

ULTRAMARINE & PIGMENTS LTD.

**56th Annual Report
2016–2017**



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Board of Directors

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

Independent Directors

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

Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Stake holders Relationship Committee

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

Chief Financial Officer

Mr. S. Ramanan

Company Secretary

Mr. Kishore Kumar Sahoo

Auditors

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

Factory

Ambattur

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

Bankers

Bank of India

Registered Office

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

Registrar & Share Transfer Agent

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

General Information

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

56th Annual General Meeting

Date & Time

11th August, 2017 at 3.00 p.m.

Venue

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

Dividend declared

200 % (₹ 4.00 per share)

Book closure

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

Ranipet

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

Members are requested to bring their copy of Annual Report with them to the Annual General Meeting. A route map to the venue of AGM is appended in Page No. 86

**NOTICE**

NOTICE is hereby given that the **FIFTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED** will be held at 2nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga – C. Rly, Mumbai – 400019 on Friday, the 11th day of August, 2017 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Indira Sundararajan (DIN: 00092203), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

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

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 4th August, 2017 to 11th August, 2017 (both days inclusive) for determining the names of members eligible for dividend, if approved. In respect of shares held in electronic form, the dividend will be paid to those shareholders whose names appear at the close of business hours on 3rd day of August, 2017 as beneficial owner as per the list furnished by the Depository Participants for the purpose.
4. The Proxy form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before commencement of the meeting.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars & Share Agent of the Company.



6. Pursuant to the provisions of Section 205A(5) & 205(c) of the erstwhile Companies Act, 1956 and Section 124 & 125 of Companies Act, 2013 the Company has transferred the unpaid or unclaimed dividend, if any, up to 2008-2009 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.

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

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

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

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

7. Details under SEBI Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017 are being sent in the permitted mode.
9. Electronic copy of the Notice of the 56th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 56th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
10. Members may note that the Notice of the 56th Annual General Meeting and the Annual Report for 2016-17 will be available on the Company's website for download.
11. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
12. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE405A01021.
13. Members / Proxies are requested to bring attendance-slip along with their copy of Annual Report to the Meeting.

14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 56th Annual General Meeting (AGM) by electronic means and the business may be



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

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 8th August, 2017 at (9.00 a.m.) and ends on 10th August, 2017 at (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5th August, 2017 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date are not entitled to vote at the meeting venue.
- (iii) The shareholders should log in to the e-voting website: www.evotingindia.com.
Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. The Sequence no. is printed on the address slip of the Annual report cover.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein



they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - (xix) **Note for Non-Individual Shareholders and Custodians.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
15. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4th August, 2017.
 16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 5th August, 2017, may obtain the login ID and password by sending a request at evoting@cdslindia.com. However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.



17. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut –off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper.
18. Ms. Ranjana Mimani, Company Secretary in practice (Membership No.17083) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e –voting facility.
20. The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e –voting in the presence of at least two witnesses not in the employment of the Company and shall make , not later than three days of the conclusion of AGM, a consolidated scrutinizer’s report of the total votes cast in favour of or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
21. The Results declared along with the report of the Scrutinizer shall be placed on the Company’s website: www.ultramarinepigments.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

ITEM No. 5

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of cost records of the Company and to issue Cost Audit report for the financial year ending March 31, 2018 as per the following details;

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

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

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

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

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

By the Order of the Board

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



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

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

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

Date: 26th May, 2017.

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

[Kishore Kumar Sahoo]
Company Secretary

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

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

FINANCIAL RESULTS:

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

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

DIVIDEND:

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

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

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

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