



ULTRAMARINE & PIGMENTS LTD.

55th Annual Report 2015–2016



Board of Directors

Mrs. Indira Sundararajan	- Vice Chairperson & Managing Director
Ms. Tara Parthasarathy	- Joint Managing Director
Mr. R. Sampath	- Non-Executive Director
Mr. S. Sridhar	- Non-Executive Director
Mr. S. Santhanam	- Non-Executive Director

Independent Directors

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

Audit Committee

Mr. T. R. Madhavan, Chairman
Dr. Gopakumar. G. Nair
Mr. Nimish Patel
Ms. Tara Parthasarathy

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. S. Sridhar
Mr. T. R. Madhavan

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

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

55th Annual General Meeting

Date & Time

8th August, 2016 at 3.30 p.m.

Venue

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

Interim Dividend declared and paid

175 % (₹ 3.50 per share)

Book closure

From 1st August, 2016 to 8th August, 2016
(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

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NOTICE

NOTICE is hereby given that the **FIFTY FIFTH 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 8th day of August, 2016 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.
2. To confirm and approve the payment of interim dividend of Rs. 3.50 per equity share (175%) for the year ended 31st March, 2016, as final dividend.
3. To appoint a Director in place of Mr. S. Santhanam (DIN: 00092016), who retires by rotation and, being eligible, offers himself 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, 2017 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 196, 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the company be and is hereby accorded for the appointment of Mr. R. Senthil Kumar (holding DIN. 0007506927) as Whole-time Director of the Company for a period of 3 years with effect from 1st August, 2016 on the terms and conditions and on the remuneration set out below and he is liable to retire by rotation.

- i) A total remuneration not exceeding Rs. 60 lakhs per annum. The amount of Rs.60 lakhs is on a cost to the Company basis and is inclusive of:
 - a. Bonus and perquisites
 - b. Company’s contribution towards Provident Fund, Gratuity and Superannuation Fund at rates prevailing from time to time.
- ii) Of the total remuneration, maximum of 25% can be variable components and the rest will be structured based on the Company’s policy and the pay structure as applicable.
- iii) The quantum of variable pay would be linked to the achievement of specified parameters.
- iv) The annual increment would be 10% of the basic pay with provision to pay multiple annual increments (up to five) in any year. However the total cost to the Company shall not exceed Rs. 60 lakhs in any given year.

Termination clause:

Either party may terminate the service / employment by giving a three months notice or salary in lieu thereof. Mr. Senthil Kumar will cease to be a Director of the Company co-terminus with his ceasing to be Whole time Director.



Minimum Remuneration

RESOLVED FURTHER THAT notwithstanding anything herein stated above, in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. R. Senthil Kumar up to such amount as remuneration as may be permissible under Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

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 197, 198 and all other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof, the consent of the Company be and is hereby accorded to the payment of commission to the Non- Executive Directors of the Company with effect from 1st April, 2016 as may be decided by the Board of Directors from time to time, provided that the total commission payable to the Non – Executive Directors per annum shall not exceed 1% of net profit of the Company as computed in the manner prescribed under Section 198 of the Companies Act, 2013, with authority to the Board to determine the manner and proportion in which the above mentioned commission be distributed to the Non – Executive Directors."

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

"RESOLVED THAT Pursuant to the provisions of 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, 2017, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten 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 1st August, 2016 to 8th August, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.
4. The Proxy form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before the commencement of the meeting.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars & Share Agent of the Company.
6. Pursuant to the provisions of Section 205A(5) & 205(c) of the Companies Act, 1956, the Company has transferred



the unpaid or unclaimed dividend, if any, for the financial year 1995-1996 to 2007-2008 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.

All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

7. Details under SEBI Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2016 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 2016 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 55th 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 55th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website for download.
11. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
12. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's 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 Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 55th 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 an 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 shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 5th August, 2016 at (9.00 a.m.) and ends on 7th August, 2016 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 1st August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p> <p>The Sequence no. is printed on the address slip of the Annual report cover.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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).</p>

- (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 on or after 30th June 2016. 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 Custodian 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.

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 1st August, 2016.
16. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 1st August, 2016, 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. F6271) 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 shall 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 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

Mr. R. Senthil Kumar, aged 50, is a Science graduate. He has been working in the Company from 1988. He is looking after the operations of Ranipet and Ambattur divisions. He has more than 25 years of experience in various areas viz, manufacturing, sales, marketing and day to day plant operations. He currently holds the position of General Manager - Operations.

Mr. Senthil Kumar was promoted as Business – Head of sulphonation division in the year 2013 and performance of this division has shown marked improvement under his leadership. The Company has obtained OHSAS 18001:2007 certifications. He has been instrumental in enhancing the capacity utilization, controlling working capital and building a good technical / marketing team.

The Nomination and Remuneration Committee at their meeting held on 25th May, 2016 has recommended to the Board his appointment as a Whole-time Director, subject to the approval of shareholders.

The Board recommends the Ordinary Resolution at item no. 5 of the notice for your approval.

Except Mr. R. Senthil Kumar, 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.

Item No. 6

The Company derives benefit from the expertise, advice and inputs provided by the Non–Executive Directors. The Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

In view of the time devoted and services rendered by the Non- Executive Directors, the proposal of payment of Commission to them was recommended by the Nomination and Remuneration Committee at their meeting held on 25th May, 2016.

The Committee has recommended to the Board that the payment of commission to Non Executive Directors shall be subject to the approval of the members of the Company. Total commission payable shall not exceed 1% of the net profits of the Company as computed in the manner prescribed under Section 198 of the Companies Act, 2013 and payment of such commission will be in addition to the sitting fees for attending the Board / Committee meetings.

The Board recommends the Ordinary Resolution at item no. 6 of the notice for your approval.



Except, all Non – Executive / Independent Directors, 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.

Item No.7

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, 2017 as per the following details;

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

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

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

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. 7 of the Notice.

By the Order of the Board
For **ULTRAMARINE & PIGMENTS LIMITED**
[Kishore Kumar Sahoo]
Company Secretary

27th May, 2016.
Mumbai