



**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@ultramarinepigments.net
Website : www.ultramarinepigments.net
CIN : L24224MH1960PLC011856

16th August, 2018

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 -2018 of the Company approved and adopted by the Shareholders in the annual general meeting held on 6th August, 2018 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.



57th Annual Report
2017–2018



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Board of Directors

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

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

Stakeholders 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@ultramarinepigments.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

57th Annual General Meeting

Date & Time

6th August, 2018 at 3.00 p.m.

Venue

The Mysore Association Auditorium,
Mysore Association, 393, Bhaudaji Road,
Matunga – C. Rly, Mumbai - 400019

Dividend declared

212.5% (₹ 4.25 per share)

Book closure

28th July, 2018 to 6th August, 2018
(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. 114



Board of Directors



Standing L to R : **Mr. Navin Muthu Ram, Mr. R. Senthil Kumar -Whole-time Director,
Ms. Tara Parthasarathy - Joint Managing Director, Mr. T.R. Madhavan, Mr. Nimish U. Patel**

Seated L to R : **Mr. Vinod G. Nehemiah, Mrs. Indira Sundararajan - Vice Chairperson,
Mr. R. Sampath - Chairman, Dr. Gopakumar G. Nair, Mr. S. Ragothaman**



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



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



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



Mr. R. Senthil Kumar is the Whole-time Director of Ultramarine & Pigments Limited. He has been working in the Company since 1988. He is looking after the operation of plants at Ranipet and Ambattur. He has more than 25 years of experience in various areas viz, manufacturing, sales and marketing, Projects, Commercials and day to day plant operations. He is a Science graduate.



Dr. Gopakumar G. Nair is an IP Consultant, managing Gopakumar Nair Associates (Patent & Trademark Attorneys, IPR Consultants & Advisors). Dr. Nair has more than 40 years of rich experience and knowledge in pharmaceutical and chemical industries. He has held positions like Director, Chairman & Managing Director of pharmaceutical Companies as well as Past-President of Indian Drug Manufacturers' Association. He is the Chairman of Stakeholders Relationship Committee of the Board of Ultramarine & Pigments Limited.



Mr. Nimish U. Patel is the Managing Director of Shri Dinesh Mills Limited and Chairman & Managing Director of Dinesh Remedies Ltd. He has more than 27 years of experience in the field of Textile and more than 12 years in the field of Electro Plating and Pharma Industries.



Mr. T.R. Madhavan is the former Executive Chairman of Centrum Capital Limited. Prior to this, he was Managing Director of Dhanlaxmi Bank Limited. He has more than 30 years of rich experience in Banking and Finance. He was with Bank of India for more than 30 years and was General Manager – Credit before he took voluntary retirement to join Dhanlaxmi Bank Limited as its Managing Director. He is the Chairman of Audit Committee and Corporate Social Responsibility Committee of the Board of Ultramarine & Pigments Limited.



Mr. Vinod G. Nehemiah, is an entrepreneur, Director of Snap Natural & Alginate Products Private Limited. SNAP manufactures natural food additives such as Salts of Alginic Acid, Carrageenan. He has worked in Hindustan Lever Limited in various positions: Production Manager, Research Scientist. He is the Chairman of Nomination and Remuneration Committee of the Board of Ultramarine & Pigments Limited.



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



Mr. S. Ragothaman served as Director of ICICI Bank Ltd and ICICI Prudential Asset Management Co Ltd. He has more than four decades of experience in Project Finance, Investment Banking, Leasing, Bill Discounting and Financial Restructuring. He is currently occupies the position of Independent Director as well as membership and Chairmanship of Audit Committees of The Bombay Dyeing and Manufacturing Company Ltd, Xpro India Ltd, Xpro Global Ltd, National Peroxide Ltd, Digjam Limited. He has been a guest faculty for LIBA - Chennai, IFMR - Chennai, and RBI Staff Training College – Chennai.



NOTICE

NOTICE is hereby given that the FIFTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga – C. Rly, Mumbai – 400019 on Monday, the 6th day of August, 2018 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, 2018, the reports of the Board of Directors and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Ms. Tara Parthasarathy (DIN: 07121058), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members be and is hereby accorded to the payment of revised remuneration to Mr. V. Bharathram, President (a relative of Mr. R. Sampath, Director) with effect from 01.04.2018 on the following terms and conditions:

A.	Salary	Basic salary in the scale of ₹ 3,00,000 – 30,000 per month with a provision to pay multiple increments within the scale.
B.	Allowances / Perquisites / Variable pay	<p>a) Allowances like Leave Travel Allowance, Special Allowance, or any other allowance;</p> <p>b) Perquisites such as furnished / unfurnished accommodation to be provided by the Company or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car and any other perquisites, benefits or amenities.</p> <p>- The allowance and perquisites not exceeding 100% of the Salary; and</p> <p>c) Variable pay:</p> <p>- as may be approved by the Nomination and Remuneration Committee subject to :</p> <p>- Variable pay (at 100% level) not exceeding twelve times of the monthly Basic Salary.</p>
C.	Retirement benefits	<p>- Contributions to Provident Fund, Superannuation Fund and Gratuity as per the Rules of the Fund / Scheme in force from time to time</p> <p>- Encashment of leave as per rules of the Company in force from time to time.</p>

“RESOLVED FURTHER THAT any Whole-time Director or Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution.”



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 188 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the members be and is hereby accorded to the payment of revised remuneration to Ms. Meera Parthasarathy, Vice President (a relative of Ms. Tara Parthasarathy, Joint Managing Director) with effect from 01.04.2018 on the following terms and conditions:

A.	Salary	Basic salary in the scale of ₹ 2,00,000 – 20,000 per month with a provision to pay multiple increments within the scale.
B.	Allowances / Perquisites / Variable pay	<p>a) Allowances like Leave Travel Allowance, Special Allowance, or any other allowance;</p> <p>b) Perquisites such as furnished / unfurnished accommodation to be provided by the Company or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car and any other perquisites, benefits or amenities.</p> <p>- The allowance and perquisites not exceeding 100% of the Salary; and</p> <p>c) Variable pay: as may be approved by the Nomination and Remuneration Committee subject to :</p> <p>- Variable pay (at 100% level) not exceeding twelve times of the monthly Basic Salary.</p>
C.	Retirement benefits	<p>- Contributions to Provident Fund, Superannuation Fund and Gratuity as per the Rules of the Fund / Scheme in force from time to time</p> <p>- Encashment of leave as per rules of the Company in force from time to time.</p>

RESOLVED FURTHER THAT any Whole-time Director or Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT Pursuant to the provisions of 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, 2019, 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 28th July, 2018 to 6th August, 2018 (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 27th day of July, 2018 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. i) 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 2009-2010 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.
ii) The shareholders may note that pursuant to the provisions under Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, shares in respect of which dividend were not claimed by the shareholders for seven consecutive years, had been transferred to Investor Education and Protection Fund (IEPF).
80,608 shares were transferred to IEPF on 25.11.2017.
The details are posted in the Company's website: www.ultramarinepigments.net / investors column for the information of the shareholders.
iii) Undelivered share certificates for 1,02,800 shares have been transferred to a Dematerialised unclaimed suspense account in compliance with Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015.
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 2017-18 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 2017-18 are being sent in the permitted mode.
9. Electronic copy of the Notice of the 57th 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 57th 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 57th Annual General Meeting and the Annual Report for 2017-18 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 clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 57th 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 2nd August, 2018 at (9.00 a.m.) and ends on 5th August, 2018 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 30th July, 2018 may cast their vote 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 on 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 sequence number 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 30th July, 2018.



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 30th July, 2018, 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. R M Mimani & Associates LLP, a firm of Company Secretaries (Firm Reg. No. 12001MH250300) 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.

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

Item No. 4

Mr. V. Bharathram (a relative of the Director) was appointed as Vice President of the Company with effect from 1st June, 2005. His appointment and remuneration were approved by the Shareholders by means of a Special resolution at the Annual General Meeting (AGM) held on 25th July, 2005 and approval of the Central Government (Ministry of Corporate Affairs) was obtained on 28.11.2005 as required under the erstwhile Companies Act, 1956. Mr. Bharathram was re-designated as President with effect from 1st April, 2008. His re-designation and revised remuneration were approved by the Shareholders by means of a Special resolution at the AGM held on 28th July, 2008 and the Central Government approval dated 24th July, 2009.

Keeping in view his knowledge, experience, leadership skills, contribution towards growth of the Company, and considering the remuneration norms prevailing in the Industry, it was proposed to revise the remuneration of Mr. Bharathram. The payment of revised remuneration to Mr. Bharathram requires prior approval of the Members under Section 188 of the Companies Act, 2013.

On the recommendation of Nomination and Remuneration Committee, and approval of the Audit Committee, the Board of Directors at their meeting held on 13th February, 2018 considered the revised remuneration payable to Mr. Bharathram as set out in item no. 4 of the Notice subject to requisite prior approval of the Members.

Mr. V. Bharathram, and Mr. R. Sampath, Director, being a relative, are interested in the resolution set out at item no. 4 of the Notice.



Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board of Directors recommends the resolution at item no. 4 as an ordinary resolution for the approval of the Members.

Item No.5

Ms. Meera Parthasarathy joined the Company as a Business Manager in 2008 and currently occupies the position of Vice President.

The current remuneration of Ms. Meera Parthasarathy is within the ceiling of ₹ 2,50,000/- per month prescribed under Section 188 of the Companies Act, 2013.

Keeping in view her qualification, experience, ability to grow the business of the Company, and considering the remuneration norms prevailing in the Industry, it was proposed to revise the remuneration of Ms. Meera Parthasarathy. The payment of revised remuneration to Ms. Meera Parthasarathy requires prior approval of the Members under Section 188 of the Companies Act, 2013.

On the recommendation of Nomination and Remuneration Committee, and approval of the Audit Committee, the Board of Directors at their meeting held on 13th February, 2018 considered the revised remuneration payable to Ms. Meera Parthasarathy as set out in item no. 5 of the Notice subject to requisite prior approval of the Members.

Ms. Meera Parthasarathy, and Ms. Tara Parthasarathy, Joint Managing Director being a relative, are interested in the resolution set out at item no. 5 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

The Board of Directors recommends the resolution at item no. 5 as an ordinary resolution for the approval of the Members.

Item No.6

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 necessary Compliance certificate for the financial year ending March 31, 2019 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.6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2019.

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. 6 of the Notice.

Regd. Office:

Thirumalai House, Plot No. 101 -102,
Road No. 29, SION – East, Mumbai – 400022
Email: cs@ultramarinepigments.net,
Website: www.ultramarinepigments.net
Date: 30th May, 2018

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	Tara Parthasarathy
DIN	07121058
Date of Birth	31.01.1986
Qualification	Bachelor of Technology (Industrial Bio Technology) from Anna University, Chennai Master of Environmental Management (MEM) from Yale School of Forestry and Environmental Studies, New Haven, USA.
Expertise in specific functional areas	Specialist in Environmental Management and related businesses; Her experience includes Consulting, government Policy advocacy and change, formation of industry Consortia, and project scoping, bidding and realization.
Relationship with Director	Nil
Directorship in other Companies	None
Membership/Chairmanship in Committees	Member, Audit Committee
Shareholding in the Company	She holds by herself 20,000 equity shares in the Company.

Regd. Office:

Thirumalai House, Plot No. 101 -102,
Road No. 29, SION – East, Mumbai – 400022
Email: cs@ultramarinepigments.net,
Website: www.ultramarinepigments.net
Date: 30th May, 2018

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 57th Annual Report and the audited financial statement of the Company for financial year ended March 31, 2018.

FINANCIAL RESULTS:

A summary of the Company's Financial Results for the financial year 2017 -18 is as under:

Particulars	₹ Lakhs	
	Financial Year 2017-18	Financial Year 2016-17
Revenue from operations (net of excise duty)	27,736	25,541
Profit before tax	6,341	4,818
Tax Expenses (Including Deferred Tax)	1,977	1,571
Profit after Tax	4,364	3,247

DIVIDEND:

Your Directors have recommended a dividend of ₹ 4.25 per share of the nominal value of ₹ 2.00 each for the year ended March 31, 2018 [previous year ₹ 4.00 per Share of nominal value ₹ 2.00 per share]. The payment of dividend together with the tax thereon absorbed a sum of ₹ 1493.64 Lakhs. The dividend, if declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 13th August, 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OPERATIONS AND FINANCIAL PERFORMANCE:

The Manufacturing Division has performed well this year with an increased focus on value addition, strategic sales and organisational development. We are pleased to report a 32% increase in profit and a 11% increase in revenue over last year. Profitability has improved by 29%.

Detailed analysis of segment wise performance is given below.

PIGMENT DIVISION:

Over the past year, we have continued to focus on product customisation based on customer need, and on expanding our global footprint. Our focus on customisation of products has yielded better volumes in the export markets. Initiatives taken on Research and Development activities helped launch new products and gain customer confidence and loyalty.

The Pigments division achieved a net revenue of ₹ 87.42 crores in this financial year (as compared to ₹ 72.61 crores in the previous financial year) and showed a 20% increase in value. This year, it has achieved the highest volume and the highest value of Industrial sales in the Company's history.

SURFACTANTS DIVISION:

This year, as a part of our diversification and value addition plan, we have introduced a variety of surfactants for the home and personal care industry, besides value addition in our existing basket of products.



The Surfactants factory in Ranipet is running at full capacity. With a focus on optimising the product mix, and increased value addition for the customer, the division has seen a 13% increase in both sales volume and profit over the previous year. The Surfactants division increased its revenues by 7% to ₹ 159.69 crores in financial year 2017-18, as compared to ₹ 149.47 crores in financial year 2016-17.

Your company is developing a new surfactants manufacturing facility in an Industrial Park in Naidupeta, Nellore Dt, in a plot of land acquired from the Andhra Pradesh Industrial Infrastructure Corporation.

This upcoming facility will have the ability to manufacture all the existing surfactants in our portfolio, and will have the requisite space for future expansion when deemed necessary.

WIND MILL GENERATION:

The wind mills generated 59.79 lakhs units, which is lower by 15 % as compared to previous year. This reduction in wind generation is due to poor wind season.

Your company's captive consumption from wind mills has increased to 43.11 lakh units from 11.43 lakh units when compared to previous financial year which resulted in reduction of power cost.

ITES DIVISION:

During the financial year under review, this division reported an income of ₹ 30.25 crores which is lower by ₹ 1.11 crores when compared to previous financial year. ITeS services like publishing, health care and other BPO segments are highly competitive. The stiff competition and sudden entry of large IT companies impacted revenue growth and profitability.

EXPORTS:

Export earnings from Manufacturing went up by 41%. This increase was facilitated mainly by the greater volumes of high value pigments sold on the global market. It was also assisted by the addition of exports sales in the surfactants business, especially in the Asian market.

EARNINGS PER SHARE (EPS):

Earnings Per Share (EPS) is at ₹ 14.95 (Previous Year ₹ 11.12) and Cash Earnings Per Share (CEPS) is ₹ 16.60 (Previous Year ₹ 12.55) on the paid up value of ₹ 2.00 per share.

INTERNAL FINANCIAL CONTROL:

All the transactions entered are system driven and are in an ERP system which is customized to suit the company specific requirements. Majority of approvals and work flows are routed through the system.

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

The company has utilised the services of an external firm of Chartered Accountants and evaluated the internal financial control systems. Company has already prepared detailed Standard Operating Procedures (SOP) for each function and has evolved a suitable risk mitigation plan. The effective controls are identified and implemented to mitigate these risks.

The Internal Auditor's reports, observations and management response are placed before the audit committee in the presence of the Internal Auditor and the same is discussed in depth and corrective actions, if any, are taken immediately. The action taken report is placed before the Audit Committee for review. 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.

PERSONNEL

Industrial Relations were quite harmonious through-out the year under review. Your company believes that the strength of the employees of the company directly relates to the strength of the organisation in terms of knowledge, experience and analytical and decision making skills.



We have seen new talent entering the organisation, as experienced members of the management team, as mid-career professionals with experience and ambition, and younger employees starting their careers. We have implemented fair and balanced performance review mechanisms that incentivise our employees to measure their impact on the organisation, and help identify training needs, in order to ensure both individual development and organisational growth.

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 competition from the unorganized sector and manufacturers of alternative products, coupled with shrinking demand for whitening solutions are the major threats for laundry and white-washing applications. Your Company plans to mitigate the threat with specific marketing and sales strategies.
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 utilization. We have identified multiple vendors to ensure adequate availability of imported materials.

PROSPECTS & OUTLOOK:

Our strategic focus will continue to be on value addition, expanding to new markets and an optimal product mix that uses our existing and new capacity in the most efficient manner. By exploiting our strengths in strong partner relationships and customer support, we plan to remain a profitable and growing Company.

PROJECTS:

Your Company is setting up a greenfield surfactants project with an annual installed capacity of 30,000 Tonnes in Naidupeta, Andhra Pradesh. The estimated project capital outlay for the same is approximately ₹ 70 Crores. The Company will contribute one third of the planned capital outlay out of surplus funds and the balance by way of a term loan. We expect to commence commercial production by third quarter, 2019.

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, 2018 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, Ms. Tara Parthasarathy (DIN.07121058), retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.
- ii) Mrs. Indira Sundararajan (DIN. 00092203) ceased to be the Managing Director of the Company with effect from 09.05.2018 by virtue of operation of law [provision of Section 196 (3) (a) of Companies Act, 2013, attaining age 70] and will continue to remain as Non – Executive Director, and Vice Chairperson of the Company.

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 risk management process is reviewed by the Audit Committee and their suggestion and observation are implemented.

**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 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 2017-18.

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, 2018 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, 2018 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 6,7,11 & 15 to the financial statement).

RELATED PARTY TRANSACTIONS:

All related party transactions 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 the 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.

STATEMENT SHOWING UNCLAIMED DIVIDEND AS ON MARCH 31, 2018:

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 dividend/ unclaimed 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, 2018 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2010-11	Final	3.00	462,873	15/10/2018
2	2011-12	Final	3.00	470,010	25/10/2019
3	2012-13	Final	2.25	511,108	14/09/2020
4	2013-14	Final	2.50	767,400	17/10/2021
5	2014-15	Final	3.00	1,024,905	17/10/2022
6	2015-16	Interim	3.50	1,287,094	02/06/2023
7	2016 -17	Final	4.00	1,475,028	22/10/2024

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)

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions under Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, shares in respect of which dividend were not claimed by the shareholders for seven consecutive years, have been transferred to Investor Education and Protection Fund (IEPF).

80,608 shares were transferred to IEPF on 25.11.2017.

The details are posted in the Company's website: [www.ultramarinepigments.net/investors/investors information](http://www.ultramarinepigments.net/investors/investors%20information).

DETAILS RELATING TO DEMATERIALIZED UNCLAIMED SUSPENSE ACCOUNT:

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	Aggregate no. of Shareholders at the end of the year	No. of Shares
16	1,02,800	Nil	Nil	16	1,02,800

The voting rights on the abovementioned shares shall remain frozen till the rightful owner of such shares claims the shares.

**AUDITORS:**

As per the notification of Ministry of Corporate Affairs dated 7th May, 2018, proviso to Section 139 (1) of the Companies Act, 2013 (placing the ratification of appointment of auditors at every Annual General Meeting) has been omitted with immediate effect. Accordingly, ratification of appointment of M/s. Brahmayya & Co., Chartered Accountants, Chennai, statutory auditors is not required to be placed before the Shareholders at the forthcoming Annual General Meeting (AGM) of the Company. M/s. Brahmayya & Co was appointed as statutory auditors at the AGM held on 7th August, 2014 to hold office from the conclusion of the meeting till the conclusion of Annual General Meeting to be held in the year, 2019.

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 (Membership no.11733) has been appointed as Cost auditor for the financial year 2017-18.

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 EARNING 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 the 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**,

Place: Chennai
Date : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

R. Senthil Kumar
Whole - time Director
[DIN: 07506927]



ANNEXURE - DIRECTOR'S REPORT

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.

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, 2018**

[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,

[CIN: L24224MH1960PLC011856]

Thirumalai House, Road No. 29, Near Sion Hill Fort,

Sion (East), Mumbai -400022

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, 2018 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, 2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under 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. The Management has Identified and confirmed the following laws as specifically applicable to the Company;
 - a. Explosive Act, 1974
 - b. Hazardous Wastes (Management and Handling) Rules, 2016
 - c. The Chemical Weapons Convention Act, 2000
 - d. Information Technology Act, 2000 and the rules made there under
 - e. Copyrights Act, 1957
 - f. The Trade Marks Act, 1999
 - g. Factories Act, 1948 and the rules made thereunder
 - h. Legal Metrology Act, 2009
 - i. Legal Metrology (Packaged Commodities) Rules, 2011.



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

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

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.

During the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

During the financial year under review, provisions of the following regulations were not applicable to the Company;

- 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;
- f) 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;

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. There was no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

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 Compliance Certificate(s) of the Managing Director/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 laws, rules, regulations and guidelines.

We further report during the financial year under review, no specific events/ actions having a major bearing on the affairs of the Company in pursuance of any of the above referred laws, rules, regulations, guidelines standards etc.

For **R M MIMANI & ASSOCIATES LLP**
[COMPANY SECRETARIES]
[Firm Registration No. 12001MH250300]

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 30th May, 2018

FCS No: 6271
CP No : 4234

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,
[CIN: L24224MH1960PLC011856]
Thirumalai House, Road No. 29, Near Sion Hill Fort,
Sion (East), Mumbai -400022

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. Where ever 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]
[Firm Registration No. 12001MH250300]

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 30th May, 2018

FCS No: 6271
CP No : 4234

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31/03/2018

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

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	56.52
2	Pigments	201	30.96
3	ITES	620	10.70

* As per National Industrial Classification – Ministry of Statistics and Programme implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Not Applicable

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


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	11,056,814	-	11,056,814	37.87	11,056,814	-	11,056,814	37.87	0.00
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3,083,820	-	3,083,820	10.56	3,289,046	-	3,289,046	11.26	0.70
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other – Trust	1,206,224	-	1,206,224	4.13	1,206,224	-	1,206,224	4.13	0.00
Sub-Total (A) (1)	15,346,858	-	15,346,858	52.56	15,552,084	-	15,552,084	53.26	0.70
(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)	15,346,858	-	15,346,858	52.56	15,552,084	-	15,552,084	53.26	0.70



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	-	-	-	-	72,583	-	72,583	0.25	0.25
(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) FII's	33,356	-	33,356	0.11	-	-	-	-	(0.11)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	74,524	800	75,324	0.25	113,751	800	114,551	0.39	0.14
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	289,033	-	289,033	0.99	440,937	-	440,937	1.51	0.52
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	7,823,474	1,135,860	8,959,334	30.68	8,031,802	825,692	8,857,494	30.33	(0.35)
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	3,533,937	-	3,533,937	12.10	3,094,227	-	3,094,227	10.60	(1.50)



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)									
IEPF	-	-	-	-	80,746	-	80,746	0.28	0.28
Clearing members	22,724	-	22,724	0.08	21,206	-	21,206	0.07	(0.01)
Hindu undivided families	411,058	-	411,058	1.41	327,333	-	327,333	1.12	(0.29)
NRI	5,43,273	-	5,43,273	1.86	643,672	-	643,672	2.21	0.35
Trusts	1,000	-	1,000	0.00	500	-	500	0.00	0.00
Foreign Portfolio Investor (Individual)	17,459	-	17,459	0.06	67,250	-	67,250	0.23	0.17
Sub-Total (B)(2)	12,641,958	1,135,860	13,777,818	47.19	12,707,673	825,692	13,533,365	46.35	(0.84)
Total Shareholding of Promoter = (B) (1) + (B) (2)	12,716,482	1,136,660	13,853,142	47.44	12,821,424	826,492	13,647,916	46.74	(0.70)
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	28,063,340	1,136,660	29,200,000	100.00	28,373,508	826,492	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	-	3,250,026	11.13	-	0.70
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 VENKATARAMAN	732,040	2.51	-	732,040	2.51	-	-
7	R SAMPATH	872,242	2.99	-	872,242	2.99	-	-
8	S SANTHANAM –HUF	519,075	1.78	-	519,075	1.78	-	-
9	PARTHASARATHY RANGASWAMY	736,331	2.52	-	736,331	2.52	-	-
10	SUJATA SAMPATH	582,634	1.99	-	582,634	1.99	-	-
11	DAYA SRIDHAR	482,928	1.65	-	482,928	1.65	-	-
12	KALA SUNDARAVEDA	396,970	1.36	-	396,970	1.36	-	-
13	RANGASWAMY PARTHASARATHY – HUF	407,400	1.39	-	407,400	1.39	-	-
14	SRIDHAR SUNDARARAJAN – HUF	350,449	1.20	-	350,449	1.20	-	-
15	DEEPA AJAY	306,200	1.05	-	306,200	1.05	-	-
16	G S FAMILY TRUST	315,301	1.07	-	315,301	1.07	-	-
17	RANGASWAMY SAMPATH - HUF	260,207	0.89	-	260,207	0.89	-	-
18	R S FAMILY TRUST	259,243	0.89	-	259,243	0.89	-	-
19	V S FAMILY TRUST	260,960	0.89	-	260,960	0.89	-	-
20	GEETHA .S	192,962	0.66	-	192,962	0.66	-	-
21	M P FAMILY TRUST	187,960	0.64	-	187,960	0.64	-	-
22	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	-	-



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	
26	S VIDYA	107,515	0.37	-	107,515	0.37	-	-
27	S NARAYAN	72,800	0.25	-	72,800	0.25	-	-
28	RAMYA BHARATHRAM	59,360	0.20	-	59,360	0.20	-	-
29	V BHARATHRAM	36000	0.12	-	36000	0.12	-	-
30	MEERA PARTHASARATHY	48,120	0.16	-	48,120	0.16	-	-
31	TARA PARTHASARATHY	20,000	0.07	-	20,000	0.07	-	-
32	ADITYA RAJAN	17,200	0.06	-	17,200	0.06	-	-
33	KAVYA NARAYAN	16,000	0.05	-	16,000	0.05	-	-
34	UTTARA B	16,000	0.05	-	16,000	0.05	-	-
35	V S SUNDARARAJAN	4,108	0.01	-	4,108	0.01	-	-
36	BINA RAJAN	4,000	0.01	-	4,000	0.01	-	-
37	PRATHAMESH KARKAL	1,600	0.01	-	1,600	0.01	-	-
38	VARADARAJAN SANTHANAM	114	0.00	-	114	0.00	-	-
39	JASMINE LTD	39,020	0.13	-	39,020	0.13	-	-
Total		15,346,858	52.56	-	15,552,084	53.26	-	0.70

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

Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding 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.	Thirumalai Chemicals Limited	3,044,800	10.43	3,044,800	10.43
	21.12.2017 Market purchase	205,226	0.70	3,250,026	11.13
At the End of the year		3,250,026	11.13	3,250,026	11.13



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 of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	R. Sundararajan	613,278	2.11	643,467	2.20
2	T. Vijayaraghavan	685,000	2.35	642,500	2.20
3	Bhavna Govindbhai Desai	419,148	1.43	419,148	1.43
4	R. Ramachandran	322,855	1.10	321,699	1.10
5	K. Sridhar	316,662	1.08	298,682	1.02
6	Saroja Srinivasan	271,800	0.93	260,007	0.89
7	S. Bhooma	169,404	0.58	174,124	0.60
8	K. Sridhar	257,000	0.88	157,000	0.54
9	Shreyas Ajay Srinivasan	-	-	121,491	0.42
10	Surabi Amritha Srinivasan	-	-	121,491	0.42

v) **Shareholding of Directors and Key Managerial Personnel:**

S.No	Name of the Directors and KMP Date wise Increase / Decrease in Share holding 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
1.	Mr. Vinod G. Nehemiah, Director At the beginning of the year During the year At the End of the year	1,77,600 - 1,77,600	0.61 - 0.61	1,77,600 - 1,77,600	0.61 - 0.61
2.	Mr. Nimish U. Patel, Director At the beginning of the year During the year (by way of Transmission) At the End of the year	52,589 23,795 76,384	0.18 0.08 0.26	52,589 76384 76,384	0.18 0,26 0.26
3.	Dr. Gopakumar G Nair , Director At the beginning of the year During the year At the End of the year	18,000 - 18,000	0.06 - 0.06	18,000 - 18,000	0.06 - 0.06



4.	Mr. T.R.Madhavan, Director				
	At the beginning of the year	600	0.00	600	0.00
	During the year	-	-	-	-
	At the End of the year	600	0.00	600	0.00
5.	Mr. Navin M Ram , Director				
	At the beginning of the year	1050	0.00	1050	0.00
	During the year	-	-	-	0.00
	At the End of the year	1050	0.00	1050	0.00
6.	Mr. S. Ragothaman, Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the End of the year	500	0.00	500	0.00
7.	Mr. R. Senthil Kumar, Whole-time Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the End of the year	500	0.00	500	0.00
8.	Mr. S. Ramanan, CFO				
	At the beginning of the year	934	-	934	0.00
	During the year	-	-	-	-
	At the End of the year	934	0.00	934	0.00
9.	Mr. Kishore Kumar Sahoo, Company Secretary				
	At the beginning of the year	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: Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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	19.00	15.24
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1.58	8.94	15.10
(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...	160.22	30.00	---
5	Others. Variable pay	---	---	9.00
Total (A)		218.80	57.94	39.34



B. Remuneration to other Directors:

₹ 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. Ragothaman	
1	Independent Directors • Fee for attending board / committee meetings	3.20	2.00	5.60	3.60	2.80	5.20	22.40
	• Commission	3.68	6.13	6.13	2.45	3.07	4.29	25.75
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	6.88	8.13	11.73	6.05	5.87	9.49	48.15
		R. Sampath						
2	Other Non-Executive Directors • Fee for attending board / committee meetings		3.20	-	-	-	-	3.20
	• Commission		25.76	-	-	-	-	25.76
	• Others, please specify		-	-	-	-	-	-
	Total (2)		28.96	-	-	-	-	28.96
	Total (B) = (1)+(2)							77.11

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

Sl. 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	12.60	3.88	16.48
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	17.57	9.10	26.67
(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)	30.17	12.98	43.15



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		
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

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

Place: Chennai
Date : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

R. Senthil Kumar
Whole - time Director
[DIN: 07506927]



Annexure – 4

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 2017-18.

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1.	Indira Sundararajan	Vice Chairperson and Managing Director	97:1
2.	Tara Parthasarathy	Joint Managing Director	28:1
3.	R. Senthil Kumar	Whole-time Director	20:1

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2017-18.

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Indira Sundararajan	Vice Chairperson and Managing Director	16.74
2.	Tara Parthasarathy	Joint Managing Director	(22.96)
3.	R. Senthil Kumar	Whole –time Director	88.21
4.	S. Ramanan	Chief Financial Officer	14.80
5.	Kishore Kumar Sahoo	Company Secretary	9.79

- iii) The percentage increase in the median remuneration of Employees in the financial year is 2.61%.

- iv) The Company has 1004 permanent employees on the rolls of Company as on 31st March, 2018.

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

The profit before tax for the financial year ended 31st March, 2018 increased by 32% whereas the average increase in remuneration was 22%.

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

₹ in Lakhs

Sl. No.	Particulars	Year (2017 – 18)	Year (2016 – 17)	Percentage of increase/ decrease
1.	Sales	27,736	25,541	8.59%
2.	Profit before tax	6,341	4,818	32%
3.	Remuneration of the KMP	372	334	12%



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

Particulars	As on 31.03.2018	As on 31.03.2017	Increase / (Decrease) (%)
Price Earnings Ratio	18.39	16.58	10.92
Market Capitalization (₹ in Crore)	802.85	538.45	49.10

The Company has not made any public issue of shares.

viii) Average percentage increase in the salaries of employees other than the managerial personnel in the financial year is 18.89% whereas the increase in the managerial remuneration was 11.48%.

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 Managing Director	16.74	8.59%
2.	Tara Parthasarathy	Joint Managing Director	(22.96)	8.59%
3.	R. Senthil Kumar	Whole – time Director	88.21	8.59%
4.	S. Ramanan	Chief Financial Officer	14.80	8.59%
5.	Kishore Kumar Sahoo	Company Secretary	9.79	8.59%

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.	Ms. Indira Sundararajan	70	B.Sc. Tech 26 yrs	Vice Chairperson and Managing Director	21,880,507	3.67	01.07.2003	Thirumalai Chemicals Ltd.,
2.	Ms. Tara Parthasarathy	32	B Tech, Master of Environmental Management (MEM) 8 Yrs	Joint Managing Director	6,308,016	0.07	16.03.2015	World Resources Institute, Bangalore
3.	Mr. R. Senthil Kumar	51	Science Graduate 29 yrs	Whole – time Director	4,497,243	0.00	20.07.1988	Ultramarine & Pigments Ltd., as General Manager-Operations

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**,

Place: Chennai
Date : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

R. Senthil Kumar
Whole - time Director
[DIN: 07506927]



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

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

FUEL CONSUMPTION (POWER & FUEL)

	UNITS	YEAR ENDING 31.03.2018	YEAR ENDING 31.03.2017
1. ELECTRICITY			
a) Purchased Units	KW /HR	66,35,406	62,87,465
Total amount paid		5,41,88,199	5,19,44,427
Rate/ Unit	₹	8.17	8.26
b) Own Generation			
Through Windmill	KW/HR	46,58,947	10,69,335
Through Solar	KW/HR	2,58,599	1,60,143
Through DG	KW/HR	1,53,974	1,54,262
Unit / Litre of Diesel Oil	KW/HR	3.31	3.29
Cost Per Unit	₹	18.26	16.67
2. COAL AND COKE			
Coal & Coke & Pet Coke	₹	3,04,35,158	3,15,28,820
Coal & Coke & Pet Coke	Tons	1,407	1,976
Rate / Ton	₹	21,625	15,955
3. FURNACE OIL/ DIESEL / SKO ETC			
Furnace Oil / Diesel / SKO Etc.	KL	1,299	1,236
Total amount	₹	4,69,26,680	3,85,07,280
Rate / KL	₹	36,135	31,308
4. RESEARCH & DEVELOPMENT EXPENDITURE ON R&D			
i) Capital	₹	17,42,218	45,27,487
ii) Recurring	₹	1,12,38,310	1,35,77,108
iii) Total	₹	1,29,80,528	1,81,04,595
iv) Total R&D Expenditure as a percentage of total turnover		0.47%	0.71%

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. In spite of 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 to financial statements.

On Behalf of the Board

For **Ultramarine & Pigments Limited,**

Place: Chennai

Date : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

R. Senthil Kumar
Whole - time Director
[DIN: 07506927]

**Annual Report on Corporate Social Responsibility (CSR) Activities:****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)

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

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 2017 -18 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)	₹ 3,815 Lakhs
ii) Prescribed CSR expenditure: 2% of (i) above	₹ 76.30 Lakhs
iii) Total amount spent for the financial year towards CSR activities	₹ 90.21 Lakhs



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

1	2	3	4	5	6	7	8
Sl. 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	Amount spent on the projects or programs Sub – heads: 1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
				(₹. in lakhs)			
1.	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i), (iv) promoting health care including preventive health care	Ranipet, Vellore district of Tamil Nadu	100.00	70.00	278.78	Implementing agency – “Thirumalai Charity Trust”, Vellore, Tamil Nadu
2.	Education Programs: • Building a Toilet Block for a Government Higher Secondary School	Clause (ii) Promotion of Education	Ranipet, Vellore district of Tamil Nadu		10.21		Direct expenditure
	• Contribution towards installation of solar power plant for a School		Mumbai		10.00		South Indians Welfare Society, Mumbai
	Total			100.00	90.21	278.78	

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 : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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

**CORPORATE GOVERNANCE REPORT, 2018**

[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 31.03.2018**

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	Board Sub-committees: Audit Committee & Stakeholder Relationship Committee Membership / Chairmanship	
Mr. R. Sampath*	Non-Executive	1	2	-
Ms. Indira Sundararajan**	Non-Executive	-	-	-
Ms. Tara Parthasarathy***	Executive	-	-	-
Mr. R. Senthil Kumar ****	Executive	-	-	-
Dr. Gopakumar G. Nair	Non Executive Independent	3	1	2
Mr. Nimish Patel	Non Executive Independent	5	1	1
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	3	3

(*) Chairman

(**) Mrs. Indira Sundararajan vacated the office of Managing Director with effect from 9th May, 2018 by virtue of operation of law [provision of Section 196 (3) (a) of the Companies Act, 2013, attaining the age 70] and will continue to remain as Director, and Vice Chairperson of the Company.

Mr. R. Sampath and Mrs. Indira Sundararajan are related.

(***) Joint Managing Director.

(****) Whole – time Director

**(c) Board Meetings****Number of Board Meetings held during the year 2017 - 2018**

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

26/05/2017, 11/08/2017, 13/09/2017, 11/11/2017 & 13/02/2018

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 Board meeting held on					Attendance at the AGM held on August 11, 2017
	May 26, 2017	August 11, 2017	September 13, 2017	November 11, 2017	February 13, 2018	
Mr. R. Sampath	✓	✓	Leave of absence	✓	✓	✓
Mrs. Indira Sundararajan	✓	✓	✓	✓	✓	✓
Ms. Tara Parthasarathy	✓	✓	Leave of absence	✓	✓	✓
Mr. R. Senthil Kumar	✓	✓	✓	✓	✓	✓
Dr. Gopakumar G. Nair	✓	✓	Leave of absence	✓	✓	✓
Mr. Nimish U. Patel	✓	Leave of absence	Leave of absence	Leave of absence	✓	Leave of absence
Mr. T. R. Madhavan	✓	✓	✓	✓	✓	✓
Mr. Vinod G. Nehemiah	✓	✓	Leave of absence	✓	✓	✓
Mr. Navin M Ram	Leave of absence	✓	✓	✓	✓	✓
Mr. S. Ragothaman	✓	✓	✓	✓	✓	✓

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:

20/05/2017, 11/08/2017, 13/09/2017, 11/11/2017 and 12/02/2018.

Members of the Committee, Chief Financial Officer as well as the Statutory Auditors, and internal auditors are 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
Mr. Nimish U. Patel	Independent	Member	5	2
Ms. Tara Parthasarathy	Executive	Member	5	4
Mr. S. Ragothaman	Independent	Member	5	5

The Audit Committee reviews the financial statements and the auditors' report thereon before being placed before the Board; reviews and monitors the auditors independence and performance, and effectiveness of audit process; recommends for appointment, remuneration and terms of appointment of auditors of the Company; reviews the statutory and regulatory compliances, compliance with Indian Accounting Standard, internal financial controls and risk management systems, credit policy and other policies of the Company, approves related party transactions etc.

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 11/08/2017, and 12/02/2018

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	2
Mr. Navin M. Ram	Independent	Member	2	2
Mr. R. Sampath	Non-Executive	Member	2	2

The Nomination and Remuneration Committee reviews the Key Result Area (KRA) of Executive Directors. Appointment and payment of remuneration to the Directors and key management personnel are referred to / reviewed by the Committee. The Committee recommends the manner of payment of Commission to Non Executive Directors.

Stakeholders Relationship Committee

Composition of the Committee:

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



The Stakeholder Relationship Committee deals with the following matter:

- Monitoring redressal of investor grievance received from Stock Exchange, SEBI, ROC etc.
- Monitoring redressal of shareholders queries/complaints relating to share transfers, transmission, transposition, dematerialization, rematerialisation, loss of share certificates, issue of duplicate share certificates, non receipt of annual report, dividend etc.

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 2017-18, 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 to a Registrar and Share Transfer Agent and is done once a fortnight (depending on transfers received) in compliance with SEBI Listing Regulations and is confirmed and ratified by the Board at each subsequent meeting.

During the year, one meeting of the Committee was held on 26/05/2017.

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
Mrs. Indira Sundararajan	Executive	Member	1	1

Corporate Social Responsibility (CSR) Committee

Composition of the Committee:

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

The CSR Committee monitors the CSR activities, and recommends the amount to be contributed for the purpose of CSR. CSR activity report and statement of accounts are placed before the Committee for review. A meeting of the CSR committee was held on 23rd March, 2017. All the members of the Committee were present.

Risk Management Committee

Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made mandatory the constitution of a risk management committee for top 100 listed Companies based on the market capitalization. The said Regulation is not applicable to the Company.

In Compliance with the provision under Companies Act, 2013, a risk management policy of the Company has been in place, approved by the Board. A risk management committee was also constituted. Compliance of this policy has been verified and reported on quarterly basis to the Audit Committee by the internal auditors, and necessary disclosures have been made in Board's report.

**Business Review Committee**

Composition of the Committee:

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

During the year, two meetings of the Committee were held on 11/11/2017, and 13/02/2018.

Attendance record of Business Review Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Mr. Vinod G. Nehemiah	Independent	Chairman	2	2
Mr. T. R. Madhavan	Independent	Member	2	2
Mr. S. Ragothaman	Independent	Member	2	2
Mr. R. Sampath	Non -Executive	Member	2	2

The role of business review Committee:

- Reviewing performance goals and important details for each business units, and overall for the Company.
- Reviewing performance with respect to the Budgets and Plans.
- Discussing and reviewing market demand and product development; working capital management; business risk and mitigation; growth strategy and implementation.
- Guiding the management team on specific issues.

Independent Directors meeting

During the year under review the Independent Directors met on 12th February, 2018, inter alia to discuss and review:

- Performance of non – independent directors;
- Performance of the Chairperson of the Company;
- 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 Officials 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.



Remuneration of Directors

Managing Director, Whole-time Directors

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31-03-2018.

Name	Salary	Perquisites	Contribution to PF and other Funds	Commission/variable pay (Payable)	Total	No. of shares held
1. Ms. Indira Sundararajan Vice Chairperson and Managing Director	57,00,000	1,58,114	--	160,22,393	218,80,507	10,71,855
2. Ms. Tara Parthasarathy Joint Managing Director	19,00,800	8,94,000	5,13,216	30,00,000	63,08,016	20,000
3. Mr. R. Senthil Kumar Whole – time Director	15,23,820	15,09,614	5,63,809	9,00,000	44,97,243	500

Notes: Managerial remuneration is within the ceiling as per the resolution approved by the shareholders.

Non – Executive Directors and Independent Directors

- Sitting fee is payable to the Non-Executive Directors for attending the Board / Committee meetings. The sitting fee paid to the non-executive Directors (2017 -18) is as under:

Name	Amount (₹)
Mr. R. Sampath	3,20,000
Dr. Gopakumar .G. Nair	3,20,000
Mr. Nimish Patel	2,00,000
Mr. T.R. Madhavan	5,60,000
Mr. Vinod G Nehemiah	3,60,000
Mr. Navin M Ram	2,80,000
Mr. S. Ragothaman	5,20,000
Total	25,60,000

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.

- Payment of Commission to Non – Executive Directors (within the ceiling 1% of profit of the Company computed under section 198 of the Companies Act, 2013) effect from 1st April, 2016 was approved by the shareholders at the AGM held on 08.08.2016. The manner of payment of Commission was recommended by Nomination and Remuneration Committee and approved by the Board of Directors at their meeting held on 11.08.2017. The details of Commission paid to Non – Executive and / or Independent Directors for the financial year 2016 -17 is as follows:

Name	Commission amount (₹)
Mr. R. Sampath	25,75,884
Dr. Gopakumar G. Nair	3,67,983
Mr. Nimish Patel	6,13,306
Mr. T.R. Madhavan	6,13,306
Mr. Vinod G. Nehemiah	2,45,322
Mr. Navin M Ram	3,06,653
Mr. S. Ragothaman	4,29,314
Total	51,51,768

**Shareholdings of Directors**

Details of shares held by Non-Executive Directors as on 31/03/2018

Name	No. of Shares held
Mr. R.Sampath	11,32,449
Dr. Gopakumar .G. Nair	18,000
Mr. Nimish Patel	76,384
Mr. T.R Madhavan	600
Mr. Vinod G Nehemiah	1,77,600
Mr. Navin M Ram	1,050
Mr. S. Ragothaman	500

Brief details of General Body Meetings

The Fifty Seventh Annual General Meeting of the Company for the financial year 2017- 2018 will be held on **Monday, the 6th Day of August, 2018 at 3.00 p.m. at “The Mysore Association Auditorium”, Mysore Association, 393, Bhaudaji Road, Matunga- C. Rly. Mumbai – 400 019.**

The last three Annual General Meetings were held as under

Financial Year	Date	Time	Location
2016 - 2017	11-08-2017	3.00 PM	2nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga, Mumbai – 400 019.
2015 – 2016	08/08/2016	3.30 PM	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.
2014 – 2015	07/08/2015	3.30 PM	Mysore Association Auditorium, 393, 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, 2018. The Joint 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 the 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/ Company 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 make 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) Policy on dealing with related party transactions is available at Company's website: www.ultramarinepigments.net / investors / Company policies.

(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) Disclosure of Commodity Price risks: Company's business activities inter-alia include import of materials like Alpha Olefin(AO), Lauryl Ethoxylated Oxide (LEO) etc., Capital Equipment like Machineries for drying purposes, & Export of Pigments / Sulphonated products which are linked to international prices and major international currencies. As a result the Company is exposed to exchange rate fluctuations on its imports and exports. Company has formulated a policy to minimize the impact of Forex rate variations on INR value of the committed receipts and payments in foreign currencies while minimizing the cost of such protection.

(viii) 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. He is also entitled to Commission on the net profit of the Company.
- The Company is in the regime of un-qualified financial statements.

**(ix) 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.

(x) 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.

(xi) 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.

(xii) Management Discussion and Analysis

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

(xiii) General Shareholders Information

- 1) Date, time and venue of 57th AGM : Monday, the 6th August, 2018 at 3.00 P.M
The Mysore Association Auditorium,
The Mysore Association,
393, Bhaudaji Road,
Matunga –C Rly, Mumbai - 400019
- 2) Date of Book Closure : 28th July , 2018 to 6th August, 2018
(both days Inclusive)
- 3) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
- 4) Listing Fees : Paid as per the listing agreement
- 5) ISIN No. : INE405A01021
- 6) BSE Stock Code : 506685
- 7) Registered Office : Thirumalai House,
Road No.29, Sion-East, Mumbai- 400 022.
Phone: +91-22-24017834/41/61/69
Fax : +91-22-24011699
E. Mail : cs@ultramarinepigments.net
- 8) Registrars and Share Transfer Agent : Cameo Corporate Services Ltd,
Subramanian Building
No.1, Club House Road
Anna Salai, Chennai - 600002
Ph: 044 – 28460390, Fax : 044 - 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@ultramarinepigments.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 : 30th May, 2018
Mailing of Annual Reports : 1st week of July, 2018
Results for the Quarter ending :
June 30, 2018 : By 6th Aug, 2018
September 30, 2018 : By 15th Nov, 2018
December 31, 2018 : By 14th Feb, 2019
March 31, 2019 : By 30th May, 2019
- 12) Dividend Payment dates : By 13th August, 2018.
- 13) Dematerialisation of Shares : As on 31/03/2018, 96.82% of Company's shares representing 2,82,70,708 shares were held in the de-materialized form.
Shares with NSDL – 2,56,95,395
Shares with CDSL - 25,75,313
- 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 31.03.2018

Categories	No. of Shares	% of Shareholders
Promoters/ Promoter group	15,552,084	53.26
General Public and HUF	12,279,054	42.06
Companies / Bodies Corporate	4,40,937	1.51
NRI	6,43,672	2.20
Investor Education & Protection Fund (IEPF)	80,746	0.28
Mutual Fund	72,583	0.25
Foreign Portfolio Investor	67,250	0.23
Financial Institutions / Banks	41,968	0.14
Clearing Member & Trusts	21,706	0.07
Total	29,200,000	100.00

16) Distribution of Shareholding as on 31.03.2018

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	9,134	92.10	3,169,694	10.86
5001- 10000	367	3.70	1,364,101	4.67
10001-20000	217	2.19	1,721,797	5.90
20001-30000	57	0.57	716,449	2.45
30001-40000	31	0.31	545,331	1.87
40001-50000	11	0.11	250,542	0.86
50001-100000	40	0.41	1,343,864	4.60
Over 100000	60	0.61	20,088,222	68.79
TOTAL	9,917	100.00	29,200,000	100.00

17) Stock Market price data and BSE Sensex for the year 2017 – 2018

Month	Market share at BSE Ltd			BSE Sensex	
	High	Low	No. of Shares traded	High	Low
April -2017	196.50	175.00	207,134	30,184.22	29,241.48
May-2017	204.85	166.10	293,820	31,255.28	29,804.12
June-2017	186.95	171.00	173,831	31,522.87	30,680.66
July-2017	212.00	175.00	543,632	32,672.66	31,017.11
August-2017	207.00	177.00	263,139	32,686.48	31,128.02
September-2017	245.00	192.60	588,739	32,524.11	31,081.83
October-2017	279.00	223.05	518,641	33,340.17	31,440.48
November-2017	299.00	266.00	309,320	33,865.95	32,683.59
December-2017	435.00	264.15	1,033,598	34,137.97	32,565.16
January-2018	408.00	349.00	415,749	36,443.98	33,703.37
February-2018	374.10	300.00	210,850	36,256.83	33,482.81
March-2018	338.00	267.00	293,384	34,278.63	32,483.84



18) Corporate Ethics

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

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy

Joint Managing Director

DIN: 07121058

Chennai
30th May, 2018

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, 2018.

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy

Joint Managing Director

DIN: 07121058

Chennai
30th May, 2018



CEO / CFO Certification

[Regulation 17(8) of SEBI (Listing obligations and disclosure requirements) Regulations, 2015]

To,
The Board of Directors
Ultramarine & Pigments Limited

We, Tara Parthasarathy, Joint 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, 2018 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.

For Ultramarine & Pigments Limited,

Place: Chennai
Date : 30th May, 2018

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

S. Ramanan
Chief Financial Officer



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Ultramarine & Pigments Limited.

1. This certificate is issued in accordance with the terms of our engagement letter reference 16th August, 2017.
2. We, Brahmayya & Co, Chartered Accountants, the Statutory Auditors of Ultramarine and Pigments Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.
9. We 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 Registration No.: 000511S

R Nagendra Prasad
Partner
Membership No.: 203377

Place: Chennai
Date: 30th May, 2018

**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 2018, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. 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 2018 and its profits, total comprehensive income, the changes in equity 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, 2016 ("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, Statement of Changes in Equity and the Statement of Cash Flow 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 Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; 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 37 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.

For **Brahmayya & Co.**
Chartered Accountants
Firm's registration number: 000511S

Place: Chennai
Date: 30th May, 2018

R. Nagendra Prasad
Partner
Membership number: 203377

**Annexure – ‘A’ to Independent Auditors’ 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 company has a program of verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable. Pursuant to the program, the management carried out the physical verification of the fixed assets during the year. 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 property 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) 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, Goods and Services 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 2018, 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, goods and services tax that have not been deposited with the appropriate authorities on account of any dispute. Disputed income tax, value added tax, duty of customs, duty of excise that have not been deposited on account of disputed matters pending before appropriate authorities are as under:



Name of the Statute	Nature of Dues	Amount in ₹ Lakhs	Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.51	Financial Year 2005-06	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	30.36	Financial Year 2009-10	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	106.80	Financial Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	8.41	Financial Years 2013-14 and 2014-15	Joint Commissioner of Commercial Taxes, Chennai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	15.46	Financial Year 2012-13, 2013-14 and 2015-16	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Central Excise Act, 1944	Excise Duty	29.37	Financial Year 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Chennai

Amounts paid under protest and not charged to Statement of Profit and Loss has not been included above. [Refer Note 37] 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 given 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 given 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's registration number: 000511S

Place: Chennai
Date: 30th May, 2018

R. Nagendra Prasad
Partner
Membership number: 203377

**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 2018 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, 2018, 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.

For **Brahmayya & Co.**
Chartered Accountants
Firm's registration number: 000511S

Place: Chennai
Date: 30th May, 2018

R. Nagendra Prasad
Partner
Membership number: 203377



Balance sheet as at 31st March 2018

₹ in Lakhs

S. No	Particulars	Note No	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS					
(1) Non-current assets					
(a)	Property, Plant and Equipment	4	6,992.90	6,007.68	5,223.18
(b)	Capital work in progress	4	67.77	20.71	209.67
(c)	Other Intangible assets	5	21.79	25.19	21.12
(d)	<u>Financial Assets</u>				
(i)	Investments	6	37,178.55	18,647.60	3,694.67
(ii)	Loans	7	106.78	165.44	66.58
(iii)	Others	8	1.03	5.32	25.34
(e)	Other non-current assets	9	1,002.16	905.34	901.47
			45,370.98	25,777.28	10,142.03
(2) Current assets					
(a)	Inventories	10	2,509.13	2,539.47	2,074.05
(b)	<u>Financial Assets</u>				
(i)	Investments	11	2,783.22	2,041.47	150.08
(ii)	Trade receivables	12	2,611.12	3,397.87	2,652.76
(iii)	Cash and cash equivalents	13	1,429.30	1,497.17	1,155.40
(iv)	Bank balances other than cash and cash equivalents	14	60.57	51.24	38.22
(v)	Loans	15	510.47	231.39	830.25
(vi)	Others	16	101.56	70.46	39.73
(c)	Current Tax Assets (Net)	17	19.21	2.69	-
(d)	Other current assets	18	312.04	517.93	558.93
(e)	Assets Held for Sale	19	602.94	-	-
			10,939.56	10,349.69	7,499.42
	Total Assets		56,310.54	36,126.97	17,641.45
EQUITY AND LIABILITIES					
Equity					
(a)	Equity Share capital	20	584.00	584.00	584.00
(b)	Other Equity	21	50,524.16	30,770.91	13,078.42
			51,108.16	31,354.91	13,662.42
LIABILITIES					
(1) Non-current liabilities					
(a)	Provisions	22	98.27	84.37	134.98
(b)	Deferred tax liabilities (net)	23	1,225.10	1,170.13	928.87
(c)	Deferred Income	24	42.01	45.43	-
			1,365.38	1,299.93	1,063.85
(2) Current liabilities					
(a) Financial Liabilities					
(i)	Trade payables	25	2,870.54	2,458.91	1,865.06
(ii)	Other financial liabilities	26	612.07	661.48	760.57
(b)	Other current liabilities	27	324.43	253.14	172.01
(c)	Provisions	28	26.54	95.18	117.54
(d)	Deferred Income	29	3.42	3.42	-
			3,837.00	3,472.13	2,915.18
	Total Equity and Liabilities		56,310.54	36,126.97	17,641.45

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

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date : May 30,2018

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For and on behalf of the Board of Directors

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2018

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2018	Year Ended 31 March 2017
I Revenue From Operations	30	28,252.99	27,913.32
II Other Income	31	870.57	277.04
III Total Income (I+II)		29,123.56	28,190.36
IV EXPENSES			
Cost of materials consumed	32	13,371.72	12,960.26
Purchase of Stock-in-trade		1.35	123.28
Changes in Inventories of Finished goods and work-in-progress	33	122.51	(408.86)
Excise Duty recovered on sales		516.92	2,372.27
Employee benefits expense	34	3,821.72	3,360.58
Finance costs	35	62.44	24.63
Depreciation and amortization expense	4	483.44	415.92
Other expenses	36	4,402.44	4,523.89
Total expenses (IV)		22,782.54	23,371.97
V Profit before tax (III-IV)		6,341.02	4,818.39
VI Tax expense:			
(1) Current tax		(1,871.78)	(1,309.59)
(2) Tax relating to prior years		(34.43)	(2.69)
(3) Deferred tax		(70.50)	(258.72)
VII Profit for the period (V-VI)		4,364.31	3,247.39
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(44.44)	34.42
- Equity instruments through other comprehensive income		16,823.63	14,422.59
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		15.53	(11.91)
- Equity instruments through other comprehensive income		-	-
B (i) Items that will be reclassified to profit or loss		-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total other comprehensive income (A (i - ii) + B (i - ii))		16,794.72	14,445.10
X Total comprehensive income for the period (VII + IX)		21,159.03	17,692.49
XI Earnings per equity share of face value of ₹ 2 each			
(1) Basic		14.95	11.12
(2) Diluted		14.95	11.12

For and on behalf of
Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : May 30,2018

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

T.R. MADHAVAN
Director
DIN:00163992

S. RAMANAN
Chief Financial Officer

KISHORE KUMAR SAHOO
Company Secretary



Cash flow statement for the year ended 31st March, 2018

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	6,341.02	4,818.39
Adjustments for:		
Finance Cost	62.44	24.63
Depreciation and amortisation expenses	483.44	415.92
Interest Income	(65.00)	(117.30)
Dividend Income	(438.08)	(36.84)
Provision for Gratuity and Leave Encashment	(8.79)	(85.01)
Bad Debts and Provision for expected credit loss	4.88	55.53
Net gains on disposal of property, plant and equipment	(3.39)	(0.33)
Remeasurement of defined benefit liabilities	(44.44)	34.42
Receipt of government grant	(3.42)	(2.45)
Net gains arising on financial assets designated at FVTPL	(63.82)	(68.40)
Net gains on foreign currency transactions and translation	5.89	21.76
Operating profit before working capital changes	6,270.73	5,060.32
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	30.34	(465.42)
Trade receivables	778.21	(809.73)
Current financial loans and advances	0.92	2.86
Other current assets	(33.82)	18.05
Non-current financial loans and advances	62.95	21.15
Other Non-current assets	(54.35)	(39.71)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	409.39	581.18
Other current financial liabilities	(42.87)	(62.54)
Other current liabilities	71.30	81.11
Non current liabilities - Provision	-	-
Current provisions	(35.24)	17.45
Cash generated from operations	7,457.56	4,404.72
Direct taxes paid (net)	(1,937.91)	(1,363.12)
Net cash generated from operating activities (A)	5,519.65	3,041.60



Particulars	₹ in Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
B Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(1,969.81)	(1,010.67)
Payment for intangible assets (including Intangible assets under development)	(8.19)	(13.58)
Proceeds from disposals of PPE	3.61	4.21
Purchase of non current investments	(2,166.72)	(529.98)
Redemption of non current investments	490.00	40.00
Purchase of current investments	(12,321.91)	(5,714.80)
Redemption of current investments	11,613.40	3,851.47
(Increase)/ decrease in deposit with companies	(280.00)	496.00
Interest received	82.24	109.53
Dividend received	438.08	36.84
Receipt of government grant	-	51.30
Net cash (used in) investing activities (B)	(4,119.30)	(2,679.68)
C Cash flow from financing activities		
Interest paid	(62.44)	(20.15)
Dividend paid	(1,405.78)	-
Net cash (used in) financing activities (C)	(1,468.22)	(20.15)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(67.87)	341.77
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts & EEFC accounts and deposit accounts	663.39	820.20
Cash on hand	0.78	2.40
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	833.00	332.80
CASH AND CASH EQUIVALENTS AS PER NOTE No.13	1,497.17	1,155.40
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts, EEFC accounts and deposit accounts	328.60	663.39
Cash on hand	0.70	0.78
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,100.00	833.00
CASH AND CASH EQUIVALENTS AS PER NOTE No. 13	1,429.30	1,497.17

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KISHORE KUMAR SAHOO
Company Secretary



Statement of changes in equity for the year ended 31st March, 2018

I Equity Share Capital

₹ in Lakhs

	Amount
Balance as at 1 April 2016	584.00
Changes in equity share capital during the year	-
Balance as at 31 March 2017	584.00
Changes in equity share capital during the year	-
Balance as at 31 March 2018	584.00

II Other Equity

Particulars	Reserves and Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31 March 2016	4,105.00	7,994.43		12,099.43
<u>Ind AS Adjustments for the year</u>				
-Recognition of Investments at fair value			2,357.73	2,357.73
- Expected Credit Loss on trade receivable		(7.96)		(7.96)
-Remeasurement of deferred tax liability/asset		(140.72)		(140.72)
Appropriation				
Interim dividend		(1,022.00)		(1,022.00)
Tax on Interim dividend		(208.06)		(208.06)
As at 1 April 2016	4,105.00	6,615.69	2,357.73	13,078.42
Profit for the year ending 31st March 2017		3,247.39		3,247.39
Other Comprehensive Income				
-Recognition of Investments at fair value		-	14,422.59	14,422.59
-Actuarial gain / loss (Net of Taxes)		22.51		22.51
Other comprehensive income for the Period (net of tax)		22.51	14,422.59	14,445.10
Total comprehensive income for the Period		3,269.90	14,422.59	17,692.49
Appropriation		-	-	-
As at 31 March 2017	4,105.00	9,885.59	16,780.32	30,770.91
Profit for the year ending 31st March 2018	-	4,364.31	-	4,364.31
Other Comprehensive Income				
-Recognition of Investments at fair value			16,823.63	16,823.63
-Actuarial gain / loss (Net of Taxes)		(28.91)		(28.91)
Other comprehensive income for the Period (net of tax)	-	(28.91)	16,823.63	16,794.72
Total comprehensive income for the Period		4,335.40	16,823.63	21,159.03
Appropriation				
Final dividend		(1,168.00)	-	(1,168.00)
Tax on Final dividend		(237.78)	-	(237.78)
As at 31 March 2018	4,105.00	12,815.21	33,603.95	50,524.16

For and on behalf of
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Place: Chennai
Date : May 30,2018

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Notes to financial statements for the year ended 31st March 2018

All amounts are in ₹ Lakhs (INR) unless otherwise stated

1 General Information

Ultramarine & Pigments Limited (the 'Company') is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. 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.

The registered office of the Company is located at Thirumalai House, Road No.29, Near Sion Hill Fort, Sion (E), Mumbai -400022. Its manufacturing units are located at Ranipet (Vellore District) and Ambattur (Chennai District) and Wind Power Generators are also installed in the state of Tamilnadu. IT enabled services and BPO activities are carried from offices situated in Chennai and Ranipet.

The financial statements were authorized for issue by the Company's Board of Directors on 30th May 2018.

2 Basis of preparation

A Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.

These financial statements for the year ended 31st March 2018 are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS) and the adoption was carried out as per Ind AS 101, 'First-time adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 41. This note includes reconciliation of the equity and the total comprehensive income for comparative years under IGAAP with the amounts reported under Ind AS.

Details of the Company's accounting policies are included in Note 3.

B Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, except per share data.

C Current and non-current classification:

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 and non-current classification of assets and liabilities.

D Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

1. Certain financial assets and liabilities that are measured at the fair value.
2. Assets held for sale are measured at lower of carrying amount or fair value.
3. Defined benefit plans – Plan assets measured at fair value



Notes to financial statements for the year ended 31st March 2018

E Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgments 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 and judgments are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the financial statements:

Property, plant and equipment and Intangible assets

The Company has estimated the useful lives of each class of assets based on the nature of assets, the estimated usage of the assets, past history of replacement, anticipated technological changes, etc. Management believes that assigned useful lives are reasonable. The Company reviews the carrying amount of property, plant and equipment at the end of each balance sheet date. This re-assessment may result in change of depreciation expense in future periods.

Income taxes

Management estimates the provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

Contingencies

Management assess and estimates the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Allowance for uncollected accounts receivable and advances

Irrecoverable trade receivables are written off when management evaluates them as not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2018 is included in the following notes:

- Notes 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Notes 38 – measurement of defined benefit obligations: key actuarial assumptions;

3. Significant Accounting Policies

3.1 Property, Plant, and Equipment (PPE):

Property, Plant and Equipment 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.



Notes to financial statements for the year ended 31st March 2018

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of Property, Plant and Equipment.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised in the Statement of Profit or Loss.

Subsequent expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Notes 4 & 41).

Depreciation methods, estimated useful lives and residual value:

Depreciation on property, plant and equipment 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 property, plant and equipment have been determined by the Management based on the technical assessment/evaluation:

Category of property, plant and equipment	Useful Life in Years	
	As per Schedule II	As per Company's Assessment
Plant & Equipment	12 – 40	5 – 40
Computer Equipments	3 – 6	3 – 4
R&D Lab Equipments	10	2 – 10

In the case of improvements on Leasehold premises, 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 Rs.10,000/- are fully depreciated in the year of purchase.

Depreciation method, useful lives and residual values are reviewed at each Balance Sheet date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

3.2 Intangible Assets:

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Intangible assets are amortised on a straight-line basis as under:
 - a) Software costing up to Rs. 25,000/- is 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.

The estimated useful life of the intangible assets and the amortization period are reviewed at each Balance Sheet date, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and Development expenses:

Expenditure on research activities other than expenditure incurred on acquisition of capital assets is charged to Statement of Profit and Loss in the period in which it is incurred.



Notes to financial statements for the year ended 31st March 2018

An internally generated intangible asset arising from development is recognised if, and only if it meets the recognition criteria.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is charged to Statement of Profit and Loss in the period in which the same are incurred.

Subsequent to its initial recognition, the development expenditure recognised as an asset are reported at cost less accumulated amortization and impairment loss, on the same basis as acquired intangible assets.

De-recognition of intangible assets

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

Transition to Ind AS:

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see Notes 4 & 41).

3.3 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.

3.4 Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible asset, property, plant and equipment and investment properties are no longer amortized or depreciated.

3.5 Foreign currency transactions and balances:

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.



Notes to financial statements for the year ended 31st March 2018

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 which are carried at historical cost are not translated.

Forward exchange contracts entered into to hedge and manage foreign currency exposures relating to highly probable transactions or firm commitments are marked mark to market and resulting gains or losses are recorded in the statement of profit and loss.

3.6 Financial Instruments:

Recognition and initial measurement:

A financial asset or financial liability other than those items that are not at fair value through profit and loss (FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement:

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- fair value through other comprehensive income (OCI) (FVOCI – debt investment);
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

**Notes to financial statements for the year ended 31st March 2018**

All financial assets that do not meet the criteria for measurement at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss. The Company transfers amounts from OCI to retained earnings when the relevant equity securities are derecognized.

Financial liabilities: Classification, subsequent measurement and gains and losses:

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition:**Financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.



Notes to financial statements for the year ended 31st March 2018

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting:

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

3.7 Inventories:

Inventories are valued on the principle laid down by Ind AS 2 "Inventories" on the basis given below:

(a) Raw Materials, Stores & Spares (that are not capitalized) 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.

3.8 Cash and cash equivalents:

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

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

3.9 Taxation:

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

Current Tax:

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

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and

**Notes to financial statements for the year ended 31st March 2018**

liabilities are not recognized of the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised on assessment of reasonable certainty about realisation of such assets.

Credit for Minimum Alternative Tax (MAT) if any is recognized as a part of deferred tax assets.

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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.10 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.

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is inclusive of excise duty and is net of returns, value added tax, Goods and Services Tax(GST), trade discounts and volume rebates. It is measured at the fair value of the consideration received or receivable. This inter alia involves discounting of the consideration due, to the present value, if payment extends beyond the normal credit terms.

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/Goods and Services 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.

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'.

Notes to financial statements for the year ended 31st March 2018

Export benefits available under prevalent schemes are recognised in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

Dividend and Interest income:

Dividend income is recognized when the unconditional right to receive the income is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Sale of Scrap

Revenue from sale of scrap is recognized on sale.

3.11 Employee Benefits:**Defined contribution plans:**

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 benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An 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, 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. A retirement benefit 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. A 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

**Notes to financial statements for the year ended 31st March 2018**

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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions and the resultant actuarial gains/(losses) are recognized immediately in the statement of other comprehensive income.

3.12 Accounting for Provisions, Contingent Liabilities and Contingent Assets:**Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Contingent liabilities:

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 can not be recognized because it can not 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 can not be made.

Contingent assets:

Contingent assets are not recognized in the financial statements.

3.13 Borrowing costs:

Borrowing costs worked out are determined on effective interest rate, directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.



Notes to financial statements for the year ended 31st March 2018

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.14 Leases:

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. Payment made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15 Earnings per share:

Basic earnings per share are calculated by dividing the profit/ (loss) from continuing operations and the total profit/ (loss) attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit/(loss) from continuing operations and the total profit/(loss) attributable to equity shareholders by the weighted average number of shares outstanding during the period after adjusting the effects of all dilutive potential equity shares.

3.16 Cash Flow Statement

The Cash Flow Statement is prepared by using the "indirect method" set out in Ind AS 7 on "Cash Flow Statements" and presents the cash flows during the period by operating, investing and financing activities of the Company.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

3.17 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented in the segment reporting. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

**Notes to financial statements for the year ended 31st March 2018**

Based on the above, Business segments of the Company are primarily Laundry and allied products; IT enabled services & BPO services and Wind Turbine Generator. The analysis of Geographic segments is based on the areas in which major operating divisions of the Company Operate.

The Company accounts for inter segment revenues at current market prices.

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

3.18 Government Grants and Subsidies:

- i. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.19 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.

3.20 Standard issued but not effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind AS which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115- Revenue from Contract with Customers:

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) - The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The amendment will come into force from April 1, 2018.

The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.



Notes to financial statements for the year ended 31st March 2018
4 Property Plant and Equipments

Particulars	₹ in Lakhs											
	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equip-ments	Furniture & Fixtures	Leasehold Improve-ments	Office Equip-ments	Vehicles	Lab Equipment (Used for R&D)	Total	Capital Work-in progress
Deemed cost As at 01-04-2016	139.52	419.40	424.16	3,833.47	127.13	37.16	48.01	44.89	77.98	71.46	5,223.18	209.67
Additions	-	-	211.18	826.89	45.11	21.18	-	31.00	14.16	45.27	1,194.79	-
Disposals / Adjustments	-	-	-	-	0.06	-	-	-	4.12	-	4.18	-
Balance as at 31-03-2017	139.52	419.40	635.34	4,660.36	172.18	58.34	48.01	75.89	88.02	116.73	6,413.79	20.71
Additions (Note ii)	1,188.14*	-	34.95	542.61	53.22	15.03	-	8.41	9.09	17.42	1,868.87	-
Disposals / Adjustments	-	419.40	-	4.27	-	-	-	-	-	-	423.67	-
Balance as at 31-03-2018	1,327.66	-	670.29	5,198.70	225.40	73.37	48.01	84.30	97.11	134.15	7,858.99	67.77
Accumulated depreciation:												
Balance as at 01-04- 2016	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	4.46	24.64	274.00	53.43	7.00	7.81	14.07	14.44	6.56	406.41	-
Other Adjustments	-	-	-	-	-	-	-	-	0.30	-	0.30	-
Balance as at March 31, 2017	-	4.46	24.64	274.00	53.43	7.00	7.81	14.07	14.14	6.56	406.11	-
Charge for the year	-	3.36	32.27	319.37	54.57	13.29	7.81	15.74	15.18	10.26	471.85	-
Other Adjustments	-	7.82	-	4.05	-	-	-	-	-	-	11.87	-
Balance as at March 31, 2018	-	-	56.91	589.32	108.00	20.29	15.62	29.81	29.32	16.82	866.09	-
Net carrying amount:												
As at 01-04-2016	139.52	419.40	424.16	3,833.47	127.13	37.16	48.01	44.89	77.98	71.46	5,223.18	209.67
As at 31-03-2017	139.52	414.94	610.70	4,386.36	118.75	51.34	40.20	61.82	73.88	110.17	6,007.68	-
As at 31-03- 2018	1,327.66	-	613.38	4,609.38	117.40	53.08	32.39	54.49	67.79	117.33	6,992.90	20.71

(i) Cost of Building includes ₹ 500/- paid for 5 Shares of ₹ 100/- each in Thirumalai House Office Unit Owners Condominium.

(ii) * Additions to land represents land acquired during the year in the Industrial Park, Naidupet, Andhra Pradesh. The company has paid full consideration and taken possession of land and registered sale agreement and in terms of policy, the company is entitled to use the land and right to offer as security. The title to the land shall be registered in the name of the company on commencement of commercial operations of the expansion project.

**Notes to financial statements for the year ended 31st March 2018**

- (iii) The Company has adopted carrying value as per previous GAAP as the deemed cost as per the exemption provided under Ind AS 101. Accordingly, the company has set the Net Block as per Previous GAAP as on April 1, 2016 as the Gross Block under Ind AS. Break up of the Gross block and accumulated depreciation as at April 1, 2016 is as follows:

Particulars	Gross Block (At Cost)	Accumulated Depreciation/ Amortization	₹ in Lakhs
			Net Block
	As at 1 April 2016		
Free hold Land	139.52	-	139.52
Leasehold Land	441.33	21.93	419.40
Buildings	882.24	458.08	424.16
Plant & Machinery	9,095.99	5,262.52	3,833.47
Computer Equipments	568.80	441.67	127.13
Furniture & Fixtures	112.85	75.69	37.16
Leasehold Improvements	92.34	44.33	48.01
Office Equipments	133.15	88.26	44.89
Vehicles	124.93	46.95	77.98
Lab Equipment (Used for R&D)	73.36	1.90	71.46
	11,664.51	6,441.33	5,223.18

5 Other Intangible assets

Particulars	Computer Software	Intellectual Property	₹ in Lakhs
			Total
Deemed cost As at 01-04-2016	21.12	-	21.12
Additions	13.58	-	13.58
Disposals / Adjustments	-	-	-
Balance as at 31-03-2017	34.70	-	34.70
Additions	8.19	-	8.19
Disposals / Adjustments	-	-	-
Balance as at 31-03-2018	42.89	-	42.89
Accumulated depreciation:			
Balance as at 01-04- 2016	-	-	-
Charge for the year	9.51	-	9.51
Other Adjustments	-	-	-
Balance as at March 31, 2017	9.51	-	9.51
Charge for the year	11.59	-	11.59
Other Adjustments	-	-	-
Balance as at March 31, 2018	21.10	-	21.10
Net carrying amount:			
As at 01-04-2016	21.12	-	21.12
As at 31-03-2017	25.19	-	25.19
As at 31-03- 2018	21.79	-	21.79

- (i) The Company has adopted Previous carrying value as per GAAP as the deemed cost as per the exemption provided under Ind AS 101. Accordingly, the company has set the Net Block as per Previous GAAP as on April 1, 2016 as the Gross Block under Ind AS. Break up of the Gross block and accumulated depreciation as at April 1, 2016 is as follows:

	Gross Block (At Cost)	Accumulated Depreciation/ Amortization	₹ in Lakhs
			Net Block
	As at 1 April 2016		
Computer Software	198.80	177.68	21.12
Intellectual Property	19.00	19.00	-
	217.80	196.68	21.12



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

6. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment at fair value through Other comprehensive income (FVTOCI)			
Quoted Equity Shares			
20,45,177 (March 31, 2017 : 20,45,177 , April 1, 2016 : 20,45,177) equity shares of ₹ 10/- each fully paid up in Thirumalai Chemicals Limited.	34,925.49	18,101.86	3,679.27
Investment at fair value through profit or loss (FVTPL)			
Quoted Debentures	26.43	-	-
Unquoted units of mutual funds			
40,326 (31 March 2017: 6,026, 1 April 2016: Nil) units of Birla Sunlife Balanced 95 Fund - Direct Plan	313.72	42.87	-
Nil (31 March 2017: 8,75,480, 1 April 2016: Nil) units of BOI AXA Equity Debt Rebalancer Fund	-	105.15	-
44,568 (31 March 2017: 50,207, 1 April 2016: Nil) units of Franklin India Templeton Balanced Fund	52.97	54.60	-
3,96,545 (31 March 2017: 95,506, 1 April 2016: Nil) units of HDFC Balanced Fund	605.57	129.64	-
15,613 (31 March 2017: Nil, 1 April 2016: Nil) units of HDFC Prudence Fund	79.01	-	-
2,68,817 (31 March 2017: 36,526, 1 April 2016: Nil) units of ICICI Prudential MF Balanced Fund	355.94	43.61	-
15,71,927 (31 March 2017: 2,35,225, 1 April 2016: Nil) units of L&T India Prudence Fund	423.62	56.76	-
1,63,072 (31 March 2017: 86,383, 1 April 2016: Nil) units of Reliance Regular Saving Fund	92.24	42.90	-
Nil (31 March 2017: 48,361, 1 April 2016: Nil) units of SBI Magnum Balanced Fund	-	54.81	-
1,14,821 (31 March 2017: Nil, 1 April 2016: Nil) units of Principal Balanced Fund	88.91	-	-
96,601 (31 March 2017: Nil, 1 April 2016: Nil) units of Principal Equity Saving Fund	34.47	-	-
4,99,293 (31 March 2017: Nil, 1 April 2016: Nil) units of Reliance Equity Saving Fund	63.92	-	-
Unquoted - Investment in Alternative Investment Fund			
69,809 (31 March 2017: Nil, 1 April 2016: Nil) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	70.00	-	-
1,00,00,800 (31 March 2017: Nil, 1 April 2016: Nil) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	30.86	-	-
Unquoted Bonds			
Investment in Bonds			
154 (31 March 2017: 154, 1 April 2016: 154), 6% NHAI 54EC Bonds-2015-16 (Tranche-XVI), Non-Convertible Redeemable Taxable Bonds of ₹ 10,000/- each	15.40	15.40	15.40
Total	37,178.55	18,647.60	3,694.67
Notes:			
(a) Aggregate amount of Quoted Investments and market value thereof:	34,951.92	18,101.86	3,679.27
(b) Aggregate amount of unquoted investments	2,226.63	545.74	15.40
(c) Aggregate amount of impairment in the value of Investments	-	-	-



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7. Loans			
Other Deposits	6.78	65.44	66.58
Deposits with Corporates	100.00	100.00	-
Total	106.78	165.44	66.58
8. Non-Current Advances			
Unsecured, Considered Good			
Employees advances	1.03	5.32	25.34
Total	1.03	5.32	25.34
9. Other Non - Current Assets			
Unsecured, Considered Good			
Capital Advances	52.80	14.78	59.51
Income taxes (Net)*	651.13	646.69	637.80
Security Deposits	103.32	91.22	83.49
Deposits against leased premises	173.22	121.62	120.67
Prepaid expenses	21.69	31.03	-
Total	1,002.16	905.34	901.47
*Advance income tax is net of provision for tax ₹ 3053.19 (March 31, 2017 : ₹ 1721.60, April 1, 2016 : ₹ 1516.17)			
10. Inventories			
Raw materials and components	442.54	720.97	376.68
Raw materials in Transit	700.28	303.63	592.20
Work in progress	716.18	771.30	562.21
Finished goods	300.68	461.48	387.26
Finished goods in Transit	189.51	131.35	-
Packing materials	67.33	67.91	81.18
Fuel	35.91	36.94	31.00
Stores and spares	56.70	45.89	43.52
Total	2,509.13	2,539.47	2,074.05
11. Investments			
Investment at fair value through Profit and Loss (FVTPL)			
Unquoted units of Mutual Funds			
33,000 (31 March 2017: 1,25,264, 1 April 2016: 14,965) units of BOI AXA Ultra Short Duration Fund	701.65	1,261.28	150.08
2,03,505 (31 March 2017: 22,45,530, 1 April 2016: Nil) units of BOI AXA Short term Income Fund	40.52	418.61	-
46,551 (31 March 2017: Nil, 1 April 2016: Nil) units of Franklin India Treasury Management Account	1,209.17	-	-
34,63,383 (31 March 2017: Nil, 1 April 2016: Nil) units of Franklin India Low Duration Fund	702.97	-	-



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments contd.			
1,52,499 (31 March 2017: Nil, 1 April 2016: Nil) units of UTI Spread Fund - Direct plan - Dividend	25.42	-	-
2,707 (31 March 2017: Nil, 1 April 2016: Nil) units of Franklin India Short term Income plan	103.49	-	-
Nil (31 March 2017: 8,707, 1 April 2016: Nil) units of HDFC Liquid Fund - Daily Dividend	-	88.80	-
Nil (31 March 2017: 10, 1 April 2016: Nil) units of ICICI Prudential Flexible Income - Daily Dividend	-	0.01	-
Nil (31 March 2017: 9,10,067, 1 April 2016: Nil) units of ICICI Prudential Banking and PSU Debt Fund	-	172.27	-
Nil (31 March 2017: 5,015, 1 April 2016: Nil) units of UTI Treasury Advantage Fund	-	50.27	-
Nil (31 March 2017: 3,94,643, 1 April 2016: Nil) units of UTI Short term Income Fund	-	50.23	-
Total	2,783.22	2,041.47	150.08
12. Trade Receivables			
Unsecured, considered good	2,621.03	3,414.22	2,663.20
Less: Provision for Expected Credit Loss	(9.91)	(16.35)	(10.44)
Total	2,611.12	3,397.87	2,652.76
Notes :			
1. Trade Receivable includes receivables from Related party - ₹ 3.37 (31st March 2017 - ₹ 0.67, 31st March 2016 - Nil)			
2. In determining the allowances for doubtful trade receivables the Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.			
13. Cash & cash equivalents			
(i) Cash on hand	0.70	0.78	2.40
(ii) Balances with banks			
In current account	212.37	252.46	330.06
In EEFC accounts	116.23	410.93	490.14
In Deposit Accounts - deposits with original maturity of less than 3 months	-	-	-
In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	1,100.00	833.00	332.80
Total	1,429.30	1,497.17	1,155.40
14. Bank balances other than cash and cash equivalents			
Margin money with banks	0.59	0.55	0.51
Un-claimed dividend accounts*	59.98	50.69	37.71
Total	60.57	51.24	38.22

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



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
15. Loans			
(Unsecured, considered good, unless stated otherwise)			
Deposits with Corporates	500.00	220.00	816.00
Loans and advances to employees	10.47	11.39	14.25
Total	510.47	231.39	830.25
16. Other Financial Assets			
Exchange Gain on remeasurement of forward contracts	13.13	20.35	5.31
Advances recoverable in cash	71.14	40.89	18.05
Unbilled revenue	17.29	9.22	16.37
Total	101.56	70.46	39.73
17. Current Tax Assets (Net)			
Advance Income Tax (Net)*	19.21	2.69	-
Total	19.21	2.69	-
*Advance income tax is net of provision for tax ₹ 1871.78 Lakhs. (March 31, 2017 : ₹ 1309.59 Lakhs , April 1, 2016 : Nil)			
18. Other Current Assets			
Advances other than capital advances:			
-Advance to suppliers	13.49	29.03	142.04
Balance with central excise and sales tax authorities	142.85	349.91	270.88
Export incentives receivable - duty free scrips	27.50	22.78	28.01
Interest / Income accrued but not due	19.91	37.16	29.38
Prepaid Expenses	108.29	79.05	88.62
Total	312.04	517.93	558.93
19. Assets Held for Sale			
Assets Held for Sale*	602.94	-	-
Total	602.94	-	-

* Assets Held for Sale consists of Carrying amount of Lease hold Land being Premium paid for Leasehold Land, have been identified for disposal. The asset is expected to be disposed of within the next twelve months. Assets held for sale are measured at lower of its carrying amount and fair value less costs to sell.



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20. Share capital			
Authorised Shares			
50,000,000 (March 31, 2017: 50,000,000, April 1 2016: 50,000,000) equity shares of ₹ 2/- each	1,000.00	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares			
29,200,000 (March 31, 2017: 29,200,000, April 1, 2016 : 29,200,000) Equity Shares of ₹ 2/- each fully paid up.	584.00	584.00	584.00
Total	584.00	584.00	584.00

20.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

	No. of shares	Amounts
Authorised share capital:		
Balance as at 1st April,2016	500,00,000	1,000.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2017	500,00,000	1,000.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2018	500,00,000	1,000.00
Issued, Subscribed and Paid up share capital:		
Balance as at 1st April,2016	292,00,000	584.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2017	292,00,000	584.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March,2018	292,00,000	584.00

20.2 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 30th May, 2018 proposed a final dividend of ₹ 4.25 per equity share. The proposal is subject to approval of Shareholders at their meeting to be held on 6th August, 2018.
- (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.



Notes to financial statements for the year ended 31st March, 2018

20.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid equity shares	% Holding
Thirumalai Chemicals Limited		
As at 1st April 2016	30,44,800	10.43%
As at 31st March, 2017	30,44,800	10.43%
As at 31st March, 2018	32,50,026	11.13%
S.Santhanam		
As at 1st April 2016	17,41,711	5.96%
As at 31st March, 2017	17,41,711	5.96%
As at 31st March, 2018	17,41,711	5.96%
S.Sridhar		
As at 1st April 2016	15,74,044	5.39%
As at 31st March, 2017	15,74,044	5.39%
As at 31st March, 2018	15,74,044	5.39%

21. Other Equity

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
General reserve	4,105.00	4,105.00	4,105.00
Retained Earnings	12,815.21	9,863.08	6,615.69
Other Comprehensive Income	33,603.95	16,802.83	2,357.73
Total	50,524.16	30,770.91	13,078.42

22. Long term provisions

Provision for employee benefits :

Provision for compensated absences

Total

	98.27	84.37	134.98
Total	98.27	84.37	134.98

23. Deferred tax liabilities (net)

Deferred tax liability:

On account of timing difference in Depreciation and amortisation

Actuarial gain on retirement benefits

Fair value adjustments of Investments

Deferred tax assets:

Liabilities allowable on payment basis

Actuarial loss on retirement benefits

Expected credit loss

Total

	1,275.40	1,243.44	1,024.80
	-	11.91	-
	22.48	11.63	-
	1,297.88	1,266.98	1,024.80
	65.73	91.19	92.32
	3.62		
	3.43	5.66	3.61
	72.78	96.85	95.93
Total	1,225.10	1,170.13	928.87



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
24. Deferred Income			
Government Grant	42.01	45.43	
Total	42.01	45.43	-
25. Trade Payables			
Trade payables :			
- Dues to micro and small enterprises (Refer note below)	-	-	-
- Other than micro and small enterprises *	2,870.54	2,458.91	1,865.06
Total	2,870.54	2,458.91	1,865.06
* Includes Trade payables to related party ₹ 3.40 Lakhs (March 31, 2017: ₹ 2.99 Lakhs, April 1 2016 : ₹ 0.14 Lakhs)			
Note : As at March 31, 2018 and March 31, 2017, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same. :			
26. Other financial liabilities			
Unpaid dividends (Refer note below(i))	59.98	50.69	37.71
Employee dues	238.54	296.86	304.64
Dues to Directors - Commission payable	254.31	238.83	293.54
Creditors for capital goods	47.03	62.89	112.46
Deposit from Dealers	12.21	12.21	12.22
Total	612.07	661.48	760.57
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.			
27. Other current liabilities			
Statutory Dues	125.25	95.82	95.10
Revenue received in advance	39.79	136.41	39.37
Advance received for sale of Leasehold Land	136.36	-	-
Other Liabilities	23.03	20.91	37.54
Total	324.43	253.14	172.01
28. Short term provisions			
For Employee benefits			
Provision for gratuity	3.66	-	-
Provision for compensated absences	21.80	48.15	82.55
For Others			
Provision for excise duty	-	35.24	17.79
Provision for tax	1.08	11.79	17.20
Total	26.54	95.18	117.54
29. Deferred Income			
Government Grant	3.42	3.42	-
Total	3.42	3.42	-



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	Year ended 31 March 2018	Year Ended 31 March 2017
30. Revenue From Operations		
a) Sale of Products		
Manufactured Goods	25,015.39	24,328.25
Traded Goods	1.47	126.48
Sale of Power from Wind turbine generators	42.93	196.31
Total Sale of Products	25,059.79	24,651.04
Details of Products sold:		
(i) Manufactured goods		
Pigments	8,674.16	7,763.14
Detergents	412.63	400.39
Sulphonation	15,928.60	16,164.72
	25,015.39	24,328.25
(ii) Traded goods		
Sulphonation	1.47	118.25
Others	-	8.24
	1.47	126.49
b) Sale of Services		
Income from IT enabled Services	2,688.29	2,801.14
Income from BPO activities	335.66	335.16
Total Sale of Services	3,023.95	3,136.30
c) Other Operating Revenues		
Export Incentives	169.25	125.98
Revenue from Operations	28,252.99	27,913.32
31. Other Income		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	28.19	71.76
Deposits with Companies	26.70	38.46
Bonds	4.27	0.92
Others	5.84	6.16
b) Dividend Income on Equity securities designated at FVOCI	383.47	6.42
c) Dividend Income from Investments measured at FVTPL	54.61	30.41



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	Year ended 31 March 2018	Year Ended 31 March 2017
Other Income contd.		
d) Other non-operating Income (Net of expenses directly attributable to such income)		
Rental income	0.33	0.33
Sundry credit balances written back (Net)	16.67	6.78
Sundry receipts	1.59	1.78
Insurance Claims received	27.91	-
Recovery of Bad Debts	-	1.50
e) Other gains and losses		
Net gains on disposal of property, plant and equipment	3.39	0.33
Net gains arising on financial assets measured at FVTPL	63.82	68.40
Net gains on sale of Investments	217.45	3.20
Net gains on foreign currency transactions and translation	32.91	38.14
f) Government grant	3.42	2.45
Total	870.57	277.04
32. Cost of material consumed		
Opening Stock of Raw Materials	720.97	376.68
Add : Purchases	13,093.29	13,304.55
	13,814.26	13,681.23
Less : Closing Stock of Raw Materials	442.54	720.97
Total	13,371.72	12,960.26
33. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress		
Inventories at the end of the year		
Work-in-progress	716.18	771.30
Finished goods	490.19	592.83
Total	1,206.37	1,364.13
Inventories at the beginning of the year		
Work-in-progress	771.30	562.21
Finished goods	592.83	387.26
	1,364.13	949.47
Add/(Less)/ Adjustment for Excise duty on Stocks	35.24	(5.80)
Net (Increase)/ Decrease in Stocks	122.51	(408.86)
(Increase)/ Decrease in work in progress		
Pigments	33.61	(106.57)
Sulphonation	21.51	(284.43)
Total	55.12	(391.00)
(Increase)/decrease in finished goods (Inclusive of finished goods in transit)		
Pigments	82.28	(190.54)
Detergents	10.45	10.39
Sulphonation	9.90	(25.42)
Add/ (less)/ Adjustment for Excise Duty on Stocks	(35.24)	5.80
Total	67.39	(199.77)



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	Year ended 31 March 2018	Year Ended 31 March 2017
34. Employee Benefit Expense		
Salaries, Wages, Bonus and other benefits	2,942.98	2,637.35
Directors' Remuneration	316.07	284.67
Contribution to Provident Fund and other funds	249.83	228.45
Gratuity	84.67	7.43
Staff Welfare and amenities	228.17	202.68
Total	3,821.72	3,360.58
35. Finance Cost		
Interest on income tax payments	0.16	5.59
Interest Others	62.28	19.04
Total	62.44	24.63
36. Other Expenses		
Consumption of Stores and Spares	308.68	241.69
Power and Fuel (Note No.1 below)	1,172.57	1,279.47
Repairs and Maintenance:		
Machinery	346.27	399.55
Buildings	196.04	216.03
Others	43.63	49.75
Packing Expenses and materials consumed	329.22	292.56
Processing Charges	108.80	117.72
Laboratory Expenses	22.20	24.50
Freight and Forwarding expenses	542.74	463.51
Insurance	62.44	70.24
Commission on sales	24.37	29.00
Advertisement and Sales Promotion expenses	106.23	104.04
Security Expenses	67.91	69.29
Software License Expenses	30.76	31.05
Water Charges	22.92	24.84
Rent	199.99	197.14
Rates & Taxes	31.58	20.25
Travelling & Conveyance expenses	201.91	226.71
Communication expenses	84.64	73.81
Legal and Professional Fees	104.18	197.98
Sitting fees to Directors	25.62	26.93
Commission to Non Executive Directors	64.09	51.52
Donation (Refer Note 47)	93.71	72.00
Bad Debts written off	8.84	49.62
Provision for expected credit Loss	(3.96)	5.91
Bank Charges	41.67	44.29
Miscellaneous expenses (Note No.2 below)	165.39	144.49
Total	4,402.44	4,523.89



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Particulars	Year ended 31 March 2018	Year Ended 31 March 2017
Note:-		
1. Power and Fuel is net of wind power generated and utilised	277.40	67.90
2. Payment to Auditors (included in miscellaneous expenses)		
As Auditors:		
Statutory Audit	10.50	9.00
Tax Audit	2.00	1.75
Certification	5.25	4.00
In other capacity:		
Reimbursement of Expenses	-	-
Total	17.75	14.75

37. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
[A] Contingent Liabilities			
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	2.80	2.80	2.80
(ii) Bank Guarantees issued and outstanding	16.37	18.14	16.45
(iii) Letter of Credit issued and outstanding	321.47	-	45.83
[B] 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 [₹ 609.79 (31st March, 2017 ₹ 609.79 and 1st April, 2016 ₹ 609.79) deposited with tax authorities]	690.58	690.35	690.35
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	1.08	1.08	1.08
(iii) (a) Sales tax matters in appeal	60.04	46.61	46.61
(b) Against which advance paid	36.17	34.08	28.04
(iv) (a) Excise duty matters in appeal	34.38	-	-
(b) Against which advances paid	5.00	-	-
(v) Property tax	91.91	79.05	66.92
[C] Commitments			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	127.18	39.87	145.95
Against which advance paid	52.80	12.57	65.82

[D] Pending Proceedings

The Company's pending litigation 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.

**Notes to financial statements for the year ended 31st March, 2018**

38. The Company has availed credit facilities (both fund based and non-fund based) from a bank is secured by hypothecation of stocks (raw materials and finished goods) and book debts of the company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31st March, 2018.

39. Employee benefits**[A] 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.

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

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
a) Contribution to Employees Provident Fund*	176.00	163.96
b. Superannuation Fund*	20.62	26.73
	196.62	190.69

* Includes contribution of ₹ 9.25 Lakhs (31st March 2017 - ₹ 7.64 Lakhs) included in Directors Remuneration.

[B] Defined benefit plan:

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

1. Reconciliation of opening and closing balances of Gratuity obligation

a. Defined benefit obligation at the beginning of the year	374.65	380.61
b. Interest Cost	27.15	28.09
c. Current Service Cost	47.21	36.68
d. Past services cost	20.00	-
e. Benefits Paid from fund	(25.16)	(36.43)
f. Actuarial (Gain) / Loss	19.61	(34.30)
g. Defined benefit obligation at the end of the year	463.46	374.65

2. Reconciliation of opening and closing balances of fair value of plan assets

a. Fair Value of Plan Assets at the beginning of the year	394.40	404.47
b. Adjustment to Opening balance	-	(5.43)
c. Expected Return on Plan Assets	28.64	31.67
d. Contribution by the Employer	61.24	-
e. Benefits Paid from the funds	(25.16)	(36.43)
f. Actuarial Gains / (Loss) on Plan Assets - Due to Experience	0.67	0.12
g. Fair Value of Plan Assets at the End of the year	459.79	394.40



Notes to financial statements for the year ended 31st March, 2018

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

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
a. Current Service Cost	47.21	36.68
b. Past service cost	20.00	-
c. Interest Cost	27.15	28.09
d. Expected return on plan assets	(28.64)	(31.67)
e. Net Actuarial (Gain) / Loss	18.94	(34.42)
f. Total Expenses recognised in Statement of Profit and Loss	84.66	(1.32)

4. Amount recognised in the Balance Sheet

a. Present value of Benefit Obligation at the end of the year	(463.46)	(374.65)
b. Fair Value of Plan Assets at the End of the year	459.79	394.40
c. Funded Status (Surplus / (Deficit))	(3.67)	19.75
d. Net (Liability) / Asset Recognised in the Balance sheet	(3.67)	19.75

5. Other Comprehensive Income (OCI)

Actuarial (Gain)/Loss recognised for the year	19.61	(34.30)
Return on plan assets excluding net interest	(0.67)	(0.12)
Total actuarial (Gain)/Loss recognised in OCI	18.94	(34.42)

6. Description of plan assets

a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	459.79	394.40
e. Total	459.79	394.40

7. Actuarial assumptions

a. Discount Rate	7.85%	7.50%
b. Salary Escalation Rate	8%	7%
c. Turnover Rate	10%	10%
d. Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



Notes to financial statements for the year ended 31st March, 2018

8. Expected future cash flows as on:

₹ in Lakhs

Particulars	As at	As at
	31 March 2018	31 March 2017
Projected benefits payable in future years from the date of reporting		
1st following year	-	3.13
2nd following year	31.89	20.76
3rd following year	4.88	8.55
4th following year	9.16	4.15
5th following year	7.24	7.65
Years 6 to 10	410.28	330.42

9. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(25.98)	29.13	27.16	(24.95)
Variation in % age	(5.60%)	6.29%	5.86%	(5.38%)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

These plans typically expose the Company to actuarial risks such as : investment risk , interest risk , longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



Notes to financial statements for the year ended 31st March, 2018

40. Tax Expense

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Amounts recognised in statement of profit and loss		
Current year	(1,871.78)	(1,309.59)
Short/Excess provision for earlier years	(34.43)	(2.69)
Current tax expense (A)	(1,906.21)	(1,312.28)
Origination and reversal of temporary differences	(70.50)	(258.72)
Deferred tax expense (B)	(70.50)	(258.72)
Tax expense recognised in the current statement (A) + (B)	(1,976.71)	(1,571.00)

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax(expense) benefit	Net of tax	Before tax	Tax(expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(44.44)	15.53	(28.91)	34.42	(11.91)	22.51
Equity Instruments through Other Comprehensive Income	16,823.63	-	16,823.63	14,422.59	-	14,422.59
	16,779.19	15.53	16,794.72	14,457.01	(11.91)	14,445.10

(c) Reconciliation of effective tax rate

	Year ended 31 March 2018		Year ended 31 March 2017	
	%	Amount	%	Amount
Profit before tax		6,341.02		4,818.39
Tax using the Company's domestic tax rate (Current year 34.61% and Previous Year 34.61%)	34.61%	2,194.50	34.61%	1,667.55
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses	0.00%	-	0.00%	-
exempt income	-2.39%	(151.61)	-0.26%	(12.75)
Permanent Differences	0.49%	31.11	0.28%	13.59
Differential Tax for Investments Income recognised on Fair value	-0.54%	(34.18)	-0.25%	(12.04)
Incremental deduction allowed for research and development costs	-0.35%	(22.46)	-0.98%	(46.99)
Deductions u/s 80-IA	-0.67%	(42.48)	-1.08%	(51.95)
Other adjustments	-0.70%	(44.38)	0.28%	13.59
Tax relating to earlier years	0.54%	34.43	-	-
Rate difference	0.19%	11.78	-	-
	31.18%	1,976.71	32.60%	1,571.00



Notes to financial statements for the year ended 31st March, 2018

(d) Movement in deferred tax balances

	Year ended 31 March 2018					
	Net balance 1 April 2017	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,243.44)	(31.96)		(1,275.40)		(1,275.39)
Employee benefits	(11.91)		15.53	3.62	3.62	
Liabilities allowable on payment basis	91.19	(25.46)		65.73	65.73	
Fair value of investments	(11.63)	(10.85)		(22.48)		(22.48)
Expected credit loss	5.66	(2.23)		3.43	3.43	
Tax assets (Liabilities)	(1,170.13)	(70.50)	15.53	(1,225.10)	72.78	(1,297.87)
Reversal of Opening DTL	-	-	-	-	-	-
Tax assets (Liabilities) (Net)	(1,170.13)	(70.50)	15.53	(1,225.10)	72.78	(1,297.87)

(e) Movement in deferred tax balances

	Year ended 31 March 2017					
	Net balance 1 April 2017	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,024.80)	(218.64)		(1,243.44)		(1,243.44)
Employee benefits	-	-	(11.91)	(11.91)		(11.91)
Liabilities allowable on payment basis	92.32	(1.13)		91.19	91.19	
Fair value of investments		(11.63)		(11.63)	-	(11.63)
Expected credit loss	3.61	2.05		5.66	5.66	-
Tax assets (Liabilities)	(928.87)	(229.35)	(11.91)	(1,170.13)	96.85	(1,266.98)
Reversal of Opening DTL	-	-	-	-	-	-
Tax assets (Liabilities) (Net)	(928.87)	(229.35)	(11.91)	(1,170.13)	96.85	(1,266.98)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

41. Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted the Indian Accounting Standards (Ind AS) and adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".



Notes to financial statements for the year ended 31st March, 2018

The significant accounting policies set out in Note 1 to 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April, 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions

A. Ind-AS Optional Exemptions

1 Deemed Cost - Property, Plant and Equipment and Intangibles Assets :

As permitted by Ind AS 101, The Company elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Government Grants

The Company has elected to apply the requirements of Ind AS 20 retrospectively to Government Grants existing at the date to Ind AS.

3 Designation of previously recognised financial instruments

As permitted by Ind AS 101, The Company has opted to avail this exemption to designate certain equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

Mandatory Exceptions

4 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is objective evidence that those estimates were in error.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).



Notes to financial statements for the year ended 31st March, 2018

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- (i) Investment in equity instruments carried at fair value through other comprehensive income (FVOCI); and
- (ii) Impairment of financial assets based on expected credit loss model.

5 Derecognition of financial assets and financial liabilities

Ind AS 101 requires first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to use the exemption for de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

6 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

7 Impairment of Financial Assets

Ind AS 101 requires an entity to apply the Ind AS requirements retrospectively if it is practicable without undue cost and effort to determine the credit risk that debt financial instruments were initially recognised. The company has measured impairment losses on financial assets as on the date of transition i.e. 1st April, 2016 in view of cost and effort.

B. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- (i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date);
- (ii) Reconciliation of Balance sheet as at 31st March, 2017;
- (iii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017;
- (iv) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017;
- (v) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been re-grouped for ease of reconciliation with Ind AS. The re-grouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

I Reconciliation of Balance Sheet

Particulars	Notes	as at 31 March 2017			as at 1 April 2016 (TransitionDate)		
		Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I. NON-CURRENT ASSETS							
Property, Plant and Equipment	D	5,958.72	48.96	6,007.68	5,223.18	-	5,223.18
Capital Work-In-Progress		20.71	-	20.71	209.67	-	209.67
Other Intangible assets		25.19	-	25.19	21.12	-	21.12
<u>Financial Assets</u>							
Investments	A,B	1,826.94	16,820.66	18,647.60	1,336.94	2,357.73	3,694.67
Loans		165.44	-	165.44	66.58	-	66.58
Others		5.32	-	5.32	25.34	-	25.34
Other Non-Current Assets		905.34	-	905.34	901.47	-	901.47
Total non current assets		8,907.66	16,869.62	25,777.28	7,784.30	2,357.73	10,142.03
Current Assets							
Inventories		2,539.47	-	2,539.47	2,074.05	-	2,074.05
<u>Financial Assets</u>							
Investments	A	2,013.41	28.06	2,041.47	150.08	-	150.08
Trade Receivables	G	3,411.74	(13.87)	3,397.87	2,660.72	(7.96)	2,652.76
Cash And Cash Equivalents		1,497.17	-	1,497.17	1,155.40	-	1,155.40
Bank Balances Other Than Above		51.24	-	51.24	38.22	-	38.22
Loans		231.39	-	231.39	830.25	-	830.25
Other Assets		70.80	(0.34)	70.46	39.73	-	39.73
Current Tax Assets		2.69	-	2.69	-	-	-
Other Current Assets	C	517.93	-	517.93	558.93	-	558.93
Total current assets		10,335.84	13.85	10,349.69	7,507.38	(7.96)	7,499.42
TOTAL ASSETS		19,243.50	16,883.47	36,126.97	15,291.68	2,349.77	17,641.45
II. EQUITY AND LIABILITIES							
Equity							
Equity share capital		584.00	-	584.00	584.00	-	584.00
Other equity	(iii)	14,109.53	16,661.38	30,770.91	10,869.37	2,209.05	13,078.42
Total equity		14,693.53	16,661.38	31,354.91	11,453.37	2,209.05	13,662.42
Liabilities							
Non current liabilities							
Provisions		84.37	-	84.37	134.98	-	134.98
Deferred Tax Liabilities (Net)	I	1,008.69	161.44	1,170.13	788.15	140.72	928.87
Deferred Income	D	-	45.43	45.43	-	-	-
Total non current liabilities		1,093.06	206.87	1,299.93	923.13	140.72	1,063.85
Current liabilities							
<u>Financial liabilities</u>							
Trade payables		2,458.91	-	2,458.91	1,865.06	-	1,865.06
Other Current Financial Liabilities		661.48	-	661.48	760.57	-	760.57
Other Current Liabilities		253.14	-	253.14	172.01	-	172.01
Provisions	H	83.38	11.80	95.18	117.54	-	117.54
Deferred Income	D	-	3.42	3.42	-	-	-
Total Current liabilities		3,456.91	15.22	3,472.13	2,915.18	-	2,915.18
Total liabilities		4,549.97	222.09	4,772.06	3,838.31	140.72	3,979.03
TOTAL EQUITY AND LIABILITIES		19,243.50	16,883.47	36,126.97	15,291.68	2,349.77	17,641.45



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Notes	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from Operations (Gross)	E	25,541.06	2,372.26	27,913.32
Other income	A,C,D	206.53	70.51	277.04
Total Income		25,747.59	2,442.77	28,190.36
Expenses				
Cost of materials consumed		12,960.26	-	12,960.26
Purchase of stock-in-trade		123.28	-	123.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(408.86)	-	(408.86)
Excise Duty	E	-	2,372.27	2,372.27
Employee Benefits Expenses	F	3,326.16	34.42	3,360.58
Finance costs		24.63	-	24.63
Depreciation and Amortization Expenses	D	413.60	2.32	415.92
Other Expenses	G	4,517.98	5.91	4,523.89
Total Expenses		20,957.05	2,414.92	23,371.97
Profit/(loss) before Tax		4,790.54	27.85	4,818.39
Tax expense:				
1. Current Tax	H	(1,297.80)	(11.79)	(1,309.59)
2. Tax relating to prior years		(2.69)	-	(2.69)
3. Deferred Tax	I	(249.91)	(8.81)	(258.72)
Profit for the period		3,240.14	7.25	3,247.39
Other comprehensive income				
(i) Items that will not be subsequently reclassified to profit or loss				
- Remeasurement of defined benefit plans	F	-	34.42	34.42
- Equity instruments through other comprehensive income	B	-	14,422.59	14,422.59
(ii) Income tax related to items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	F	-	(11.91)	(11.91)
- Equity instruments through other comprehensive income		-	-	-
		-	14,445.10	14,445.10
Total comprehensive income for the period		3,240.14	14,452.35	17,692.49



Notes to financial statements for the year ended 31st March, 2018

Reconciliation of total comprehensive income:

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2017
Net Profit as per Previous GAAP		3,240.14
(i) Fair value measurement of investment in mutual funds	A	68.40
(ii) Fair valuation of derivative contracts	C	(0.34)
(iii) Deferral of government grant (net of depreciation)	D	0.12
(iv) Actuarial (gain)/loss on employee defined benefit plans recognised in Other Comprehensive Income	F	(34.42)
(v) Loss allowance of trade receivables as per expected credit loss model	G	(5.91)
(vi) Current tax impact	H	(11.79)
(vii) Deferred tax impact	I	(8.81)
Net profit after tax as per Ind AS		3,247.39
Other Comprehensive Income (net of taxes)		14,445.10
Total Comprehensive income as per Ind AS		17,692.49

(iii) Reconciliation of Equity as at 1 April 2016 and 31 March 2017

Particulars	Note	As at 31 March 2017	As at 1 April 2016
Equity as per previous GAAP		14,693.53	11,453.37
Fair value measurement of investment in mutual funds	A	68.40	-
Fair value measurement of investment in equity shares recognised in other comprehensive income	B	16,780.30	2,357.73
Remeasurement of Defined benefit plans		(11.91)	-
Impairment allowance of trade receivables due to expected credit loss model	G	(13.87)	(7.96)
Fair Valuation of derivative	C	(0.34)	-
Deferral of government grant (net of depreciation)	D	0.12	-
Deferred tax Adjustments	I	(149.53)	(140.72)
Current Tax	H	(11.79)	-
Total Impact		16,661.38	2,209.05
Total Equity as per Ind AS		31,354.91	13,662.42

(iv) Adjustments to Statement of Cash Flows.

On account of transition to Ind AS, there is no material adjustment to the statement of Cash flows as on 31st March, 2017.

Notes to reconciliations:-

A Fair valuation of investments in Mutual funds

Under previous GAAP, non current investments were carried at cost less other - than - temporary diminution in value, determined separately for each individual investment and current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in profit or loss. On transitioning to Ind AS, these financial assets have been measured at their fair value which is higher than cost as per previous GAAP, resulting in following changes:



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Statement of profit or loss		As at 31st March 2017	
Financial asset at fair value through profit or loss		68.40	
Financial asset at fair value through OCI		-	
Balance sheet		As at 31st March 2017	As at 1 April 2016
Increase in carrying amount by		68.40	-
Corresponding deferred tax recognised		11.63	-
Net effect of increase in total equity		56.77	-

B Fair value of investments in Equity Shares

Under Indian GAAP, the company accounted for long term investments in Thirumalai Chemicals Limited at cost less any other - than - temporary diminution in the value of investments. Under Ind AS, the company has designated these investments at fair value through other comprehensive income. Ind AS requires measurement of these investments at fair value. On the date of transition, the difference between the cost of the investments and the fair value is recognised under equity in a separate reserve i.e. Equity Instruments through Other Comprehensive Income reserve

Statement of profit or loss		As at 31st March 2017	
Financial asset at fair value through profit or loss		-	
Financial asset at fair value through OCI		14,422.59	
Balance sheet		As at 31st March 2017	As at 1 April 2016
Increase in carrying amount by		16,780.32	2,357.73
Corresponding deferred tax recognised		-	-
Net effect of increase in total equity		16,780.32	2,357.73

C Derivative Contracts

Under previous GAAP, in respect of derivative contracts such as forward exchange contracts, premium/discount arising at the inception of the forward exchange contract to hedge foreign currency risks, were amortised as expense or income over the life of the contract. Exchange differences on such forward exchange contracts were recognised in the Statement of Profit and Loss. Under Ind AS, all derivative contracts are measured at fair value through profit and loss. The changes can be shown as follows:

Particulars	As at 31 March 2017	As at 1 April 2016
Carrying amount of derivatives [Gain/(Loss)]	(0.34)	-
Corresponding current tax recognised	0.12	-
Net effect of increase in total equity	(0.22)	-

D Capital Grant

Under the previous GAAP, Capital grant related to Property, plant and equipments were presented as a reduction from cost of respective Capital assets. As per Ind AS, the same is presented as 'Deferred Income' under the head liability. The deferred grant revenue is released to the Statement of Profit and Loss over the expected useful life of the underlying asset. This has resulted in an increase in profit net of depreciation for the year ended 31st March 2017 by ₹ 0.12 Lakhs and recognition of deferred income of ₹ 2.45 Lakhs


Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

E Excise Duty

Under the previous GAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Recovered Excise duty has been presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017 by ₹ 2,372.27 Lakhs. The total comprehensive income for the year remains unchanged.

F Remeasurement of defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

Particulars	As at 31 March 2017
Actuarial gains/(loss)	34.42
Tax effect thereon	(11.91)

G Trade Receivables

Under previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS the Company provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

Particulars	As at 31 March 2017	As at 1 April 2016
Carrying value of Allowance for doubtful trade receivables using ECL model	13.87	7.96

H Current tax effect

Under previous GAAP, the Company has recognised the provision for gratuity and leave encashment and the same has been adjusted in deferred tax. Under Ind AS, the same has been adjusted in current tax

I Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred tax is done using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

J Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

42 Financial instruments
A Valuation:

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- i) The fair value of investment in quoted Equity shares is measured at quoted price or NAV
- ii) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Notes to financial statements for the year ended 31st March, 2018****B Financial instruments by category**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in Lakhs

FINANCIAL ASSETS/FI- NANCIAL LIABILITIES	FAIR VALUE AS AT			FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2018	31.03.2017	01.04.2016		
Investments in quoted equity instruments at FVTOCI	34,925.49	18,101.86	3,679.27	Level 1	Quoted bid price in an active market (a)
Investment in Debentures	26.43			Level 1	Quoted bid price in an active market (a)
Investments in quoted instruments (Mutual Funds) at FVTPL	4,893.59	2,571.81	150.08	Level 2	Quoted bid price in an active market
Derivative instrument - Forward contract	13.13	20.35	5.31	Level 2	Fair valuation
Investments in unquoted Instruments at FVTPL					Fair valuation (b)
Investments in unquoted Instruments at OCI					Fair valuation (b)

There were no changes in the fair value hierarchy Levels in the above periods.

(a) These investments in equity instruments are not for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the Directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

(b) These investment in equity are not significant in value and hence additional disclosures are not presented.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosure are required)

PARTICULARS	FAIR VALUE HIERARCHY	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.2016	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:							
Non-current financial assets							
Investment in Bonds	Amortised Cost	15.40	15.40	15.40	15.40	15.40	15.40
Loans	Amortised Cost	106.78	106.78	165.44	165.44	66.58	66.58
Current financial assets							
Trade receivables		2,611.12	2,611.12	3,397.87	3,397.87	2,652.76	2,652.76
Cash and cash equivalents		1,429.30	1,429.30	1,497.17	1,497.17	1,155.40	1,155.40
Other bank balances		60.57	60.57	51.24	51.24	38.22	38.22
Loans		510.47	510.47	231.39	231.39	830.25	830.25
Financial liabilities held at amortised cost:							
Current financial liabilities							
Trade payables		2,870.54	2,870.54	2,458.91		1,865.06	
Other financial liabilities		612.07		661.48		760.57	

There have been no transfers between Level 1 and Level 2 during the year ended 1st April 2016



Notes to financial statements for the year ended 31st March, 2018

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements as described below:

- i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- ii) **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using the valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

42.1 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

Risk management framework

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investment in debt securities. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

Ageing of Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not due	2,087.19	2,679.69	1,737.49
0-3 months	480.25	497.32	753.80
3-6 months	33.45	158.67	70.56
6 months to 12 months	18.60	71.23	59.96
beyond 12 months	1.53	7.31	41.39
Allowance for doubtful trade receivables (Expected credit loss allowance)	9.91	16.35	10.44
Total	2,611.11	3,397.87	2,652.76

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

Particulars	As at 31 March 2018	As at 31 March 2017
Opening provision	16.36	7.96
Add: Additional provision made	(6.45)	8.40
Closing provision	9.91	16.36

Loans

In the case of loans to employees, the same is managed by establishing limits. (Which in turn based on the employees salaries and number of years of service put in by the concern employee)

Investment in debt securities

The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1429.29 as at 31st March, 2018 (31st March, 2017: ₹ 664.17, 1st April, 2016 : ₹ 822.60). The cash and cash equivalents are held with banks.

Derivatives

The derivative contracts are entered into with scheduled banks and financial institutions which have good credit ratings.



Notes to financial statements for the year ended 31st March, 2018

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by monitoring forecast and actual cash flows, maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Non-derivative financial liabilities						
Trade and other payables	2,870.54	-	2,458.91	-	1,865.06	-
Other financial liabilities	612.07	-	661.48	-	760.57	-
Total non-derivative financial liabilities	3,482.61	-	3,120.39	-	2,625.63	-

C Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Such changes in values of financial instruments may result from changes in foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign Currency Exchange Rate Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed utilising forward foreign exchange contracts.

The following table analyses foreign currency risk from financial instruments as of 31st March 2018, 31st March 2017 and 1st April 2016 :

In Lakhs

Particulars	USD	EURO	GBP	CAD	AUD
Accounts Receivable					
As at :					
31 March 2018	10.62	0.00	0.14	0.01	0.01
31 March 2017	7.21	-	0.12	0.00	0.01
1 April 2016	6.14	0.06	0.13	0.00	-
Accounts Payable					
As at :					
31 March 2018	13.21	-	-	-	-
31 March 2017	7.90	-	-	-	-
1 April 2016	8.88	-	-	-	-

**Notes to financial statements for the year ended 31st March, 2018****Foreign currency sensitivity analysis**

The Company is mainly exposed to the currency : USD and GBP.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

In Lakhs

Particulars	Average Exchange rate			
	USD	GBP	INR/USD	INR/GBP
Export Transactions				
As at :				
31 March 2018	118.43	0.82	64.40	86.22
31 March 2017	93.64	0.65	67.06	86.57
Import Transactions				
As at :				
31 March 2018	55.99	-	66.88	-
31 March 2017	71.09	-	69.16	-
Accounts Receivable				
As at :				
1 April 2016	6.14	0.13	65.78	94.12
Accounts Payable				
As at :				
1 April 2016	8.88	-	66.65	-

Impact on profit or loss and total equity

Particulars	USD impact	
	As at 31 March 2018	As at 31 March 2017
Increase in exchange rate by 5%	194.12	68.14
Decrease in exchange rate by 5%	(194.12)	(68.14)

Particulars	GBP impact	
	As at 31 March 2018	As at 31 March 2017
Increase in exchange rate by 5%	3.54	2.79
Decrease in exchange rate by 5%	(3.54)	(2.79)

Forward foreign exchange contracts

The Company has entered into Forward Exchange Contracts, being derivative instruments for hedge purposes and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain receivables.



Notes to financial statements for the year ended 31st March, 2018

In Lakhs

The following are the outstanding Forward Exchange Contracts entered into by the Company.

Outstanding contracts	As at	Foreign currency	Carrying amount
Derivative instruments			
Accounts Receivables (USD)	31 March 2018	32.00	2,064.32
	31 March 2017	4.06	287.84
	1 April 2016	4.50	296.01
Other Receivables (USD)	31 March 2018	-	-
	31 March 2017	0.44	31.64
	1 April 2016	-	-
Accounts Payables(USD)	31 March 2018	1.24	80.92
	31 March 2017	2.67	181.23
	1 April 2016	-	-

D Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk. The Company makes Investments in Deposits or Commercial papers or similar instruments in Companies having AA, AA+ or higher ratings from Credit rating agencies. The Company also makes investments in Debt Mutual funds.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

₹ in Lakhs

	March 31, 2018	March 31, 2017	April 1, 2016
Fixed-rate instruments			
Financial Assets - measured at amortised cost	0.00	0.00	0.00
Investment in Bonds	15.40	15.40	15.40
Total	15.40	15.40	15.40

Segment wise Revenue, Results and Capital Employed for the year ended 31st March 2018

Sl. NO.	DESCRIPTION	Year ended 31-03-2018	Year ended 31-03-2017
1	SEGMENT REVENUE		
a	Laundry & Allied Products	25,186.11	24,580.71
b	IT Enabled Services	3,023.95	3,136.30
c	Windmill	320.33	264.21
	TOTAL	28,530.39	27,981.22
	Less : Inter Segment Revenue	277.40	67.90
	SALES/INCOME FROM OPERATIONS	28,252.99	27,913.32



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

SI. NO.	DESCRIPTION	Year ended 31-03-2018	Year ended 31-03-2017
2	SEGMENT RESULTS		
a	Laundry & Allied Products	5,140.52	3,807.17
b	IT Enabled Services	606.67	1,031.04
c	Windmill	206.99	143.62
	TOTAL	5,954.18	4,981.83
	Less: Interest and Finance Charges	(62.45)	(24.64)
	Less: Unallocated Expenditure (Net-off)	449.29	(289.99)
	Un-allocable Income	-	151.19
	TOTAL PROFIT BEFORE TAX	6,341.02	4,818.39
3	SEGMENT ASSETS		
a	Laundry & Allied Products	11,635.58	10,893.71
b	IT Enabled Services	967.24	1,122.82
c	Windmill	1,053.50	1,271.86
d	Unallocated / Corporate	42,654.22	22,838.58
		56,310.54	36,126.97
4	Segment Liabilities		
a	Laundry & Allied Products	3,390.32	2,979.80
b	IT Enabled Services	195.79	260.02
c	Windmill	10.14	1.05
d	Unallocated / Corporate	1,606.13	1,531.19
		5,202.38	4,772.06
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	51,108.16	31,354.91

43 Related party disclosures

1	Relationships	Designation
	a) Key Managerial Personnel (KMP)	
	Mrs. Indira Sundararajan	Vice Chairperson & Managing Director
	Ms. Tara Parthasarathy	Joint Managing Director
	Mr. R. Senthil Kumar	Whole-Time Director
	b) Relatives of KMP	
	Mr. R. Sampath	Chairman
	Mr. V. Bharathram	President(Operations), IT-Enabled Services and BPO activities Division
	Ms. Meera Parthasarathy	Vice President(Operations), BPO Division
	c) Other related entity	
	Thirumalai Chemicals Limited	
	Thirumalai Charity Trust	
	Ahana LLC	Enterprises over which relatives of Key management personnel having significant influence
	Vedavalli Vidyalaya School (a Unit of Akshaya Vidya Trust)	



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

2 Transactions carried out with related parties referred in 1 above, in ordinary course of business

Nature of transactions	Related parties	
	2017-18	2016-17
Sales		
<u>Goods, Materials and Services</u>		
Thirumalai Chemicals Limited	0.38	0.43
Purchase		
<u>Goods, Materials and Services</u>		
Thirumalai Chemicals Limited	0.02	-
Remuneration paid to		
Mr. V. Bharathram	62.08	57.94
Ms. Meera Parthasarathy	33.96	26.04
Remuneration to Directors		
Mrs. Indira Sundararajan	218.80	186.12
Ms. Tara Parthasarathy	57.95	79.75
Mr. R. Senthil Kumar	40.28	26.76
Commission to non-executive director		
Mr. R. Sampath	64.08	51.52
Rendering of Services to		
Thirumalai Chemicals Limited	21.07	1.31
Thirumalai Charity Trust	3.08	-
Vedavalli Vidyalaya School	0.33	1.95
Ahana LLC, USA	13.44	-
Rent Paid to		
Thirumalai Chemicals Limited	37.68	36.76
Receiving of services from		
Thirumalai Chemicals Limited	1.32	1.69
Outstanding payables		
Thirumalai Chemicals Limited	3.40	2.99
Advance received against sale of Property		
Thirumalai Chemicals Limited	136.36	-
Directors Remuneration / Commission Payables		
Mrs. Indira Sundararajan	160.22	128.79
Ms. Tara Parthasarathy	30.00	51.52
Mr. R. Senthil Kumar	9.00	7.00
Non executive directors commission		
Mr. R. Sampath	64.08	51.52
Remuneration Payable		
Mr. V. Bharathram	7.50	-
Outstanding receivables		
Vedavalli Vidyalaya School	-	0.67
Thirumalai Charity Trust	0.09	-
Thirumalai Chemicals Limited	0.24	-
Ahana LLC	3.04	-
Donations paid		
Thirumalai Charity Trust	70.00	67.00
Outstanding deposits receivables		
Thirumalai Chemicals Limited	14.00	14.00



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

44 Leases**Operating lease**

- i) The company has taken certain premises for office use and godown under cancellable / non cancellable lease agreements. Some of these agreements have a price escalation clause. The lease rentals for the same are charged to Statement of Profit or Loss .

ii) Amounts recognised in profit or loss

Particulars	31st March, 2018	31st March, 2017	1st April 2016
Lease expense	199.99	197.14	191.89
Contingent rent expense	0.00	0.00	0.00

iii Future minimum rentals payable under non - cancellable operating lease are as follows

Particulars	31st March, 2018	31st March, 2017	1st April 2016
Payable			
Within one year	285.42	185.52	190.71
After one year but not more than five years	1,074.88	742.58	610.87
More than five years	182.25	-	125.37

45 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company

Particulars	31st March, 2018	31st March, 2017
	INR	INR
Profit attributable to equity holders of the Company for basic and diluted earnings per share	4,364.31	3,247.39

ii. Weighted average number of ordinary shares

Number of Issued equity shares at April 1	292,00,000	292,00,000
Effect of shares issued	-	-
Nominal value per share	2	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	292,00,000	292,00,000
Basic earnings per share	14.95	11.12



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

46 Research and Development Expenditure

Particulars	As at 31 March 2018	As at 31 March 2017
The Company has incurred Research and Development expenses as under:		
On Capital Account:		
Lab Equipment	17.42	45.27
On Revenue Account		
Salaries & Allowances	79.40	76.02
Contributions to Provident fund and other funds	5.25	4.17
Chemicals and Consumables	14.72	54.55
Other Expenses	13.02	1.04
Total	129.81	181.05

47 CSR Expenditure

- a) Gross amount required to be spent by the Company during the year – ₹ 76.29 Lakhs (31st March, 2017: ₹ 58.99 Lakhs)
- b) Amount spent during the year: ₹ 90.21 Lakhs (31st March, 2017: ₹ 67.00 Lakhs) out of which ₹ 70 Lakhs contributed to Thirumalai Charity Trust registered u/s 35AC/80G of Income Tax Act, 1961, engaged in rural healthcare, women empowerment, disability, de-addiction and village development, surrounding the manufacturing location of the Company.

48 Disclosures required as per Micro, small and medium enterprises development act, 2006 .

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

Particulars	2017-18	2016-17
(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 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act	NIL	NIL
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	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



Notes to financial statements for the year ended 31st March, 2018

₹ in Lakhs

49 C I F Value of Imports

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Raw Materials	3,737.05	4,909.05
Machinery spares	0.57	0.38
Capital Equipments	-	23.30
Lab Equipment	0.65	7.81
R&D Equipment	-	17.38
Components	-	-
Total	3,738.27	4,957.92

50. Expenditure in Foreign Currency

Travelling	39.13	50.89
Other Matters - Data processing	0.11	0.04
Employees' Training & seminar expenses	26.66	28.70
Legal & Professional Charges	2.90	36.16
Subscription Fees	5.76	-
Software Expenses	2.47	1.61
Sales Promotion Expenses	38.58	2.61
Books, periodicals & subscriptions	4.47	6.62
Total	120.08	126.63

51. Earnings in foreign currencies

Export of goods calculated on FOB basis	4,992.64	3,513.86
Income from IT enabled services	2,663.65	2,791.63
Total	7,656.29	6,305.49

52 The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements are derived from the audited financial statements for the year ended 31st March, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2014, which are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

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

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date : May 30,2018

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary



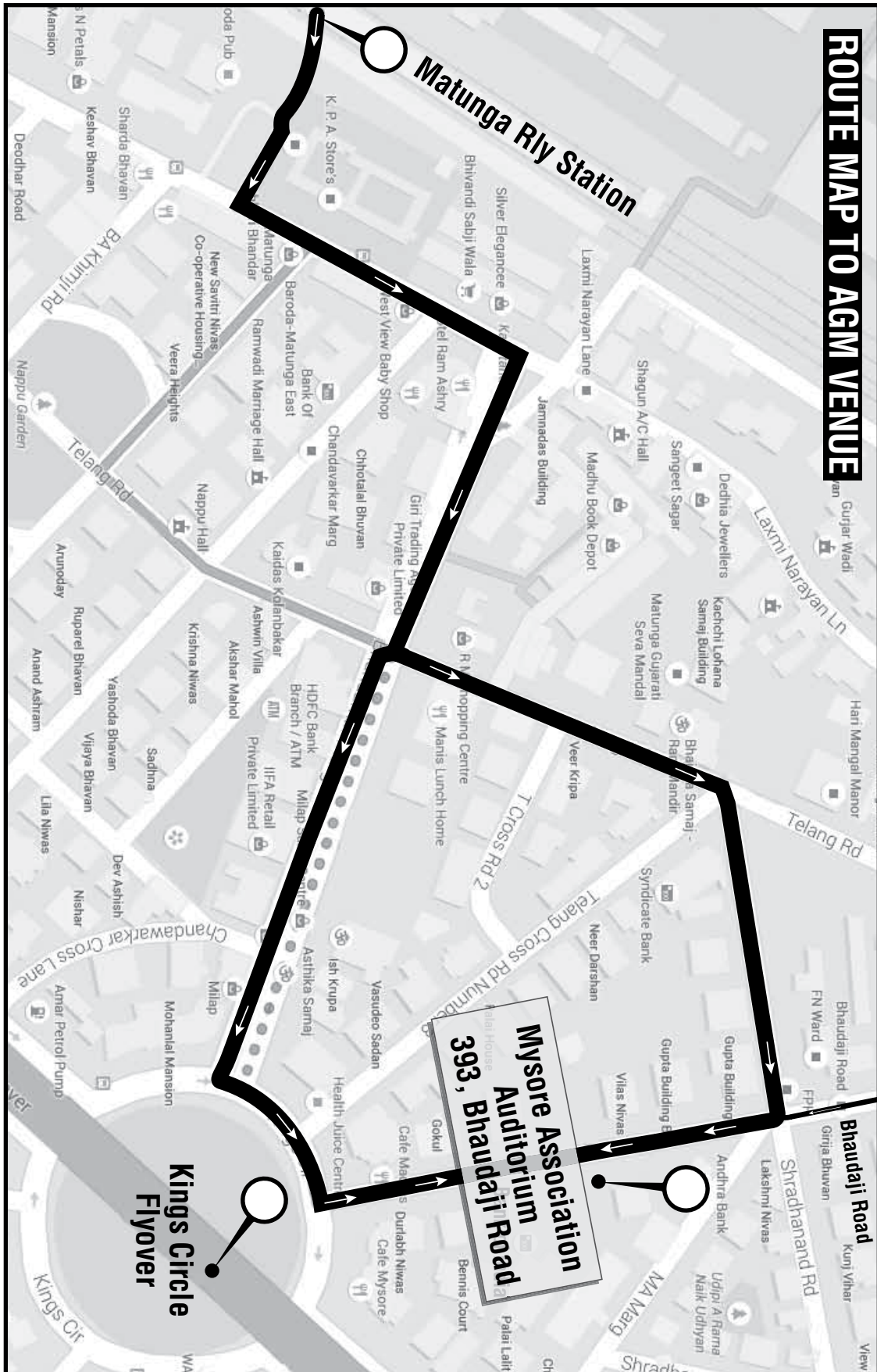
FINANCIAL HIGHLIGHTS for 10 YEARS

₹ in Lakhs

Sl. No.	Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
		Ind AS			IGAAP						
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	50,524 [#]	30,771 [#]	10,869	9,364	8,633	8,048	7,604	7,253	6,573	7,415
3	Net Worth	51,108	31,355	11,453	9,948	9,217	8,632	8,188	7,837	7,157	7,999
4	Fixed Assets (Net)	7,082	6,054	5,454	3,969	4,215	4,296	4,526	4,072	2,973	3,196
5	Revenue and Other Income*	28,607	25,818	22,522	17,389	15,328	14,394	13,825	12,372	10,839	11,125
6	Gross Profit before Interest & Depreciation	6,887	5,259	4,235	3,116	2,816	2,469	2,548	2,880	2,120	2,276
7	Interest & Finance Charges	(62)	(25)	(9)	(49)	(96)	(156)	(171)	(41)	(90)	(74)
8	Depreciation	(483)	(416)	(322)	(315)	(561)	(576)	(550)	(427)	(430)	(346)
9	Current Tax (incl. Fringe Benefit Tax)	(1907)	(1312)	(957)	(755)	(755)	(588)	(371)	(771)	(671)	(156)
10	Deferred Tax	(71)	(259)	(212)	(122)	36	64	(86)	60	149	(278)
11	Net Profit after Tax	4,364	3,247	2,735	1,875	1,440	1,213	1,370	1,701	1,078	1,422
12	Dividend (incl. Dividend Tax)	1,494	1,406	1,230	1,054	854	769	1,018	1,021	1,021	683
13	Dividend (%)	212.50	200.00	175.00	150.00	125.00	112.50	150.00	150.00	150.00	100.00
14	Earnings Per share (₹)	14.95	11.12	9.37	6.42	4.93	4.15	4.69	5.83	3.69	4.77

Reserves includes impact of fair value appreciation on investment in Thirumalai Chemicals Ltd.

* Revenue and other income of current financial year (2017-18) includes excise duty of Rs. 516.91 lakhs. [Previous financial year (2016-17) Rs.2372.27 lakhs]





The Akshaya Vidya Trust

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994

Vedavalli Higher Secondary School, Walaja (State Board) 1999

Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School, Ranipet (CBSE) 2003

Two decades in Education

The Akshaya Vidya Trust is moving into its 25th year in holistic education. The aim of the three Vedavalli Vidyalaya schools has been to provide a well-rounded education to children in our school. It has never stopped with only our students and teachers. As we offer exposure to our students to people, places and ideas, we also engage them in outreach activities. Our students have gone out into the society to teach government school children, worked with other Trusts to promote health consciousness and cleanliness, and engaged with special school children. Our current focus is to give them insight into our heritage in the locality and to create awareness on greening the environment. By inculcating values and through practical learning, we aim to make our children competent adults and responsible citizens.



For the 25th year, the school has taken up two projects to work on. The first campaign is **"My Town, My Pride"** to spread awareness about the heritage sites in our towns – Walajapet, Ranipet, and Arcot. Nearly 10 sites have been identified. The second project is to create awareness through the "My Town, Green Town" campaign to make our town green and less polluted.

We've conducted three campaigns: a 5 km rally to the 1000-year-old Gudimallur temple, a cycle rally to spread awareness about rainwater harvesting, and an exhibition at the Walaja Railway Station highlighting its importance. Our next academic year starts with a new kind of conference on one broad thought – School and Community. Schools can never work in isolation. They have to work with the community so that students and teachers understand how the community works and behaves. Students need to understand the diversity in society – economic, social, and people with different abilities. The title for the Conference is **Promoting Social and Cultural Diversity through Education.**



Exposure Trip

Students are taken on exposure trips to many places. This year, students were also taken to places such as Crocodile park in Chennai, Ginji fort, Dakshin Chitra, and Mahaballipuram as a part of educational tours. On a regular basis, they are taken to some local places such as Vellore Fort, Weavers' Mill, Mukundrayapuram Railway station, Periyar Park, Navlock Farm, and Ultramarine and Pigments Limited.

Co-scholastic

Competitive exams are one way to provide exposure to the students. Our students participated in many competitions conducted by District Science Centre Vellore on account of Ramanujam's Birthday, drawing competitions in Voorhees School, inter-school competitions, and Creative Film Expo.

Teachers' Empowerment Programs

Our teachers constantly strive to stay updated by attending workshops and various training programs.

- "Peace in Education" conducted by Mr. Chinthan Girish Modi.
- Program on Scouts and Guides in Vellore conducted by Government of Tamil Nadu.
- Kuruvilla Jacob Initiative and V-Excel Educational trust organized a workshop on "Inclusive Education."
- Our teachers attended a Geography workshop conducted by AGTI.
- A few teachers attended a Language workshop on LSRW skills organized by Trinity Academy.

Please visit our website www.vedavallividyalaya.org





Thirumalai Charity Trust

Ranipet



Thirumalai Charity Trust has a 35-year track record in rural service. The Thirumalai Mission Hospital set up in 2010 at Ranipet is growing in size and reach. With its percolated network in 315 villages, serving 35,000 families, and 160,000 people in Vellore District, the Thirumalai Charity Trust is engaged in health education, identifying people with problems and streamlining care for them at the hospital with follow-up service in their homes.

Located on a 5-acre plot and housed in four floors with a carpet area of more than 20,000 sq ft, the Thirumalai Mission Hospital offers a patient-friendly environment in well lit, spacious, and ventilated facilities. The in-patient and

out-patient services are offered in the departments of General Medicine, General Surgery, Pediatrics, Obstetrics and Gynecology, Orthopedics, Emergency, Intensive Medical Care, Dentistry and De-addiction Rehabilitation. The departments are supported by excellent lab and diagnostic services. Our medical experts have carefully designed programs for the community offering continuity of care both in the hospital and in their homes. We have on-going programs for detection, care and management of diabetes, hypertension, osteoporosis, alcoholism, and tobacco abuse.



The highlights of the year are as follows:

- We have treated nearly 25,000 out-patients and 750 in-patients.
- Our camps both in the community and the hospital are for the rural patients from our community. Nearly 2000 patients have attended these camps and the required treatment was given to nearly 1300 of them at the hospital.
- Our Cancer Screening Program for women has been conducted for five years. We have also been carrying out Oral Cancer Screening since May 2017 and nearly 2000 people have gone through screening. Besides cancer detection, we also offer tobacco cessation service in the screening camps and thereafter in the community. The identified cancer patients are referred to government and private hospitals as per the patients' ability to pay. They are followed up for monitoring for compliance.
- Our Emergency room is getting busy and recognized in the locality for providing quality care.
- We have commenced research to study the prevalence of oral cancer. More studies are being planned.
- Our primary healthcare activities are getting strengthened with targeted and focused educational inputs using a variety of multimedia communication tools.



We are currently expanding our hospital building to three more floors above the Emergency wing. We will be strengthening our care programs, commencing early detection of disability in children, and intervening with diet and education service for obesity.

We have received continued support and motivation from our donors. We are very gratified when our beneficiaries come back to tell us how we have made a difference to them! TCT has come a long way since the time it was established in 1970 to put into action our Founders' belief, "Social responsibility of business is not optional, but obligatory." We invite you to participate in our Mission. Please visit us in person to get some insight into our service.

Kindly visit our websites:

www.thirumalaicharitytrust.org & www.thirumalaimissionhospital.org

