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40th Annual Report 2000-2001

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ULTRAMARINE & PIGMENTS LIMITED
FINANCIAL HIGHLIGHTS

(Rs Lakhs)

Particulars	00-01	99-00	98-99	97-98	96-97	95-96	94-95	93-94	92-93	91-92	90-91	85-86	80-81	75-76	1971	1966	60-61
Share Capital	**365**	365	360	360	360	360	180	180	180	180	180	90	60	60	30	15	15
Reserves & Surplus	**3532**	3451	3075	2702	2365	2014	1695	1540	1298	1162	1079	315	169	70	61	27	0.02
Networth	**3897**	3816	3435	3062	2725	2374	1875	1720	1478	1342	1259	405	229	130	91	42	15.02
Fixed Assets (Net)	**2568**	2660	2490	2600	2388	2045	828	685	690	729	722	170	144	151	37	33	6
Sales / Other Income	**10002**	10864	9312	7462	6587	6152	3926	2577	2429	1887	1697	604	495	149	99	58	0.19
Gross Profit before Interest & Depreciation	**899**	1178	1193	1046	937	817	535	716	487	384	403	131	114	27	37.08	27.33	0.12
Interest / Finance Charges	**289**	189	230	224	197	91	79	101	88	86	48	5	7	12	0.08	0.33	0.07
Depreciation	**259**	255	252	221	179	119	87	80	76	70	39	22	9	11	4	3	0.01
Taxation	**137**	184	160	99	73		100	190	108	74	75	39	51	---	20	12	0.02
Net Profit	**201**	523	553	486	490	606	245	333	208	155	245	65	47	4	13	12	0.02
Dividend (incl. Dividend Tax)	**120**	243	180	158	139	108	90	90	72	72	72	19	12	5	5	2	---
Earnings per share (Rs.)	**5.51**	14.33	15.36	13.50	13.61	16.83	13.61	18.50	11.56	8.61	13.61	7.22	7.83	0.67	4.33	8.00	0.01

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Board of Directors :

SHRI R. SAMPATH (Chairman & Managing Director)
SHRI S. SANTHANAM (Vice Chairman & Managing Director)
SHRI R. KRISHNASWAMY (Managing Director)
SHRI G. U. MEHTA
SHRI U. M. PATEL
SHRI M. C. CHOKSI
DR. G. G. NAIR
SMT K. R. JAVERI
SHRI S. SRIDHAR

Company Secretary :

SHRI K. SEKHAR

Bankers :

BANK OF INDIA
INDIAN BANK
INDIAN OVERSEAS BANK
STATE BANK OF INDIA

Auditors :

R. B. PATEL & CO.
Chartered Accountants
Podar Chambers, Parsi Bazar Street,
Mumbai 400 001.

Registered Office And Share Department :

Baldota Bhavan,
117, Maharshi Karve Road,
Mumbai 400 020.
Tel. : 203 0445 / 208 7790 Fax : 205 1145
E-mail : ultrapl@vsnl.com

Administrative Office :

Thirumalai House, Road No. 29,
Near Sion Hill Fort, Sion (E), Mumbai 400 022.
Tel. : 401 7841, 7834, 7853, 7861
Fax : 401 1699
E-mail : thirumalai@thiruchem.com

Factories :

556, Vanagaram Road, Ambattur, Chennai - 600 053.
Tel. : 625 8251 / 625 7929 / 625 7964
Fax : 625 7611
E-mail : ultramarine.blue@gems.vsnl.net.in

25-B, SIPCOT Industrial Complex, Ranipet - 632 403. Tamilnadu.
Tel. : 04172-44441 / 44442
Fax : 04172-44918
E-mail : upl.syndet@vsnl.net

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

General Information

(A) Company's Shares Listed at Mumbai Stock Exchange

(B) Company's Shares are mandated for trading in demat mode

(C) ISIN No. Alloted to company's shares is INE 405A01013

40th Annual General Meeting

Date :

Monday, September 24, 2001
at 4.00 p.m.

Venue :

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

Dividend :

30%

DIVIDEND ELIGIBILITY

FOR	:	REGD. MEMBER
Physical Shares	:	As on Sept. 24,2001
Demat Shares	:	At closing working hours on Sept. 3, 2001

Book Closure :

Sept. 4, 2001 to Sept. 24, 2001

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ULTRAMARINE & PIGMENTS LTD.

NOTICE

NOTICE is hereby given that the **FORTIETH ANNUAL GENERAL MEETING OF ULTRAMARINE & PIGMENTS LIMITED** will be held at Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga-C.Rly, Mumbai 400 019 on Monday, September 24, 2001 at 4.00 p.m to transact the following business:

ORDINARY BUSINESS :

1 To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 2001 and the Balance Sheet as at that date and the Auditors' Report thereon.

2 To declare Dividend.

3 To appoint a Director in place of Mr.U.M.Patel, who retires by rotation and, being eligible, offers himself for reappointment.

4 To appoint a Director in place of Mr. M.C.Choksi, who retires by rotation and, being eligible, offers himself for reappointment.

5 To appoint a Director in place of Dr. G.G.Nair, who retires by rotation and, being eligible, offers himself for reappointment.

6 To appoint Auditors for the current Year and fix their remuneration.

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

K. SEKHAR
SECRETARY

Date : July 26, 2001

Registered Office :
Baldota Bhavan
117 Maharshi Karve Road,
Mumbai 400 020

NOTES:

a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

b) The proxy form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 4, 2001 to Monday, September 24, 2001 for the purpose of the Annual General Meeting and payment of Dividend.

d) The Dividend when declared, will be paid on or around October 5, 2001 to those shareholders (in the physical segment) whose names appear in the Company's Register of Members as on September 24, 2001 and also to all the Beneficial Owners (under the Depository segment) at the close of Business hours on September 3, 2001 as per the list given by the depositories.

e) Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.

f) Reappointment of Directors:

Mr. U. M. Patel, Mr. M. C. Choksi and Dr. G. G. Nair, all Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Mr. U. M.Patel, 71 Years has been a Director of the Company since many decades. He is also the Director of several Companies including Shree Dinesh Mills Limited. He has vast experience and knowledge, particularly of the Textile Industry.

Mr. M. C. Choksi, 60 Years, has been the Director of the Company for over 15 years. He is also the Director of Asian Paints Limited, Resins and Plastics Limited etc.

Mr. Choksi's expertise and knowledge of Corporate issues and understanding of the Paints, Pigments, and Resins Industry is widely acknowledged.

Dr. G. G. Nair, 60 Years, has been the Director of the Company since over 11 years. He is amongst others, also the Director of BDH Industries Limited. He is a well known person, particularly in the Drugs and Pharmatueticals Industries and active in Chambers of Commerce, Industry Associations etc.

g) Members are requested to notify the Company immediately change of address, if any, and also write to the Company immediately about corrections, if any, in name, address and pincode.

h) All unclaimed Dividends upto the Dividend for the Year ended March, 31, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.

Consequent upon the introduction of Section 205C, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund to be set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) from the financial year ended 31.3.1996 onwards are requested to make their claims to the Company without any delay.

i) 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 INE405A01013.

j) 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.

k) Member(s) wishing to nominate a person on whom the shares will vest in the event of death of the holder(s) are requested to use the prescribed Form -2B and forward to the Company.

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DIRECTOR'S REPORT

To,

The Members
Ultramarine & Pigments Ltd.

Your Directors have pleasure in presenting their **FORTIETH ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS** of the company for the year ended 31st March, 2001.

FINANCIAL RESULTS	Year Ended 31ST MARCH 2001		Year Ended 31ST MARCH 2000	
	RUPEES	RUPEES	RUPEES	RUPEES
Gross Profit before Interest & Depreciation		89,959,631		117,889,845
Interest & Finance Charges	28,966,457		18,910,456	
Depreciation	25,902,703		25,589,419	
Provision for taxation	13,700,000		18,400,000	
		68,569,160		62,899,875
Profit after tax		21,390,471		54,989,970
Earlier years adjustment		(1,260,264)		(2,667,315)
Balance in Profit & Loss a/c.		14,599,566		-
Profit available for appropriation		34,729,773		52,322,655
Appropriations :				
Interim dividend		---		21,900,000
Dividend		10,950,000		---
Tax on distributed profits		1,116,900		2,409,000
Transfer to General Reserve		5,000,000		13,414,089
Balance carried to Balance Sheet		17,662,873		14,599,566
		34,729,773		52,322,655

DIVIDEND

The Board of Directors have recommended Dividend @ 30% on paid up Equity Share Capital of the Company for the year ended 31st March 2001 as against 60% paid in the previous year.

PRODUCTION, SALES, EXPORTS AND PROFIT

The market situation throughout the year generally remained depressed and due to stiff competition there was heavy pressure on margin. Despite difficult market conditions your company was able to achieve a respectable turnover in respect of its products.

Steep increase in inputs cost, cost of power and fuel, labour cost and general recession in demand caused decline in profit.

The figures relating to production, sales, consumption and profit with that of previous year have been shown at appropriate places in the Accounts, Notes forming part of Accounts and Directors' Report.

The growth of income from IT Enabled Services Division seems to be encouraging and your company has taken several initiatives to improve services to all customer segments.

In view of the general Economic slowdown and continuous downfall in prices, your company was able to export its products for the financial year 2000-2001 to the tune of Rs. 4.79 Crores as against Rs. 6.15 Crores in the previous year. Your company has generated 12,65,907 KWHR Units of Electricity during the year 2000-2001 as against 15,94,288 KWHR in the previous year.

CURRENT YEAR

During the first quarter of the Current year all the plants are working satisfactorily. The relationship of the Management with labour remains cordial. The company is continuously taking active steps to make aware of safety and environmental protection at all levels. To effectively counter the changing business dynamics, the Company has taken pragmatic steps for strengthening organisational competence through involvement and development of people, as well as installing effective systems for improving productivity, quality and accountability at functional levels.

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DIRECTOR'S REPORT

RESEARCH & DEVELOPMENT

R & D activities are based on customer needs with particular focus on product application and process development. The R & D Centre of your Company continued to provide continuous flow of innovative processes and products with technically sustainable and clearly perceived customer benefits. The development of the new product Yellow Pigment is under active consideration and its trial run is under progress.

EXPANSION

Setting up of AOS Project at Ranipet is in advanced stage and the trial production is expected shortly. The good demand of the product will enhance the profitability of the Detergent Division.

ISO CERTIFICATES

Your company continues to hold **ISO 9002 Certificates** from BVQI in respect of Ultramarine Blue Units at Ambattur and Ranipet and Detergent at Ranipet.

During the Financial Year 2000-2001 your company has received **ISO 14001 Certificate** from BVQI in respect of Blue and Detergent Divisions at Ranipet.

ENVIRONMENT AND POLLUTION CONTROL AND INSURANCE

Your company is in compliance with the present environmental legislation. Suitable devices, instruments, precipitators and filters have been installed at various stages of operation.

Adequate Insurance cover has been taken for properties of the Company including Buildings, Plant and Machineries, Stores, stocks and other assets.

DEPOSITORY SYSTEM

Your company has signed an agreement with the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for the dematerialisation of its Equity Shares in accordance with the provisions of the Depository Act, 1996. As on date Equity Shares representing about 78.53% of the total Equity Share Capital have been dematerialised.

FINANCE

Your company maintains satisfactory financial position. Prompt payments have been made in respect of statutory dues, loans and interest from Financial Institutions and Banks and interest on Deposits accepted. Neither any unclaimed nor any unpaid deposits remain outstanding as on 31st March 2001.

Your company retains P1 + Rating by CRISIL for its Commercial Paper Programme.

CORPORATE GOVERNANCE

The company believes in attainment of highest levels of transparency in all facets of its operations and in all its interactions with Stake holders, viz, suppliers, customers, employees, shareholders and Government. The Board of Directors of your company is accountable to shareholders and is committed to enhance the shareholders value and wealth by adopting the principles of good Corporate Governance. The provisions of listing agreements are duly complied with.

BOARD STRUCTURE AND FUNCTIONS

The Board of Directors consists of Executive Chairman and Managing Director, Vice-Chairman and Managing Director and other Managing Director, i.e, 3 Executive Directors and 6 Non-Executive Directors.

During the year Five Board Meetings were held and all statutory requirements including passing of resolutions and the matters relating therewith have been duly complied with.

The said Board Meetings had promptly received all information from the Executives of the Company concerned.

The Board of Directors at their meetings discussed various points relating to internal Audit, which has been carried on by the firm of Chartered Accountants.

Compliance and other Certificates / Statements were promptly submitted by the company Executives to the Board of Directors for discussion and perusal at the Board Meetings.

The Board of Directors of our company is taking all steps for the constitution of the Audit committee.

During the year Mr. D. M. Kothari resigned as Director of the Company. Your Board places on record its appreciation of the services rendered by Mr. D. M. Kothari during his tenure as Director of your Company. Mr. U. M. Patel, Mr. M. C. Choksi and Dr. G. G. Nair retire by rotation at the ensuing AGM and are eligible for reappointment

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of compliance certificates received from the Executives of the Company, subject to disclosures in the Annual accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time we state as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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DIRECTOR'S REPORT

2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

3. That the Directors had taken proper and sufficient care 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.

4. That the Directors have prepared the annual accounts on a going concern basis.

COST AUDIT

In pursuance of the directives issued by the Government of India, the Board of Directors of the Company has reappointed V. Kalyanaraman & Co., Cost Accountants as the Cost Auditors to audit the Cost Accounts relating to "DETERGENTS" for the year ending 31st March 2001 and 31st March 2002 and approval has been accorded by the Government of India for the appointment.

STATEMENT PURSUANT TO LISTING AGREEMENTS:

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

AUDITORS

Members are requested to appoint Auditors for the current year and fix their remuneration.

PARTICULARS OF EMPLOYEES

The particulars of Employees under section 217(2A) of the Companies Act, 1956 is given in Annexure-1.

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

The particulars required to be included in terms of section 217(1)(e) of the Companies Act, 1956 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure-2.

ACKNOWLEDGEMENT

The Board acknowledges the support given by employees at all levels, Shareholders, Bankers and Financial Institutions and look forward for their continued support.

By Order of the Board
For **ULTRAMARINE & PIGMENTS LTD.**

R. SAMPATH
CHAIRMAN & MANAGING DIRECTOR

MUMBAI
Date: 26/07/2001

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ANNEXURE "1" TO DIRECTOR'S REPORT

Particulars of Employees pursuant to Section 217[2A] of the Companies Act, 1956 read with the Companies [Particulars of Employees] Rules 1975 as amended by the Companies Amendment Act, 1988 and forming part of the Directors Report for the year ended 31st March, 2001.

Sr. No.	Name of Employee	Age [Years]	Qualification and Experience	Designation	Remuneration [Rs.]	Date of Commencement	Last Employment held
1.	Mr. R. Sampath	56	B.Sc.,B.S. [Chem.Engg] U.S.A. 31 Years.	Chairman & Mg. Director	12,34,397/-	01/03/1970	Engineer, Hercules Inc., USA
2.	Mr. R. Krishnaswamy	63	B.Com,LLB AICWA, CAIIB 44 Years	Managing Director	12,43,270/-	07/05/1964	Costing Department Permanent Magnets Ltd., Mumbai.

NOTES:

1] Remuneration includes Company's contribution to Provident Fund, Superannuation Fund, Medical Benefits and Leave Travel Allowance.

2] Nature of employment is contractual

ANNEXURE "2" TO DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217(1) (E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES. 1988 AND FORMING PART OF THE DIRECTOR'S REPORT.

1. CONSERVATION OF ENERGY :

[a] The existing energy saving devises have been properly utilised and further devises have been added during the year.

[b] Energy saving systems are incorporated and improved wherever necessary. Higher cost in some cases is due to price enhancement by Government.

[c] **Consumption :**

[A] POWER & FUEL

	Units	**Year Ending 31.03.2001**	Year Ending 31. 03.2000
1. ELECTRICITY			
[a] PURCHASED UNIT	[KWHR]	**38,10,440**	56,99,264
TOTAL AMOUNT PAID	[Rs.]	**1,70,31,313**	2,34,39,693
RATE/UNIT	[Rs.]	**4.47**	4.11
[b] Own Generation through DG	[KWHR]	**3,27,274**	4,36,905
Unit / Litre of Diesel Oil	[KWHR]	**2.86**	2.61
Cost per Unit	[Rs.]	**5.29**	4.72
2. COAL & COKE			
Coal and Coke	[Rs.]	**1,05,17,292**	97,96,925
Coal and Coke	[Tons]	**2,217**	2,361
Average Rate per Ton	[Rs.]	**4,743**	4,149
3. FURNACE OIL			
Furnace / Diesel Oil	[KL]	**747**	981
Total Amount	[Rs.]	**94,87,176**	93,41,041
Average Rate	[Rs. / KL]	**12,700**	9,522

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