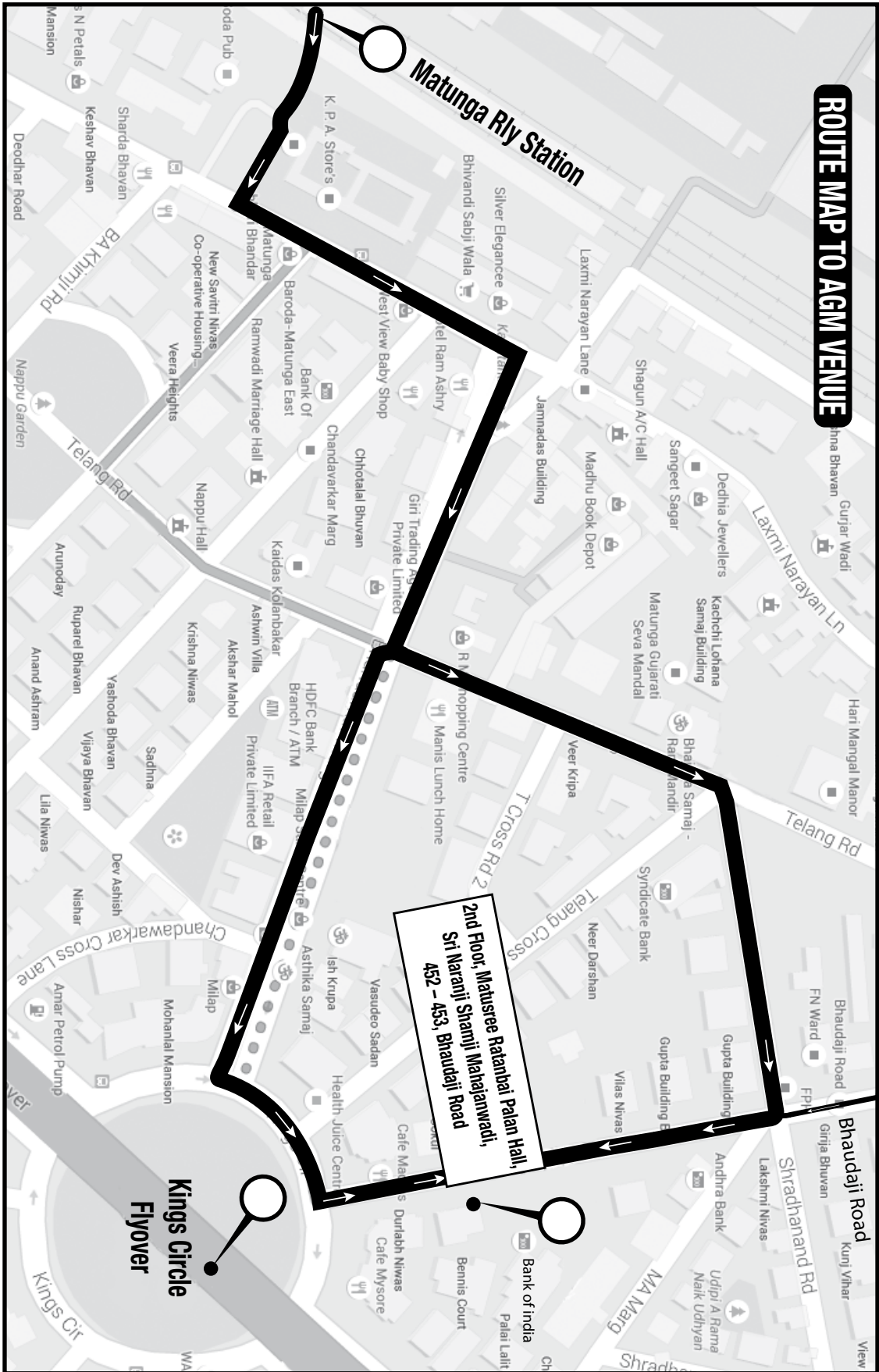


FINANCIAL HIGHLIGHTS FOR 10 YEARS

(₹ In lakhs)

Sl. No.	Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	14,110	10,869	9,364	8,633	8,048	7,604	7,253	6,573	7,415	6,706
3	Net Worth	14,694	11,453	9,948	9,217	8,632	8,188	7,837	7,157	7,999	7,290
4	Fixed Assets (Net)	6,005	5,454	3,969	4,215	4,296	4,526	4,072	2,973	3,196	2,243
5	Sales/ Other Income	25,758	22,522	17,389	15,328	14,394	13,825	12,372	10,839	11,125	8,832
6	Gross Profit before Interest & Depreciation	5,229	4,262	3,116	2,816	2,469	2,548	2,880	2,120	2,276	2,347
7	Interest & Finance Charges	(25)	(36)	(49)	(96)	(156)	(171)	(41)	(90)	(74)	(29)
8	Depreciation	(414)	(322)	(315)	(561)	(576)	(550)	(427)	(430)	(346)	(285)
9	Current Tax (incl. Fringe Benefit Tax)	(1,300)	(957)	(755)	(755)	(588)	(371)	(771)	(671)	(156)	(563)
10	Defered Tax	(250)	(212)	(122)	36	64	(86)	60	149	(278)	49
11	Net Profit after Tax	3,240	2,735	1,875	1,440	1,213	1,370	1,701	1,078	1,422	1,519
12	Dividend (incl. Dividend Tax)	1,406	1,230	1,054	854	769	1,018	1,021	1,021	683	1,025
13	Dividend (%)	200	175	150	125	112	150	150	150	100	150
14	*Earnings Per share (₹)	11.10	9.37	6.42	4.93	4.15	4.69	5.83	3.69	4.77	5.22

* EPS from 2005-06 computed on ₹ 2 per share while for previous EPS is on ₹ 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

Sarva Vidyaanam Siddhir Bhavatu being our motto, we, at Vedavalli Vidyalaya strive to bring holistic learning and a stimulating environment for our students. The academic year is distributed with a variety of activities and workshops that supplement the academic programmes. Each of our three schools has a unique approach to the teaching-learning process.

We are proud to say that we are one of the few institutions in the state to offer unique subject options such as History, Geography, Sociology, PT, Fashion Studies and Political Science, other than the regular Commerce, Computer and Science streams at the higher secondary level. This year marks a very significant year for Vedavalli Vidyalaya, Ranipet campus, as we bid goodbye to our first batch of Class XII students, appearing for both the arts (History, Geography and Sociology) and the science streams in the higher secondary examinations.

From KG to Class XII, academics are made interesting with Exposure (Field) trips. This year, our students visited the leather industry, Science Research Centres, and museums, to understand how learning is applied in real life. Some of them also visited schools with like-minded views to interact and understand some of their good practices. Our students of Class XI go through an internship in neighbouring companies such as Ultramarine Pigments Ltd., Thirumalai Chemicals, and SNAP. Some of them have worked with TCT on Outreach programmes and with Thirumalai Mission Hospital. They also got the opportunity to work at Mr. Charabob's Accounting firm. This interaction of the senior students with professionals is for them to understand the work environment in their stream of interest.

Teachers too have intensive training sessions and workshops to hone their skills and to update themselves in different teaching methodologies and the changing curriculum. The Annual teachers' Seminar conducted in the honour of our Founder Trustee, Smt. Satyabama, focused on Gender Bias in education and inclusion of children with different abilities. Speakers from various walks of life spoke about the importance of gender equality in the classroom and emphasised the need to remove environmental and social barriers in education. Our teachers also attend workshops and training at places such as the Indian Institute of Sciences for upgrading their content knowledge. They get to interact with eminent educationists and scientists. This year we had the honour of having Prof. Jayashree Ramdas, who interacted and worked with our teachers on the teaching-learning process of science among primary students.

Learning at Vedavalli Vidyalaya is not just regular schooling, but a process where a child understands what life has to offer and is made ready to face it. The alumni of our schools stand tall with pride as they face all their ordeals and are not afraid of failure.

For more information & details, please visit www.vedavallividyalaya.org





Thirumalai Charity Trust

Ranipet



The Thirumalai Charity Trust (TCT), set up in 1970, has a track record in community health and development services in villages around Ranipet, for more than three decades. Banking on the goodwill it has generated in its activities in health, cattle care, disability, de-addiction, and women's development, TCT started the Thirumalai Mission Hospital (TMH) in April 2010, as a not-for-profit facility, to provide accessible, affordable and quality health care.



Starting with a ground-plus first-floor building of 7,200 sq.ft., we have now added two more floors with an expanded ground floor, increasing the total available space to 20,000 sq.ft. in the hospital. TMH offers outpatient and inpatient services in general medicine, emergency, intensive medical care, general surgery, orthopedics, pediatrics, obstetrics and gynecology, dentistry, physiotherapy, and de-addiction for rehabilitation. These are supported by excellent laboratory and diagnostics facilities, and other support services. We offer short-term courses for rural girls in healthcare work. We are now commencing research activities.



Our Primary Health Care services that include education, screening, early detection, referral and followup have been strengthened in 315 villages, 50 panchayats of Vellore District of Tamil Nadu for 35,000 families, covering a population of 1,60,000.



Our goal is to prevent morbidity and mortality arising out of chronic diseases such as obesity, diabetes, hypertension, osteoporosis, arthritis, etc. We encourage preventive screening with health check-ups for general health conditions, special check-ups for cervical cancer, breast cancer, and oral cancer. We offer a special line of care in camps and programmes for these conditions for the community of people we serve.

In the past year, we have treated nearly 22,000 patients as outpatients and 620 as inpatients for varying conditions. In camps alone, we have served 8,500 people.



We have so far reached more than 7,000 women in our programmes for cervical and breast cancer, 4,500 for osteoporosis and 1,500 in diabetes and hypertension. The results of these have been so encouraging that we are now pioneering a community-centred model programme for prevention, care and control of non-communicable diseases that can be scalable and replicable.

We are thankful to the community for its involvement and to the donors for their support.

We invite you to visit us and get involved with us to make a better impact.

www.thirumalaicharitytrust.org