



**ULTRAMARINE &  
PIGMENTS LTD.**



**51st  
Annual Report  
2011-2012**

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## Board of Directors

Mr. R. Sampath (Chairman & Managing Director)  
Ms. Indira Sundararajan (Wholetime Director)  
Mr. S. Santhanam  
Mr. Nimish Patel  
Mr. M. C. Choksi  
Dr. G. G. Nair  
Ms. K. R. Javeri  
Mr. S. Sridhar

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## Company Secretary

Mr. N. Asokan

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## Bankers

Bank of India  
HDFC Bank Limited  
State Bank of India

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## Auditors

Contractor, Nayak & Kishnadwala  
Chartered Accountants  
1B, 1st Floor, Pushpan  
K. D. Road, Vile Parle  
Mumbai 400 056

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## Registered Office

Thirumalai House, Road No.29  
Near Sion Hill Fort, Sion (E), Mumbai 400 022  
Tel. : 2401 7841, 7834, 7853, 7861  
Fax : 2401 1699 / 2401 4754  
E-mail : thirumalai@thiruchem.com  
Website : www.ultramarinepigments.net

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## Registrar & Share Transfer Agents

Link Intime India Private Limited  
C-13, Pannlal Silk Mills Compound  
L. B. S. Marg, Bhandup (W)  
Mumbai 400 078

Ph : 022 2594 6970  
Fax : 022 2594 6969  
E-mail : rnt@helpdesk@linkintime.co.in  
Website : www.linkintime.com

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## Factory

### Ambattur

556, Vanagaram Road  
Ambattur, Chennai - 600 053  
Tel. : 91-44-2682 1195 / 1196 / 1197 / 1198 / 1199  
Fax : 91-44-2682 1201  
E-mail : ultra\_marine@bsnl.in

### Ranipet

25-B, SIPCOT Industrial Complex  
Ranipet - 632 403, Tamilnadu  
Tel. : 04172-244441/244442  
Fax : 04172-244918  
E-mail : upl.syndet@vsnl.net

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



## NOTICE

NOTICE is hereby given that the **FIFTIETH 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 400 019 on Monday, the 8th day of August, 2011 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, 2011 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.S.Santhanam who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. Santhanam who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditor

By the Order of the Board of Directors

**N. Asokan**  
Company Secretary

May 26, 2011

### Registered Office:

Thirumalai House, Road No. 1,  
Sion (East)  
Mumbai 400 022

### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IN PERSON OR BY PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY HOLDER.
- b) The proxy form duly filled in and signed by the member 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, July 26, 2011 to Monday, August 8, 2011 (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 Monday, July 25, 2011 as beneficial owners as per list furnished by the Depository Participants for the purpose.
- d) Members are requested to notify immediately any change in their addresses and/or Bank Mandate details to the Company's Registrar and Share Transfer Agent for shares held in physical form and to their respective Depository Participants (DP) for shares held in Electronic form.
- e) 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.
- f) Pursuant to the provisions of Section 205A(5) & 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 1995-1996 to 2002-2003 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, amounts have been transferred to the Investor Education and Protection fund from time to time. 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.

Persons who have not encashed their dividend warrants are requested to approach the Company for obtaining the duplicate warrants before the balance in the respective account gets transferred to the Investor Education and Protection Fund.

- g) The Equity shares of the Company are mandated for trading in the compulsory dematerialized Mode. The ISIN No. allotted for the Company's shares is INE405A01021.
- h) Member(s) wanting 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' Registrars.
- i) Re-appointment of retiring Directors:

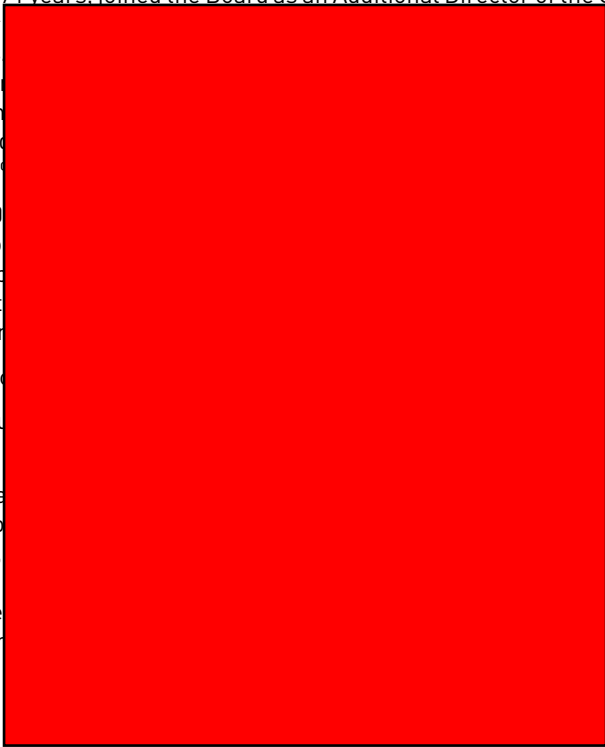
Mr. S.Santhanam and Mr. M.C.Choksi, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr.S.Santhanam, 71 years, joined the Board as an Additional Director of the Company on 25th February,1993. Earlier to that, he was a working partner till 31st July,2004 Imports and Export industry. The Com the sole name and representing 7.85

Mr.M.C.Choksi, 70 in other Public Co knowledge of Corp shareholding (in t equity shares repr

The Board of Dire

- j) Members are requ
- k) The Ministry of 29/04/2011 has ta Company thus pro Directors' Report, green initiative of have not registere Company in electr



Vice-Chairman and Managing Director of the Company and Marketing, Customer Relationship Management, Procurement, etc. He enjoys very high reputation in the Company by S.Santhanam. Mr.Santhanam's shareholding (in shares) in the Company comprise 22,91,460 equity shares the Company for about 25 years. He is also the Director Chemicals Manufacturing Ltd. Mr.Choksi's experience and Resins Industry is widely acknowledged. Mr.Choksi's joint shareholdings) in the Company comprise 3,600 capital. appointments. Annual Report to the Meeting. 2011 dt.21/04/2011 & Circular No.18/2011 dated compliances by Companies through Electronic mode. The documents including AGM Notice, Audited Financial Statements, documents in electronic form in lieu of the physical form. To support this initiative, the Company has introduced the Demat Mode & the Physical Mode, and who have registered e-mail ID for the purpose of servicing documents by the Company in electronic mode. [ultramarine.co.in](mailto:info@ultramarine.co.in)

By Order of the Board of Directors

**N. Asokan**  
Company Secretary

May 26, 2011  
**Registered Office :**  
Thirumalai House,  
Road No.29,  
Sion (East)  
Mumbai 400 022

## Directors' Report, Management Discussions & Analysis

To

**The Members,**

**Ultramarine & Pigments Ltd.**

Your Directors have pleasure in presenting their **FIFTY FIRST ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS** of the Company for the year ended **March 31, 2012**.

	₹ in Lakhs	
<b>Financial Results</b>	<b>Year ending 2011-2012</b>	<b>Year ending 2011-2012</b>
<b>Gross Profit Before Finance Costs, Depreciation &amp; Amortisation</b>	<b>2548</b>	2880
Finance costs	<b>(171)</b>	(41)
Profit before Depreciation, Amortisation and Tax	<b>2376</b>	2839
Depreciation & Amortisation	<b>(550)</b>	(427)
<b>Profit before Tax</b>	<b>1826</b>	2412
Current Tax Expense	<b>(371)</b>	(771)
<b>Profit after Current Tax</b>	<b>1455</b>	1641
Provision for Deferred Tax	<b>(257)</b>	59
Excess provision for earlier years /MAT Credit	<b>171</b>	1
<b>Profit after Tax</b>	<b>1369</b>	1701
Balance in Profit & Loss Account	<b>3578</b>	3073
<b>Profit available for appropriation</b>	<b>4947</b>	4774
<b>Appropriations:</b>		
Dividend	<b>(876)</b>	(876)
Tax on Dividends	<b>(142)</b>	(145)
General Reserve	<b>(150)</b>	(175)
Closing Balance	<b>3779</b>	3578

### Dividend

Your Directors have recommended a Dividend of ₹ 3/-per share of the nominal value of ₹ 2/-each for the year ended March 31, 2011 [previous year ₹ 3/- per share of nominal value ₹ 2/-per share including ₹ 1 towards Golden Jubilee Year Dividend]. The payment of dividend together with the tax thereon absorbed a sum of ₹ 1022/-Lakhs. The Dividend, if declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by \_\_\_th \_\_\_ 2012.

## Managements' Discussions and Analysis

### Operations and Financial Performance

The operational performance of the company for various divisions of the company could be considered as good keeping in view of the uncertain economic and business trends prevailing both in domestic and international front.

### Pigment Division

Pigment Division, being the significant contributor of the company's revenues and profitability, achieved gross sales of ₹ 4737 lakhs with 4230 Metric Tons during the financial year ended 31-3-2012 as against ₹ 4473 lakhs (4380 MT) in the previous financial year. The performance is good in spite of economic uncertainties prevailing in the European Nations. Suitable strategies on the product, place, price and promotional fronts have been meticulously formulated to cater to the needs of various customer bases and capture new markets by tapping into new areas. In spite of the continued declining usage of pigments on certain applications, the division has consolidated its operations on the domestic and global market. Due to continuous R&D effort, the company has developed 4 different grade high performance pigments & the same is well received by the customers. The company is striving to improve the operational efficiency.

On the export front, the realization showed improvement which was mainly due to the volume based offers extended to the buyers on certain premium grade products. In order to have a wider coverage and increased awareness of our products, the company is participating in international trade fairs and exhibitions.

### Surfactants Division

The Company achieved gross sales (includes processing) of ₹ 6941 lakhs during the financial year ended 31-3-2012 as against ₹ 5908 lakhs in the previous financial year.

The company has been consistently identifying new markets and new customer bases to improve the operations since there is vast potential remaining to be tapped. In some of the regions, the presence of our brand is showing marginal increase with the implementation of new marketing policies and practices. The company has acquired a land during April 2011, at Dahej in Gujarat on long term lease from Gujarat Industrial Development Corporation ("GIDC") for setting up of a plant to manufacture Surfactants, Pigments etc to cater to the demand of Western and Northern parts of India. As per the terms of the lease, the plant has to be set up within a period of three years.

### Wind Mill Generation

The power generated from wind turbines is about ₹ 65 lakh units valued at ₹ 220 lakhs (which partially adjusted against consumption). The generation of power in various locations varied marginally due to the difference in technology for generators and prevalence of weather during wind seasons in different locations.

### Review of IT Division

During the year under report, the Division has earned revenue of ₹ 1700 lakhs as against ₹ 1261 Lakhs to the corresponding period in the previous year resulting in an increase of 35%. Due to increased orders and improved customer base, the company will be able to sustain this trend in the future.

**Earnings Per Share (EPS) is at ₹ 4.69 (Previous Year ₹ 5.83) and Cash Earnings Per Share (CEPS) is ₹ 6.57 on the paid up value of ₹ 2/- per share.**

### Exports

The exports of the company's products during the year amounted to ₹ 2568/- Lakhs (Previous Year ₹ 2386 Lakhs).

### Internal Control Systems

The Company has established and maintained adequate internal controls over the financial reporting. Internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted (GAAP) in India. The Company has an internal control system commensurate with the size and nature of the business.

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

The Company's internal control system is supported by laid out systems, self-monitoring mechanisms, and is audited by an external firm as part of the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. We are in the process of upgrading its systems and procedures to further enhance all its operating systems and controls.



### Personnel

Industrial Relations were quite harmonious through-out the year under review. The directors earnestly appreciate the contributions and initiatives taken by the employees at all levels for the company's improved performance year after year.

### Opportunities and Threats

Opportunities galore with the increasing product exposure to new applications, territorial expansion and building up of excellent marketing set up. Customer oriented marketing is the primary objective for growth towards which goals are being rationally set keeping pace with the prevailing micro and macro business trends.

With the identification and implementation of several sector-specific growth initiatives, the marketability and profitability of products would reach considerable heights. As already stated in the previous years' reports the detergent market, being in the "FMCG" Segment, the company has been striving hard to penetrate in the popular segment. The prospects on the surfactant segment is dependent on the new products.

The upwards revision on the "VAT" rates in the state of Tamilnadu and the Central Excise Tariff effected during the year under report, and the rise in input cost is a cause for concern.

The world economy has not, so far, recovered from the persistent global economic depression that hit during the year 2008 as evident from the downward trend on the business prosperity of various sectors of industries of U.S and other European nations. Lack of proper credit control measures, financial discipline, money market mechanisms and lavish spending are the root causes for this ever growing economic crisis. The macro-economic uncertainty in the past and its continued presence in some of the industries may seriously affect the future of the economy in the above nations posing severe threat to the export potentials of Indian companies. Global economy would become viable and vibrant unless a fresh set of global financial, economic and monetary reforms are conceptualized and implemented in the years to come.

### Risks and Concerns

1. The presence of small players supplying sub-standard products has been causing serious concern for the company which has also resulted in cut-throat competition.
2. European Nations are still reeling under severe economic depression which has a negative impact on the export prospects.
3. The prospects of growth of "ITES" are very low keeping in view of the prevailing economic trends in U.S.A and other western nations.
4. The gap between the demand and supply of energy is widening as a consequence of which, the prospects of business entities and operational efficiency in Tamil Nadu are severely hampered.

### Prospects & Outlook

The strategies which have been formulated for the segments of the company on various fronts would bring in a major breakthrough on the prospects of the products and services in the long run on the domestic market. Similarly, the export will have an appreciable growth on the increasing value of U.S dollars in the short run. The consolidation of market on the basis of competitive product edge, will nevertheless, be a definitive impact on the export prospects.

### Cautionary Statement

The statements made in the report describes 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.

### Directors

Dr. G. G. Nair and Shri S. Sridhar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### Directors' Responsibility Statement

Pursuant to the provisions of Sec. 217 (2AA) of the Companies Act, 1956, the Directors confirm that.

- i] in the preparation of the annual accounts for the year ended March 31, 2012 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, 2012 and of the profit of the company for the year ended that date.
- iii] proper and sufficient care has been taken for the maintenance 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, and  
iv] the annual accounts have been prepared on a “going concern” basis.

**Finance**

All taxes and statutory dues are being paid on time. The Company has been regular in making timely repayment of the loans and interest to Banks.

The surpluses in business are deployed in a prudent manner, considering the risk, reward and safety.

Statement Pursuant to Listing Agreement.

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

**Report on Corporate Governance**

A report on Corporate Governance is annexed herewith. Auditor's Report on the same is also annexed.

**Auditors**

M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing AGM. The notice convening the AGM is self-explanatory. They are eligible for reappointment.

**Cost Audit**

Pursuant to the recent order of the Central Government under Section 233B (1) of the Companies Act 1956, the company is bound to carry out an audit of cost accounting records relating to the products of the company. Mr. G. Sundaresan has been appointed as Cost auditor for the financial year 2012-13.

**Particulars Of Employees**

The details of the remuneration of the Managing Director/Whole-time Executive Director is furnished in the corporate governance report.

There has been no Employees drawing remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956.

**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.

**Acknowledgement**

The Board acknowledges the support given by the employees for their collective contribution, Bankers and the shareholders for their continued support.

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

**R. SAMPATH**

Chairman & Managing Director

MUMBAI

Date: May 30, 2012

## Annexure “I” 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, 2012.

Sr. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Remuneration (₹)	Date of Commencement	Last Employment held
1	Mr. R. Sampath	66	B. Sc. B.S. (Chem.Engg.) U.S.A. 41 years	Chairman & Mg. Director	1,05,49,286	01-03-1970	Engineer, Hercules Inc. USA
2	Ms. Indira Sundararajan	64	B. Sc. (Chem) B.Tech (Pharma)	Whole-time Director	1,05,49,286	01-07-2003	Thirumalai Chemicals Ltd.

### NOTES:

- 1) Remuneration includes Company’s contribution to Provident Fund, Superannuation Fund, Medical Benefits, Leave Travel Allowance etc.
- 2) Nature of employment is contractual.
- 3) Mr. R. Sampath is a relative of Mrs. Indira Sundararajan, Whole-time Executive Director of the Company.

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

**R. SAMPATH**  
Chairman & Managing Director

MUMBAI

Date: May 30, 2012

## Annexure II to Director's Report

Information as per Section 217 (1) (e) read with the Companies (Disclosures of particulars in report of the Board of Directors) Rules, 1988 and forming part of the Director's Report.

### I. CONSERVATION OF ENERGY

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

### FUEL CONSUMPTION (POWER & FUEL)

1. ELECTRICITY	UNITS	YEAR ENDING 31.03.2012	YEAR ENDING 31.03.2011
a) From EB - TN			
Purchased Units	KW/HR	<b>3448624</b>	3584804
Total amount paid	₹	<b>19927641</b>	19059247
Rate / Unit	₹	<b>5.78</b>	5.32
b) On Generation			
Through DG	KW/HR	<b>2213231</b>	1493627
Unit / Litre of Diesel Oil	KW/HR	<b>6.55</b>	4.42
Cost Per Unit	₹	<b>12.90</b>	13.32
<b>2. COAL AND COKE</b>			
Coal & Coke & Pet Coke	₹	<b>28901898</b>	21355733
Coal & Coke & Pet Coke	Tons	<b>1998</b>	1395
Rate & Ton	₹	<b>14465</b>	15308
<b>3. FURNACE OIL / DIESEL / SKO ETC.</b>			
Furnace Oil / Diesel / Sko Etc.	KL	<b>1606.94</b>	1679.48
Total Amount	₹	<b>60346411</b>	49064964
Rate KL	₹	<b>37554</b>	29214
<b>4. RESEARCH &amp; DEVELOPMENT EXPENDITURE ON R &amp; D</b>			
i) Capital	₹	-----	-----
ii) Recurring	₹	<b>1075645</b>	183022
iii) Total	₹	<b>1075645</b>	183022
iv) Total R & D Expenditure as a Percentage of total turnover		<b>0.08%</b>	0.02%

**II. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION**

Your Company is taking initiatives for quality of all products and services by absorbing new technologies in product / process developments through modernization and by also by cost-effective methods / processes.

**III. FOREIGN EXCHANGE EARNINGS & OUTGO**

Your Company is constantly exploring new markets to enhance the exports of its Products despite the stiff competition faced in the international Market, Vigorous efforts are being made to enhance our revenue from IT-Enabled Services Division. Earnings in Foreign Exchange from Exports and Services are given in Notes forming part of Accounts.

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

**R. SAMPATH**  
Chairman & Managing Director

MUMBAI

Date: May 30, 2012

## Corporate Governance Report 2011-2012

(As required under Clause 49 of the Listing Agreement with Stock Exchanges)

### 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 code as required by Clause 49 of the listing agreement with the Stock Exchanges.

### (a) Composition

1. The Board of Directors of your Company comprise of an Executive Chairman & Managing Director, a Whole-time Director with Six Non-Executive Directors.
2. All Non-Executive Directors except Mr. S. Sridhar and Mr. S. Santhanam are independent Directors.

### (b) Board Committees

#### i. Audit cum Remuneration Committee

Dr. G. G. Nair (Chairman)

Ms. K. R. Javeri (Member)

Mr. S. Sridhar (Member)

During the year, the Committee met four times on 26/05/2011, 08/08/2011, 11/11/2011 and 14/02/2012. All the members of the Committee as well as the concerned partner of the Statutory Auditor remained present at all the meetings. The audited results for the year ended 31/03/2012 were reviewed by the Committee before being placed before the Board.

The committee members also examine the Internal Auditors Report on the workings of different departments and the action taken on observations/suggestions of the auditors. The Committee members do peruse the detailed Statutory Compliance Report which is normally made on a quarterly basis.

The committee Members also review the Statement of outstanding Debts, particularly overdue, as also group Company transactions. Appointment and payment of remuneration to the Directors and key management personnel are also referred to/reviewed by the Committee. The Committee Members also act as members of the of the Selection Committee.

#### ii. Share Transfer / Investors' Grievance Committee

The Share Transfer / Investors Grievance Committee constitutes of the following members:

Dr. G. G. Nair (Chairman)

Ms. K. R. Javeri (Member)

Mr. S. Sridhar (Member)

Mr. N. Asokan, Company Secretary is the Compliance Officer. All complaints whenever received from any investor were timely attended for redressal. Total of 4 Complaints were received from the Shareholders during 2011-2012, which were all attended to and resolved and there were no complaints pending at the end of the year. The process of share transfer is delegated and is done once a fortnight (depending on transfers received) which is confirmed and ratified in the next meeting. The Committee meets as often as is necessary.

There has been no complaints from any investor which has not been redressed promptly. Four meetings of the Share Transfer - Investors Grievance committee were held during the year 2011-2012. It has been noted that the shareholding in dematerialized mode as on 31st March 2012 was 94.75.%

### (c) Board Meetings

#### Number of Board Meetings held during the year 2010- 2011

Four Meetings of the Board of Directors were held on the following dates:

**26/05/2011      08/08/2011      11/11/2011      14/02/2012.**

All information, wherever relevant and materially significant, are submitted as part of the agenda papers well in advance of the Board Meetings and the Company Secretary or the Director, in consultation with the Chairman & Managing Director, drafts the agenda of the meetings.

### (d) Directors attendance record and directorships held

Name of Directors	Attendance At		No. of Directorships of other Public Companies	No. of Member-ships of Board Sub-committees
	Board Meetings	Last AGM		
Mr. R. Sampath*	4	Yes	1	-
Ms. Indira Sundararajan**	2	Yes	-	-
Mr. S. Santhanam	4	Yes	1	2
Mr. Nimish Patel	4	Yes	3	2
Mr. M. C. Choksi	4	Yes	2	1
Dr. G. G.Nair	4	Yes	3	4
Mr. S. Sridhar	4	Yes	1	2
Ms. K. R. Javeri	4	Yes	-	2

(\*) Chairman and Managing Director.

(\*\*) Whole-time Director.

### (e) Remuneration of Directors

Remuneration paid or payable to Managing Director / Whole-time Director / Director during the year ended 31-03-2012.

Name	(Amount in ₹)				
	Salary	PF	Others	Commission	Total
1. Mr. R. Sampath - CMD	48,00,000	5,76,000	39,50,769	12,22,517	1,05,49,286
2. Ms. Indira Sundarajanan - WTD	42,75,000	5,13,000	55,06,827	2,54,459	1,05,49,286
3. Mr. S. Santhanam - Director	Nil	Nil	Nil	21,09,857	21,09,857

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

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

Name	Amount (₹)
Mr. Nimish Patel	80,000/-
Mr. M. C. Choksi	80,000/-
Dr. G. G. Nair	2,40,000/-
Ms. K. R. Javeri	2,40,000/-
Mr. S. Sridhar	2,40,000/-
Mr. S. Santhanam	80,000/-

Payments are made 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.

#### (f) Share holdings of Directors

Details of Shares held by Non-Executive Directors as on 31.03.2012

Name	No. of Shares held
Mr. Nimish Patel	52,589
Mr. M. C. Choksi	3,600
Dr. G. G. Nair	18,000
Mr. S. Sridhar	13,01,436
Mr. S. Santhanam	17,33,666

#### (g) Brief details of General Body Meetings:

The Fifty First Annual General Meeting of the company for the financial year 2011 - 2012 would be held on ..... day of ..... 2012 at 4.00 P.M. at Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai - 400 019.

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2010 - 2011	08-08-2011	4.00 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai - 400 019
2009 - 2010	02-08-2010	4.00 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai - 400 019
2008 - 2009	31-08-2009	4.00 PM	Mysore Association Auditorium, Bhaudaji Road, Matunga, Mumbai - 400 019.

#### (h) Code of Conduct

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, 2012. The Chairman & Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.



## 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 report are duly submitted to the Audit cum Remuneration Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the internal auditors for consideration and report as also the action taken report made by the Company. The Internal auditor also makes presentation to the Audit Committee whenever required.

For every quarter, the Company Secretary / Department Head makes report of Statutory compliances which 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 subsidiaries or relatives that have any potential conflict with the interest of the Company.

### (iii) Details of Non-compliance:

There were no case 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) Risk Management

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

### (v) CEO / CFO Certification

Appropriate certification as required under para V of Clause 49 of the Listing requirements has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

### (vi) 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.

### (vii) 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.

### (viii) Management Discussion and Analysis:

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

**(ix) General Shareholders Information:**

- 1) Date, time and venue of 51st AGM : ..... , the .....Day of ..... 2012 at 4.00p.m.  
Mysore Association Auditorium,  
Bhaudaji Road, Matunga,  
Mumbai – 400 019.
- 2) Date of Book Closure : ....., 2012 to ..... 2012 (both days Inclusive)
- 3) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
- 4) Listing Fees : Paid as per the listing agreement
- 5) ISIN No. : INE 405 A0 1021
- 6) BSE Stock Code : 506685
- 7) Registered Office : Thirumalai House,  
Road No. 29, Sion- East, Mumbai - 400 022.  
Phone: +91-22-24017834/41/61/69  
Fax : +91-22-24011699  
E.Mail : thirumalai@thiruchem.com
- 8) Registrars and Share Transfer Agent : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
LBS Road, Bhandup (W), Mumbai – 400 078.  
Phone: +91-22 25946970  
Fax : +91-22 25946969  
E.Mail : rnt.helpdesk@linkintime.co.in
- 9) Compliance Officer : Shri N. Asokan – 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 : thirumalai@thiruchem.com / cs@uplamb.net
- 10) Share Transfer System : The Company's shares are traded in the Stock Exchanges compulsorily in de-materialized mode Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- 11) Financial Calendar : Annual Results : 30th May 2012  
Mailing of Annual Reports : June begin 2012  
Results for the Quarter ending :  
June 30, 2012 : 15th August 2012  
September 30, 2012 : By 15th Nov, 2012  
December 31, 2012 : By 15th Feb, 2012  
March 31, 2013 : May, 2013

- 12) Dividend Payment dates : By 1st ....., 2012
- 13) Dematerialisation of Shares : As on 31-03-2012 94.75 % of Company's shares representing 2,76,66,284 Shares were held in the de-materialized form.
- 14) Plant location : No. 556, Vanagaram Road,  
Ambattur, Chennai – 600 053, Tamilnadu.  
Tel: (044) 2682 1195 / 96/97/98/99  
Fax: (044) 2682 1201  
E.mail: ultra\_marine@bsnl.in

25-B, SIPCOT Industrial Complex,  
Ranipet – 632 403, Tamil Nadu.  
Tel: (04172) 244441 / 244442  
Fax: (04172) 244918  
E.mail:syndet@ultramarinepigments.net

**(IT Enabled Services Division)**

**Lapiz Digital Services**

“Sree Essar Towers, No:41, 2nd Floor,  
Venkat Narayana Road, T.Nagar,  
Chennai-600 017  
E.mail: contact@lapizdigital.com

**Lapiz Online**

DLF IF Park ,  
2nd Floor, 5th Block, 1/24, Shivaji Garden,  
Mount Poonamalle Road, Chennai – 600 089  
Tel: 044-42901300  
Fax: 044-42901310  
E-mail : info@lapizonline.com

15) Categories of Shareholders (as on 31.03.2012)	<b>No. of Shares</b>	<b>% of Shareholders</b>
Promoters / Directors, their Relatives, Group Companies	1,39,36,276	47.73
Financial Institutions / Banks	2,47,645	0.85
NRI	5,20,394	1.78
Companies / Bodies Corporate	3,84,121	1.32
General Public	1,40,42,256	48.09
Clearing Member & Trusts	69,308	0.24

**16) Distribution of Shareholding as on 31.03.2012**

No. of Shares	No. of Shareholders	No. of Shareholders	No of shares	% of Shareholding
UPTO 500	4032	58.37	818092	2.80
501- 1000	1041	15.07	861349	2.95
1001-2000	634	9.18	1016456	3.48
2001-3000	281	4.07	713243	2.44
3001-4000	213	3.08	746656	2.56
4001-5000	156	2.26	740865	2.54
5001-10000	288	4.17	2262674	7.75
OVER 5000	263	3.81	22040665	75.48
<b>TOTAL</b>	<b>6908</b>	<b>100.00</b>	<b>29200000</b>	<b>100.00</b>

**17) Stock Market price data for the year 2011 – 2012**

Month	Bombay Stock Exchange Ltd		
	High	Low	No.of Shares
April -2011	43.95	41.10	1,08,042
May-2011	46.50	41.00	2,88,325
June-2011	49.00	44.00	2,38,963
July-2011	51.75	42.50	3,44,888
August-2011	43.95	36.50	2,20,549
September-2011	41.15	37.80	1,06,787
October-2011	44.30	37.50	1,08,586
November-2011	39.95	36.30	83358
December-2011	38.50	34.00	89562
January-2012	46.90	33.65	4,10,059
February-2012	45.90	42.00	3,69,385
March-2012	52.50	41.90	9,77,305

**18) Corporate Ethics**

The consistent endeavour 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.

**Declaration by the CEO under Clause 49 1 (D) of the Listing Agreement regarding adherence to the The Code of Conduct**

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchange, 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, 2012.

For **Ultramarine & Pigments Ltd.**

**R. SAMPATH**

Chairman & Managing Director

Mumbai

May 30, 2012

## **Auditors' Report on Corporate Governance**

To

The members of,

### **Ultramarine & Pigments Limited**

We have examined the compliance of conditions of corporate governance by **Ultramarine & Pigments Limited** for the year ended on 31st March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**Contractor Nayak & Kishnadwala**  
Chartered Accountants

**H. V. Kishnadwala**  
Partner  
Membership No. 37391  
Firm Registration Number 101961W

Mumbai,

Dated : May 26, 2011

## Auditors' Report

To

The members of,

### **Ultramarine & Pigments Limited**

1. We have audited the attached Balance Sheet of Ultramarine & Pigments Limited as at 31st March 2012 (hereinafter referred to as "the Company"), the related Profit and Loss Statement and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as "the Order"), issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in above paragraph, we report that:
  - a) We have 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 appears from our examination of the books of the Company;
  - c) The Balance Sheet, Profit and Loss Statement and the Cash Flow Statement dealt with by the report are in agreement with the books of account of the Company;
  - d) In our opinion, the Balance Sheet, Profit and Loss Statement and the Cash Flow Statement comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors of the Company as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Notes to Financial Statements in Schedule 19, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
    - b. In the case of the Profit and Loss Statement, of the Profit for the year ended on that date,
    - c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of

**Contractor, Nayak & Kishnadwala**

Chartered Accountants

Firm Registration No. : 101961W

**H. V. Kishnadwala**

Partner

Membership No. 37391

Firm Registration Number 101961W

Mumbai,

Dated : May 26, 2011

**Statement referred to in paragraph 3 of the Auditors' Report of even date to the members of Ultramarine & Pigments Limited on the accounts for the year ended 31<sup>st</sup> March 2011**

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

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- 1 (b) As explained to us, the management at reasonable intervals carries out the physical verification of the fixed assets. The discrepancies noticed on such verification, which were not material, have been appropriately dealt with in the financial statements;
- 1 (c) The fixed assets disposed off by the company during the year were not substantial and therefore does not affect the going concern assumption;
- 2 (a) As explained to us, inventories except Stock lying with third parties, confirmation for which have been obtained, have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;
- 2 (b) In our opinion and as explained to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- 2 (c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between physicals stocks and the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
- 3 (a) As per the information and explanations given to us, the Company has granted unsecured loans to a Company covered in the register maintained under section 301 of the Companies Act, 1956. Details of such unsecured loan granted is as under:

<b>Name of the Party</b>	<b>Balance as on 31 March 2012 (₹)</b>	<b>Maximum balance outstanding during the year (₹)</b>
Thirumalai Chemicals Limited	Nil	131,149,352

- 3 (b) In case of the aforesaid unsecured loans granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the rate of interest and the other terms and conditions are not prima-facie prejudicial to the interests of the Company;
- 3 (c) In case of the aforesaid unsecured loans granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956, the repayment of principal amount and interest is regular;
- 3 (d) There is no overdue amount of loans, including interest, granted to a Company covered in the register maintained under Section 301 of the Companies Act, 1956;
- 3 (e) As per the information and explanations given to us, the Company has not accepted secured or unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 3(f) and 3(g) of the paragraph 4 of the Order are not applicable to the Company
- 4 In our opinion and according to information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of account, and as explained to us, no major weaknesses has been noticed in internal control system in respect of these areas and we have not observed any continuing failure to correct major weakness in the same;
- 5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered;

- 5 (b) To the best of our knowledge and belief and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time;
- 6 The Company has not accepted any deposits from the public accordingly, Clause (vi) of paragraph 4 of the Order are not applicable to the company for the current year;
- 7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;
- 8 We have broadly reviewed the books of account maintained by the company in respect of manufacture of detergents pursuant to the Order made by the Central Government for the maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete;
- 9 (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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax Custom duty, Excise-duty, Cess and other material statutory dues applicable to it and there are no undisputed statutory dues outstanding as at 31st March 2012, for a period of more than six months from the date they became payable;
- 9 (b) Disputed statutory dues that have not been deposited on account of disputed matters in respect of Income Tax and Excise-duty pending before appropriate authorities are as under:

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Amount (₹)</b>	<b>Years to which the amount relates</b>	<b>Forum where dispute is</b>
Income Tax Act, 1961	Income Tax	*51,434	Assessment Year 2006-2007	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	*13,764,095	Assessment Year 2008-2009	Commissioner of Income Tax, Appeals
*Amounts paid under protest and not charged to profit and loss statement have not been included above. [Refer Note No. 4.1(c) of Notes forming part of Financial Statements]				
The Central Excise Act, 1944	Excise Duty	2,118,944	2007-2008	The Commissioner (Appeals), Central Excise
The Central Excise Act, 1944	Penalty	3,437,170	2007-2008	The Commissioner (Appeals), Central Excise

- 10 The company does not have any accumulated losses as on 31st March 2012 and has not incurred any cash losses during the financial year and in the immediately preceding financial year;
- 11 According to the books of account examined by us and as explained to us, the Company has not defaulted in repayment of any dues to financial institutions or banks;
- 12 Based on our examination of the records and as explained to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities;
- 13 In our opinion, and as per information and explanation provided to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of the paragraph 4 of the Order are not applicable to the Company;



- 14 During the year, the Company does not have any transactions in respect of dealing and trading in shares, securities, debentures and other investments. All shares, debentures and other securities held as investments by the Company have been held by the Company in its own name;
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
- 16 According to the information and explanations given to us, term loans taken by the Company during the year, has been applied for the purpose for which loans were obtained;
- 17 As explained to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short-term basis which have been used for long-term investment by the Company;
- 18 During the year the Company has not made any preferential allotment of shares to the parties or companies covered in the register maintained under section 301 of the Companies Act, 1956;
- 19 During the year the Company has not issued any debentures; Therefore the provisions of clause (xix) of the paragraph 4 of the Order are not applicable to the Company;
- 20 The Company has not raised any money by way of public issues during the year. Therefore, the provisions of clause (xx) of the paragraph 4 of the Order are not applicable to the Company;
- 21 As per the information and explanations given by the management to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**Contractor Nayak & Kishnadwala**  
Chartered Accountants  
Firm Registration No. : 101961W

**H. V. Kishnadwala**  
Partner, Membership No. 37391  
Mumbai, May 30, 2012

**Balance Sheet as at 31<sup>st</sup> March 2012**

Particulars	Note	(Amount in ₹)	
		As at 31.03.2012	As at 31.03.2011
<b>Equity and liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3.1	58,400,000	58,400,000
Reserves and Surplus	3.2	760,397,660	725,283,976
		<b>818,797,660</b>	<b>783,683,976</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3.3	57,769,255	60,266,333
Deferred tax liabilities (net)	3.4	55,226,127	29,530,586
Long-term provisions	3.5	26,698,629	20,513,208
		<b>139,694,011</b>	<b>110,310,127</b>
<b>Current Liabilities</b>			
Short-term borrowings	3.6	-	10,445,773
Trade payables	3.7	82,875,705	23,759,132
Other current liabilities	3.8	77,568,798	78,795,607
Short-term provisions	3.9	135,594,765	130,281,426
		<b>296,039,268</b>	<b>243,281,938</b>
<b>Total</b>		<b>1,254,530,939</b>	<b>1,137,276,041</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	3.10	452,643,940	407,173,368
Non-current investments	3.11	132,170,372	132,170,372
Long term loans and advances	3.12	58,791,727	20,979,593
		<b>643,606,039</b>	<b>560,323,332</b>
<b>Current assets</b>			
Current investments	3.13	-	30,600,000
Inventories	3.14	159,024,883	124,011,404
Trade receivables	3.15	205,119,046	146,236,746
Cash and bank balances	3.16	186,471,637	192,497,182
Short-term loans and advances	3.17	9,594,089	56,694,870
Other current assets	3.18	50,715,245	26,912,507
		<b>610,924,900</b>	<b>576,952,709</b>
<b>Total</b>		<b>1,254,530,939</b>	<b>1,137,276,041</b>
<b>Significant accounting policies and notes to Financial Statements</b>	<b>2 to 6</b>		

As per our report of even date

For and on behalf of the Board of Directors

**For & on behalf of**
**CONTRACTOR, NAYAK & KISHNADWALA**

Chartered Accountants

**H. V. KISHNADWALA**

Partner

**N. ASOKAN**

Company Secretary

**R. SAMPATH**

Chairman and Managing Director

**INDIRA SUNDARARAJAN**

Wholtime Director

PLACE : MUMBAI

DATE : 30th May, 2012

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012

Particulars	Note	(Amount in ₹)	
		As at 31.03.2012	As at 31.03.2011
<b>Income</b>			
Revenue from operations	3.19	1,360,365,226	1,178,260,482
Other income	3.20	22,099,940	58,952,167
<b>Total Revenue</b>		<b>1,382,465,166</b>	<b>1,237,212,649</b>
<b>Expenses</b>			
Cost of material consumed	3.21	539,523,284	433,437,309
Purchase of stock-in-trade	3.22	4,827,787	2,987,042
Changes in inventories of finished goods and work-in-progress	3.23	(11,068,309)	14,847,718
Employees benefits expense	3.24	198,480,587	159,306,315
Finance costs	3.25	17,134,413	4,141,810
Depreciation and amortization expenses	3.10	55,021,535	42,699,383
Other expenses	3.26	395,933,939	338,638,117
<b>Total expenses</b>		<b>1,199,853,237</b>	<b>996,057,693</b>
Profit before tax		182,611,929	241,154,956
<b>Tax Expenses</b>			
Current tax expense		(37,100,000)	(77,050,000)
MAT Credit Entitlement		4,322,994	-
Deferred tax expense/(credit)		(25,695,541)	5,937,096
Tax adjustments for earlier years		12,785,212	66,856
<b>Profit for the year</b>		<b>136,924,594</b>	<b>170,108,908</b>
Earnings per equity share Basic and Diluted - Par value ₹ 2/- per share	3.4	4.69	5.83

### Significant accounting policies and notes to Financial Statements

2 to 6

As per our report of even date

For and on behalf of the Board of Directors

For &amp; on behalf of

**CONTRACTOR, NAYAK & KISHNADWALA**

Chartered Accountants

**H. V. KISHNADWALA**

Partner

**N. ASOKAN**

Company Secretary

**R. SAMPATH**

Chairman and Managing Director

**INDIRA SUNDARARAJAN**

Wholtime Director

PLACE : MUMBAI

DATE : 30th May, 2012

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Cash flows from operating activities</b>		
Net-profit before taxation, and extraordinary item	182,611,929	241,154,956
Adjustments for:		
Depreciation and amortisation expenses	55,021,535	42,699,383
Interest income	(16,135,631)	(17,939,765)
Dividend income	-	(10,980,455)
Interest expenses	17,134,413	4,141,810
Effect of exchange rate change	1,012,045	349,607
Loss / (Profit) on sale of investment	-	(26,038,978)
Loss / (Profit) on sale / discarded asset (Net)	2,260,365	3,380
<b>Operating profit before working capital change</b>	<b>241,904,656</b>	<b>233,389,938</b>
Adjustments for:		
Increase in sundry debtors	(59,315,261)	21,133,922
Decrease / (Increase) in inventories	(35,013,479)	9,081,683
Increase in sundry creditors	69,147,795	(19,622,929)
<b>Cash generated from operations</b>	<b>216,723,711</b>	<b>243,982,614</b>
Income-taxes paid	(61,786,369)	(67,068,443)
<b>Net cash from operating activities (A)</b>	<b>154,937,341</b>	<b>176,914,171</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(102,983,803)	(139,018,701)
Sale of fixed assets	231,330	511,967
Proceeds from sale of investment	30,600,000	53,714,119
Interest received	16,135,631	21,770,385
Dividends received	-	10,980,455
(Increase) / Decrease in Bank / Inter corporate deposit	(40,141,936)	(38,160,817)
(Increase) / Decrease in Loans and advance	(19,219,516)	(22,986,304)
<b>Net cash from investing activities (B)</b>	<b>(115,378,294)</b>	<b>(113,188,896)</b>
<b>Cash flows from financing activities</b>		
(Re-payment of) / proceeds from long-term borrowings	(2,497,078)	47,992,986
Repayment of short term borrowings	(10,445,773)	-
Interest paid	(17,134,413)	(4,067,740)
Dividends paid	(102,149,265)	(102,149,265)
<b>Net cash used in financing activities (C)</b>	<b>(132,226,529)</b>	<b>(58,224,019)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>(92,667,482)</b>	<b>5,501,256</b>
Cash and cash equivalents as at the beginning of the year	136,573,093	131,071,838
Cash and cash equivalents as at the end of year	<b>43,905,612</b>	<b>136,573,093</b>
(a) Cash and cash equivalents		
(i) Balances with banks		
In deposit accounts with original maturity of less than 3 months	225,000	-
In other accounts	43,290,641	136,213,918
(ii) Cash on hand	389,971	359,175
	<b>43,905,612</b>	<b>136,573,093</b>

As per our report of even date

**For & on behalf of**  
**CONTRACTOR, NAYAK & KISHNADWALA**  
 Chartered Accountants

**H. V. KISHNADWALA**  
 Partner

**N. ASOKAN**  
 Company Secretary

For and on behalf of the Board of Directors

**R. SAMPATH**  
 Chairman and Managing Director

**INDIRA SUNDARARAJAN**  
 Wholtime Director

PLACE : MUMBAI

DATE : 30th May, 2012

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2012

### 1 CORPORATE INFORMATION

Ultramarine and Pigments Limited is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956. Its shares are listed in Bombay Stock Exchange Ltd, India. The company is engaged in manufacturing and selling of pigments, surfactants, and also engaged in IT enabled services. The company caters to both domestic and international markets.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### I BASIS OF ACCOUNTING:

The financial statements are prepared in conformity with Generally Accepted Accounting principles in India, the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956. The financial statements have been prepared on the basis of historical cost. The Company follows the mercantile system of accounting for recognising income and expenditure on accrual basis.

#### II USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

#### III REVENUE RECOGNITION:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Sale of goods are recognised when risk and rewards of ownership of the products are passed on to the customers which is generally on despatch of goods. Sales include amounts recovered towards Excise Duty and are net of returns.
- (b) In case of IT Enabled Services division, sale of services is recognised on despatch and subsequent approval by customers.
- (c) Revenue from sale of power from wind operated generators is accounted when the same is transmitted and confirmed by the Electricity Board.
- (d) Income from Job work is accounted on accrual basis on dispatch of material and as per terms of agreement
- (e) Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustment in raw material consumption. The benefits accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export policy in respect of exports made under the said scheme have been included under the head 'Export Incentives'.
- (f) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (g) Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date

#### IV FIXED ASSETS:

##### Tangible Assets:

Fixed Assets are recorded at cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest incurred during construction period on borrowings to finance qualifying fixed assets is capitalised. Fixed Assets which are not in active use are scrapped and written off.

**V DEPRECIATION :**

Depreciation on Plant and Machinery and Building is provided on Straight Line method. In the case of Computers and Network Equipments acquired for the IT Enabled Services Division, amortisation is computed on the Straight Line method over the estimated useful life of 4 years. Depreciation for Software costing upto ₹ 25,000/- is provided at the rate of 100% in the year of addition. Other Software acquired are depreciated over its estimated useful life of 3 years. The rates at which depreciation is provided as above, are as prescribed by Schedule XIV to the Companies Act, 1956 and in terms of relevant circulars issued by the Department of Companies Affairs.

**VI INVESTMENTS:**

Investments which are all long-term are stated at cost of acquisition and related expenses. Provisions for diminution in value is made to recognize a decline other than temporary in value of the investments.

**VII INVENTORIES:**

Items of Inventory are valued on the principles laid down by Accounting Standard 2 "Valuation of Inventories" on the basis given below

i	Stores and Spare Parts	At cost (on weighted average basis) including incidental expenses like freight, transport etc., or net realizable value whichever is lower.
ii	Raw Materials	At cost (on weighted average basis) including incidental expenses like freight, transport etc., or net realizable value whichever is lower.
iii	Work-in-Progress	At raw material cost plus proportionate fixed and variable manufacturing expenses or net realisable value whichever is lower.
iv	Finished Goods	At Cost or net realisable value whichever is lower. Cost is calculated at raw material cost plus all fixed and variable manufacturing expenses. Excise duty is also included in valuation

**VIII EMPLOYEE BENEFITS:**
**i. Short-term 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, contributions to provident fund and superannuation etc. recognised as actual amounts due in period in which the employee renders the related service.

**ii. Post - employment benefits**
**a. Defined Contribution Plans**

Payments made to defined contribution plans such as Provident Fund is charged as expense as they fall due.

**b. Defined Benefit Plans**

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

**iii. Other Long - term employee benefits**

Other Long term employee benefits is recognised as an expense in the profit and loss account as and when it accrues. The company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the Balance Sheet date. The actuarial gains and losses in respect of such benefits are charged to the profit and loss account.

**IX FOREIGN CURRENCY TRANSLATION:**

Transaction denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of Monetary items which are covered by foreign exchange contracts, the difference between the year end rates and the rate on the date of contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation of transactions are recognised in the profit and loss account.

**X BORROWING COSTS:**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**XI TAXATION:**

Current Tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The Company avails credit for Minimum Alternative Tax if there is a reasonable certainty that the same would be set off during the eligible period.

**XII PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Contingent assets are not recognised in the financial statements, since this may result in recognition of income that may never be realised.

**XIII EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

**IX 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.

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.1 : Share capital

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Authorised Shares</b>		
50,000,000 (March 31, 2011: 50,000,000) equity shares of Rs 2 each	<b>100,000,000</b>	100,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
29,200,000 (March 31, 2011: 29,200,000) Equity Shares of Rs 2/- each fully paid up.	<b>58,400,000</b>	58,400,000

#### (a) Terms/rights attached to equity shares

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 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.

(b) There is no change in issued and paid up share capital during the year.

#### (c) Bonus shares

34,50,000 Equity shares of ₹ 10/- each (later divided into 1,72,50,000 equity shares of ₹ 2/- each) allotted as fully paid bonus shares by capitalisation of General Reserve in the year 2005-06.

#### (d) The details of shareholder holding more than 5% shares

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	No. of shares	% held	No. of shares	% held
(1) Thirumalai Chemicals Limited	3,044,800	10.43	3,044,800	10.43
(2) S. Santhanam	1,733,666	5.94	1,603,260	5.49

### Note 3.2 : Reserves and surplus

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>General reserve</b>		
Balance at the beginning of the year	<b>367,500,000</b>	350,000,000
Add: Transferred during the year	<b>15,000,000</b>	17,500,000
<b>Balance at the end of the year</b>	<b>382,500,000</b>	<b>367,500,000</b>
<b>Surplus</b>		
Opening balance	<b>357,783,976</b>	307,324,333
Add: Profit for the year	<b>136,924,594</b>	170,108,908
	<b>494,708,570</b>	<b>477,433,241</b>
Less: Appropriations		
Proposed dividend	<b>(87,600,000)</b>	(87,600,000)
Tax on proposed dividend	<b>(14,210,910)</b>	(14,549,265)
Transfer to general reserve	<b>(15,000,000)</b>	(17,500,000)
Closing balance	<b>377,897,660</b>	<b>357,783,976</b>
<b>Total</b>	<b>760,397,660</b>	<b>725,283,976</b>



## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.3 : Long term borrowings

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Secured term loan from financial institution</b>		
Export-Import Bank of India (Refer Note a and b)	46,666,665	60,266,333
<b>Unsecured</b>		
Deferred payment liabilities (Refer Note c)	11,102,590	-
<b>Total</b>	<b>57,769,255</b>	<b>60,266,333</b>

#### Notes:

(a). An exclusive charge by way of hypothecation over windturbine generators, acquired / to be acquired by the company and second pari passu charge by way of hypothecation of the Company other movable fixed assets including books debts.

(b). Repayable in twelve quarterly equal instalments starting from 20th Mar 2012 of ₹ 66,66,667/- with interest @ 11.50% .

(c). Repayable to Gujarat Industrial Development Corporation in twelve quarterly equal instalments starting from 30th June 2011 of ₹ 27,75,645/- with interest @ 13.50% .

### Note 3.4 : Deferred tax liabilities (net)

Deferred tax liabilities		
Related to fixed assets	78,992,282	50,438,266
Deferred tax assets		
Disallowance under the Income Tax Act, 1961	23,766,155	20,907,680
<b>Total</b>	<b>55,226,127</b>	<b>29,530,586</b>

### Note 3.5 : Long term provisions

<b>Provision for employee benefits</b>		
Provision for gratuity (non-funded)	19,640,334	17,251,353
Provision for compensated absences (non-funded)	7,058,295	3,261,855
<b>Total</b>	<b>26,698,629</b>	<b>20,513,208</b>

### Note 3.6 : Short term borrowings

<b>Secured</b>		
Loan repayable on demand from banks (Refer Note a)	-	10,445,773
<b>Total</b>	<b>-</b>	<b>10,445,773</b>

#### Notes:

a). Cash credit / export credit facilities is secured by hypothecation of stock of raw materials, work in progress, finished goods, packing materials, stores and spares and book debts of the company and secured by a second charge on the immovable properties.

### Note 3.7 : Trade payables

Trade Payables (refer Note no.6.1)	82,875,705	23,759,132
<b>Total</b>	<b>82,875,705</b>	<b>23,759,132</b>

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.8 : Other current liabilities

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
Creditors for capital goods	<b>650,228</b>	16,948,798
Current maturities of long-term debt	<b>37,769,248</b>	6,666,667
Interest accrued but not due on borrowings	<b>254,155</b>	147,619
Unpaid Dividend (Refer note below)	<b>3,267,800</b>	3,014,837
Interest free deposit from customers	<b>886,952</b>	997,952
Others	<b>34,740,415</b>	51,019,734
<b>Total</b>	<b>77,568,798</b>	<b>78,795,607</b>

#### Note

Unpaid dividend represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.

### Note 3.9 : Short term provisions

Provision for gratuity (non-funded)	<b>18,102,515</b>	15,399,252
Provision for compensated absence (non-funded)	<b>6,902,048</b>	5,495,259
Provision for bonus and ex-gratia	<b>4,461,572</b>	3,929,317
Provision for excise duty	<b>4,317,720</b>	3,308,333
Proposed equity dividend	<b>87,600,000</b>	87,600,000
Provision for tax on proposed equity dividend	<b>14,210,910</b>	14,549,265
<b>Total</b>	<b>135,594,765</b>	<b>130,281,426</b>

#### Note:

The Board of Directors have recommended dividend of ₹ 3/-per share for the year ended March 31, 2012 (March 31, 2011: ₹ 3/- per share)

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.10 : Fixed Assets

(Amount in ₹)										
Description	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2011	Additions	Sales/ Adjustments	As at Mar 31, 2012	As at April 1, 2011	Charge for the period	Sales/ Adjustments	As at Mar 31, 2012	As at Mar 31, 2012	As at Mar 31, 2011
<b>Tangible</b>										
Land - Freehold	13,952,428	-	-	13,952,428	-	-	-	-	13,952,428	13,952,428
- Leasehold (see note below)	-	49,219,046	-	49,219,046	-	455,732	-	455,732	48,763,314	-
Buildings	68,404,442	884,485	-	69,288,927	34,980,996	1,912,739	-	36,893,735	32,395,192	33,423,446
Plant & Machinery	385,077,764	32,708,417	919,774	416,866,407	239,635,716	22,625,291	446,383	261,814,623	155,051,783	145,442,048
Wind Turbine Generators	121,663,922	110,750,110	-	232,414,032	58,670,096	19,718,181	-	78,388,278	154,025,754	62,993,826
Kilns	57,671,307	-	-	57,671,307	54,791,644	-	-	54,791,644	2,879,663	2,879,663
Computer Equipments	44,027,170	1,059,404	4,778,410	40,308,164	35,498,162	3,246,575	4,578,020	34,166,717	6,141,447	8,529,008
Furniture Fixtures	18,569,162	216,251	2,353,323	16,432,090	8,832,216	2,402,484	1,042,163	10,192,536	6,239,554	9,736,947
Office Equipments	7,865,597	438,169	566,144	7,737,622	2,933,392	421,820	185,020	3,170,192	4,567,429	4,932,204
Vehicles	5,101,738	749,064	390,705	5,460,097	1,316,454	511,260	283,868	1,543,846	3,916,251	3,785,284
	<b>722,333,531</b>	<b>196,024,946</b>	<b>9,008,356</b>	<b>909,350,121</b>	<b>436,658,677</b>	<b>51,294,082</b>	<b>6,535,455</b>	<b>481,417,303</b>	<b>427,932,817</b>	<b>285,674,854</b>
<b>Intangible</b>										
Computer Software	16,824,517	1,902,976	548,910	18,178,583	11,766,797	2,777,454	530,116	14,014,134	4,164,449	5,057,720
Intellectual Property	1,900,000	-	-	1,900,000	156,164	950,000	-	1,106,164	793,836	1,743,836
	<b>18,724,517</b>	<b>1,902,976</b>	<b>548,910</b>	<b>20,078,583</b>	<b>11,922,961</b>	<b>3,727,454</b>	<b>530,116</b>	<b>15,120,298</b>	<b>4,958,285</b>	<b>6,801,556</b>
<b>Total (A)</b>	<b>741,058,048</b>	<b>197,927,922</b>	<b>9,557,266</b>	<b>929,428,704</b>	<b>448,581,638</b>	<b>55,021,535</b>	<b>7,065,571</b>	<b>496,537,602</b>	<b>432,891,102</b>	<b>292,476,410</b>
<b>Capital work-in-progress (B)</b>									<b>19,752,839</b>	<b>114,696,958</b>
<b>Total (A+B)</b>	<b>741,058,048</b>	<b>197,927,922</b>	<b>9,557,266</b>	<b>929,428,704</b>	<b>448,581,638</b>	<b>55,021,535</b>	<b>7,065,571</b>	<b>496,537,602</b>	<b>452,643,941</b>	<b>407,173,368</b>
<b>Previous year</b>	<b>703,821,530</b>	<b>41,958,819</b>	<b>4,722,300</b>	<b>741,058,048</b>	<b>410,089,207</b>	<b>42,699,383</b>	<b>4,206,953</b>	<b>448,581,637</b>	<b>292,476,410</b>	<b>293,732,323</b>

Note: Agreement for lease for 99 years with GIDC to be executed after compliance of stipulated conditions

### Note 3.11 : Non-current investments (At cost)

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Non trade investment in equity shares</b>		
<b>Quoted</b>		
2,045,177 (March 31, 2011 : 2,045,177) equity shares of Thirumalai Chemicals Limited of ₹ 10/- each fully paid up	<b>132,153,971</b>	132,153,971
<b>Unquoted</b>		
350 (March 31, 2011 : 350) equity shares of US\$ 1 each of LAPIZ Inc., U.S.A. (Associate Company)		
<b>Total</b>	<b>132,170,372</b>	<b>132,170,372</b>

- (a) Aggregate amount of Quoted Investments ₹ 132,153,971/- (March 31, 2011 ₹ 132,153,971/-)  
 (b) Aggregate amount of Unquoted Investments ₹ 16,401/- (March 31, 2011 ₹ 16,401/-)  
 (c) Market Value of Quoted Investments ₹ 90,192,306/- (March 31, 2011: ₹ 204,619,959/-)

**Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012**
**Note 3.12 : Long-term loans and advances**

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Unsecured, considered good</b>		
Capital advances	641,500	2,864,150
Other loans and advances		
Advance income taxes (net of provisions)	39,293,117	1,821,536
Loans and advances to employees	2,237,267	2,681,109
Deposits with related party	1,400,000	1,400,000
Rent deposits	10,863,766	8,275,340
Electricity and other deposits	4,356,077	3,937,458
<b>Total</b>	<b>58,791,727</b>	<b>20,979,593</b>

**Note 3.13 : Current investments**
**Non Trade - unquoted**

In Debentures	-	30,600,000
Nil (March 31, 2011 : 30) unsecured redeemable optionally convertible debenture of Kotak Securities Ltd., ₹10,00,000 each		
<b>Total</b>	<b>-</b>	<b>30,600,000</b>

**Note 3.14 : Inventories (valued at lower of cost and net realizable value)**

Raw materials and components	84,234,748	62,449,582
Work in progress	16,614,800	6,636,700
Finished goods	42,931,050	41,840,841
Packing materials	7,051,595	6,760,129
Fuel	5,567,085	3,558,095
Stores and spares	2,625,604	2,766,056
<b>Total</b>	<b>159,024,883</b>	<b>124,011,404</b>
<b>Raw materials</b>		
Pigments	16,192,741	6,809,114
Detergents	1,990,015	1,930,626
Sulphonation ((includes in transit ₹ Nil (Previous year ₹ 3,76,15,687/- ))	66,051,992	53,709,842
<b>Total</b>	<b>84,234,748</b>	<b>62,449,582</b>
<b>Work in progress</b>		
Pigments	16,614,800	6,636,700
<b>Total</b>	<b>16,614,800</b>	<b>6,636,700</b>
<b>Finished goods</b>		
Pigments	33,903,700	35,765,400
Detergents	2,235,434	826,268
Sulphonation	6,791,916	5,249,173
<b>Total</b>	<b>42,931,050</b>	<b>41,840,841</b>

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.15 : Trade receivables

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Debtors outstanding for a period exceeding six months from the due date</b>		
Secured, considered good (Refer note below)	349,470	349,470
Unsecured, considered good	16,603,960	10,909,524
Unsecured, considered doubtful	19,740,666	18,152,676
Less: Provision for doubtful debts	(19,740,666)	(18,152,676)
	<b>16,953,430</b>	11,258,994
<b>Other debts</b>		
Unsecured, considered good	188,165,616	134,977,752
<b>Total</b>	<b>205,119,046</b>	<b>146,236,746</b>

#### Note

Amount due is fully secured by equity instruments having market value of ₹ 7,06,837/- (previous year ₹ 9,34,288/-), including those shares the market value of which ₹ 6,58,350/- (previous year ₹ 8,75,490/-) which are transferred in the name of the company.

### Note 3.16 : Cash and Bank balances

(a) Cash and cash equivalents		
(i) Balances with banks		
In deposit accounts with original maturity of less than 3 months	225,000	-
In other accounts	43,290,641	136,213,918
(ii) Cash on hand	389,971	359,175
	<b>43,905,612</b>	136,573,093
(b) Other Bank balances		
(i) Margin money with banks	54,946	51,323
(ii) Short-term bank deposits with maturity after 3 months but before 12 months.	139,243,279	52,857,929
(ii) Un-claimed dividend accounts	3,267,800	3,014,837
<b>Total</b>	<b>186,471,637</b>	<b>192,497,182</b>

### Note 3.17 : Short-term loans and advances

(Unsecured, considered good, unless stated otherwise)		
Inter corporate deposits	6,000,000	52,500,000
Advance to suppliers		
Considered good	3,036,065	3,565,846
Considered doubtful	212,000	-
Less provision for doubtful debts	(212,000)	-
	-	-
Loans and advances to employees	558,024	629,024
<b>Total</b>	<b>9,594,089</b>	<b>56,694,870</b>

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.18 : Other current assets

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
Interest accrued but not due	1,718,991	2,852,823
Prepaid expenses	4,264,171	3,524,762
Minimum alternate tax credit entitlement	4,322,994	-
Balance with central excise and sales tax authorities	30,467,604	18,053,804
Export incentives receivable	950,341	1,974,759
Unbilled revenue of IT enabled services	612,822	236,829
Others	8,378,322	269,531
<b>Total</b>	<b>50,715,245</b>	<b>26,912,507</b>

### Note 3.19 : Revenue from operations

Sale of products		
Pigments	508,256,009	479,203,228
Detergents	66,024,941	66,406,400
Sulphonation	579,062,791	492,572,469
Traded goods	6,188,369	2,987,042
	<b>1,159,532,110</b>	<b>1,041,169,139</b>
Less : Excise Duty recovered on sales	90,836,313	79,653,215
	<b>1,068,695,797</b>	<b>961,515,924</b>
Sale of power from Wind turbine generator	20,321,527	10,308,493
	<b>1,089,017,324</b>	<b>971,824,417</b>
Income from services		
Income from processing	99,060,441	76,582,278
Income from IT enabled services	170,043,646	126,113,444
	<b>269,104,087</b>	<b>202,695,722</b>
Other operating income		
Export Incentives	2,243,815	3,740,344
	<b>2,243,815</b>	<b>3,740,344</b>
<b>Revenue from operations</b>	<b>1,360,365,226</b>	<b>1,178,260,482</b>

### Note 3.20 : Other Income

Interest received		
From banks	6,178,841	1,012,579
From companies on short term deposits	8,698,725	15,893,767
From others	1,258,064	1,033,418
Dividend received - from long term investments	-	10,980,455
Rent received	2,557,317	1,202,272
Sundry receipts	745,421	1,513,132
Sundry balances written back (Net )	2,661,571	1,277,565
Profit on sale of long term investments (net)	-	25,904,188
Profit on sale of current investments	-	134,790
<b>Total</b>	<b>22,099,940</b>	<b>58,952,167</b>

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.21 : Cost of material consumed

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
Inventory at the beginning of the year	24,833,895	39,238,420
Add : Purchases	598,924,137	419,032,784
	<b>623,758,032</b>	458,271,204
Less: Inventory at the end of the year	84,234,748	24,833,895
Cost of raw material consumed	<b>539,523,284</b>	433,437,309

#### Details of raw materials consumed

Soda Ash	35,416,472	32,078,966
Active Matter	388,869,663	317,826,416
Sulphur	37,576,133	27,304,016
Others	77,661,016	56,227,910
<b>Total</b>	<b>539,523,284</b>	<b>433,437,309</b>

Note: The above figures have been ascertained on the basis of opening stock plus purchases less closing stock and therefore, include adjustments of excesses and shortages ascertained on physical count, write off of un-serviceable items, etc.

### Note 3.22 : Purchase of Stock-in-Trade

Purchase of Traded goods	4,827,787	2,987,042
<b>Total</b>	<b>4,827,787</b>	<b>2,987,042</b>

### Note 3.23 : (Increase)/decrease in inventories

#### Inventories at the end of the year

Work-in-progress	16,614,800	6,636,700
Finished goods	42,931,050	41,840,841
<b>Total</b>	<b>59,545,850</b>	48,477,541

#### Inventories at the beginning of the year

Work-in-progress	6,636,700	16,547,100
Finished goods	41,840,841	46,778,159
	<b>48,477,541</b>	63,325,259

#### (Increase)/decrease in Stocks

**(11,068,309) 14,847,718**

#### (Increase)/decrease in work in progress

Pigments	(9,978,100)	9,910,400
<b>Total</b>	<b>(9,978,100)</b>	<b>9,910,400</b>

#### (Increase)/decrease in finished goods

Pigments	1,861,700	1,595,500
Detergents	(1,409,166)	1,562,457
Sulphonation	(1,542,743)	1,779,361
<b>Total</b>	<b>(1,090,209)</b>	<b>4,937,318</b>

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 3.24 : Employee benefits expense

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
Salaries, Wages, Bonus, etc..	175,084,558	137,444,874
Contribution to Provident Fund and other funds	14,308,587	11,293,191
Staff Welfare expenses	9,087,442	10,568,250
<b>Total</b>	<b>198,480,587</b>	<b>159,306,315</b>

### Note 3.25 : Finance costs

Interest on term loan	8,848,534	1,298,958
Interest others	4,889,632	121,096
Other borrowing costs	3,396,247	2,721,756
<b>Total</b>	<b>17,134,413</b>	<b>4,141,810</b>

### Note 3.26 : Other expenses

Consumption of stores and Spares	7,330,661	4,662,534
Power and Fuel	151,155,100	112,048,027
Excise Duty on stocks ( Net)	1,009,387	360,383
Repairs and Maintenance:		
Machinery	23,456,405	31,093,611
Buildings	10,109,610	9,757,781
Others	4,156,097	4,722,820
Packing Expenses and materials consumed	38,205,800	35,682,945
Processing Charges paid	1,598,478	1,747,198
Freight and Forwarding expenses	23,530,250	17,064,853
Insurance	3,585,249	2,889,080
Commission	1,229,637	2,676,602
Advertisement and Sales Promotion expenses	11,591,837	10,438,833
Rent	19,393,441	16,400,492
Rates & Taxes	3,330,059	1,185,258
Travelling expenses	17,910,335	13,417,306
Communication expenses	6,599,234	5,342,358
Legal and Professional charges	14,218,991	9,890,748
Directors' Remuneration	23,208,429	27,060,363
Donation	4,550,000	4,825,000
Assets Scrapped / Loss on Sale of Assets ( Net )	2,260,365	3,380
Provision for doubtful debts	1,944,988	3,003,582
Loss on foreign currency transactions / translations	3,014,031	1,509,987
Miscellaneous expenses	22,545,554	22,854,978
<b>Total</b>	<b>395,933,939</b>	<b>338,638,117</b>



## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Payment to Auditors (included in miscellaneous expenses)

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>As auditors:</b>		
Audit Fees	600,000	500,000
Tax audit fees	100,000	100,000
Certification	275,000	230,000
<b>In other capacity:</b>		
Taxation matters	75,000	75,000
Other services	150,000	50,000
Service tax	140,595	98,365
<b>Total</b>	<b>1,340,595</b>	<b>1,053,365</b>

#### Note 4 : Other disclosures as per revised schedule VI

##### Note 4.1 : Contingent liabilities and commitments (to the extent not provided for)

###### (a) Contingent liabilities

(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	1,680,000	1,680,000
(ii) Bank Guarantee issued and outstanding	624,005	350,000
(iii) Letter of Credit issued and outstanding	584,820	Nil

###### (b) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,103,187	9,846,863
Against which advance paid	660,406	2,864,150
(ii) Import duty on Goods imported under advance licence pending fulfilment of export obligation	5,683,937	5,683,937

###### [c] No provision has been made in respect of the following demands raised by the authorities since the company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous

(i) By the Income tax authorities	42,443,045	42,443,045
Against which amount already paid.	28,627,516	12,627,516
(ii) Central Excise duty and penalty.	5,556,114	5,556,114
(iii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	108,119	108,119

##### Note 4.2 : Value of imports calculated on CIF basis (on accrual basis)

Raw materials	283,301,616	237,482,476
Spare parts	764,075	69,323
Capital goods	9,528,722	488,418

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 4.3 : (a) Expenditure in Foreign Currency (on cash basis)

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
Travelling	4,338,097	2,122,995
Software Expenses	-	101,564
Legal and Professional Expenses	6,723,458	3,286,793
Commission	148,993	410,338
Other matters	-	1,095,212

### Note 4.3 : (b) Details of consumption of imported and indigenous items

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	(₹)	%	(₹)	%
<b>Imported</b>				
Raw materials	281,119,102	52.11	261,924,580	60.02
Stores & components	648,831	8.85	54,051	1.16
<b>Indegenous</b>				
Raw materials	258,404,182	47.89	171,512,729	39.98
Stores & components	6,681,830	91.15	4,608,483	98.84

### Note 4.4 : Remittance in foreign currencies on account of dividends

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
(i) No. of Non-Resident shareholders	None	None
(ii) No. of shares held by them	Nil	Nil

### Note 4.5 : Earnings in foreign currencies (on accrual basis)

Export of goods calculated on FOB basis	255,601,691	237,484,439
Income from IT enabled services	156,569,521	123,085,203

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### Note 5 : Disclosures in accordance with Accounting Standards (AS) notified

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011
<b>Note 5.1 : (AS)-15 Employee benefits</b>		
<u>Defined contribution plans</u>		
The Company makes Provident Fund and Superannuation Fund contribution 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 Company recognised ₹10,267,993 (Year ended 31 March, 2011 ₹7,470,975) for Provident Fund contributions and ₹ 3,239,355 (Year ended 31 March, 2011 ₹2,790,505) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable by the Company are at rates specified in the rules of the schemes.		
<b>I. Defined Contribution Plans:</b>		
The Company has recognised the following amounts in the Profit and Loss Account for the year:		
a. Contribution to Employees Provident Fund	6,844,619	7,470,975
b. Contribution to Employees State Insurance Scheme	2,299,299	1,637,635
c. Contribution to Employees Superannuation Fund	3,239,355	2,790,505
<b>Total</b>	<b>12,383,273</b>	<b>11,899,115</b>
<b>II. Defined Benefit Plans:</b>		
(i) Gratuity is payable to all the members at the rate of 15 days' salary for each completed year of service		
<b>1. Changes in the Present Value of Obligation in respect of gratuity benefits</b>		
a. Present Value of Obligation as at April 1, 2011	32,650,605	28,082,035
b. Interest Cost	2,612,048	2,246,437
c. Past Service Cost	Nil	374,259
d. Current Service Cost	2,917,878	2,628,998
e. Curtailment Cost / (Credit)	Nil	Nil
f. Settlement Cost / (Credit)	Nil	Nil
g. Benefits Paid	(392,264)	(1,517,086)
h. Actuarial (Gain) / Loss	(45,418)	835,962
I. Present Value of Obligation as at March 31, 2012	<b>37,742,849</b>	<b>32,650,605</b>
<b>2. Expenses recognised in the Profit and Loss Account in respect of gratuity benefits</b>		
a. Current Service Cost	2,917,878	2,628,998
b. Past Service Cost	Nil	374,259
c. Interest Cost	2,612,048	2,246,437
d. Curtailment Cost / (Credit)	Nil	Nil
e. Settlement Cost / (Credit)	Nil	Nil
f. Net Actuarial (Gain) / Loss	(45,418)	835,962
g. Total Expenses recognised in Profit and Loss A/c	<b>5,484,508</b>	<b>6,085,656</b>
<b>3. Following are the Principal Actuarial Assumptions used as at the balance sheet date:</b>	<b>Gratuity</b>	<b>Gratuity</b>
a. Discount Rate	8.50%	8.00%
b. Salary Escalation Rate	7.00%	7.00%
c. Turnover Rate	10.00%	10.00%
d. Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

#### Other Long Term benefits

The Company's Long Term benefit includes Leave encashment payable at the time of retirement in full, otherwise it is encashable during the year in which services are rendered subject to in excess of 90 days. Present value of obligation as at the beginning of the year is ₹ 8,757,114 (Prev. Year ₹ 7,326,711 ) and the actuarial gains and losses are recognised in full in the Profit and Loss account for ₹ 5,203,229 (Prev. Year ₹ 1,430,403). The present value of obligation as at March 31,2012 is ₹ 13,960,343 (Prev. Year ₹ 8,757,114)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

Particulars	(Amount in ₹)	
	As at 31.03.2012	As at 31.03.2011

**Note 5.2 : Disclosure requirement of accounting Standard 17 “Segment Reporting” issued under Companies (Accounting Standards) Rules 2006.**

### a. Primary Segments

The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The company's operations predominantly relate to manufacture of Laundry and Allied products and its intermediaries and providing IT Enabled Services.

### b. Secondary Segments

The company caters mainly to the needs of the domestic market. The export turnover is not significant (except IT Enabled Services Division) in the context of total turnover. As such there are no reportable geographical segments. The income from IT Enabled Services is pre-dominantly from exports.

c. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly attributable to the business segment, are shown as unallocated corporate cost.

d. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

e. Inter Segment transfers are made on cost plus basis.

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	(₹)	(₹)	(₹)	(₹)
<b>1. Revenue</b>				
External Revenue				
Laundry and Allied Products	1,176,164,467		1,044,178,793	
It Enabled Services	170,287,006		127,078,233	
Windmill Operations	20,321,527		10,308,493	
Unallocated/Corporate	15,692,166		55,647,131	1,237,212,650
<b>Total</b>		1,382,465,166		
<b>Inter-Segment Revenue</b>				
Windmill Operations	1,626,318	1,626,318	3,294,860	3,294,860
<b>Total</b>		1,384,091,484		1,240,507,510
Less : Elimination ( Inter Segment Revenue )		1,626,318		3,294,860
		<u>1,382,465,166</u>		<u>1,237,212,650</u>

### 2. Result

Profit/(Loss) before Interest and Corporate Expenses but after Depreciation/Amortisation

Laundry and Allied Products	197,387,499	216,446,117
IT Enabled Services	14,519,421	(8,720,827)
Windmill Operations	(1,404,491)	2,589,905
Unallocated/Corporate		(137,874)
<b>Total</b>	<b>210,502,429</b>	<b>210,177,321</b>
Interest and Finance charges	(17,134,413)	(4,141,810)

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

	For the year ended March 31, 2012		For the year ended March 31, 2011	
	(₹)	(₹)	(₹)	(₹)
Add: Unallocated Expenses/ Income(Net) and Corporate Expenses		(10,756,086)		35,186,301
Provision for Tax		(37,100,000)		(77,050,000)
Excess Provision for Taxation for earlier years		12,785,212		
MAT Credit entitlement		4,322,994		
Deferred Tax		(25,695,541)		5,937,096
<b>Net Profit</b>		<b>136,924,595</b>		<b>170,108,907</b>
<b>Other Information</b>				
<b>3. Segment Assets</b>				
Laundry and Allied Products	639,338,614		464,801,969	
IT Enabled Services	77,787,180		72,659,557	
Windmill Operations	183,807,149		190,282,683	
Unallocated/Corporate	353,597,997		409,531,833	
<b>Total</b>		<b>1,254,530,940</b>		<b>1,137,276,042</b>
<b>4. Segment Liabilities</b>				
Laundry and Allied Products	158,812,684		105,397,656	
IT Enabled Services	13,399,686		14,265,835	
Windmill Operations	73,333,333		66,933,000	
Unallocated/Corporate	190,187,577		166,995,574	
<b>Total</b>		<b>435,733,281</b>		<b>353,592,065</b>
<b>5. Capital Expenditure</b>				
Laundry and Allied Products	101,194,147		35,850,049	
IT Enabled Services	1,789,656		6,253,301	
Windmill Operations			111,000,000	
Unallocated/Corporate	-		-	
<b>Total</b>		<b>102,983,803</b>		<b>153,103,350</b>
<b>6. Depreciation</b>				
Laundry and Allied Products	25,645,844		23,448,666	
IT Enabled Services	9,428,227		10,485,843	
Windmill Operations	19,720,337		8,534,724	
Unallocated/Corporate	227,127		230,150	
<b>Total</b>		<b>55,021,535</b>		<b>42,699,384</b>

**Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012**

For the year ended March 31, 2012		For the year ended March 31, 2011	
(₹)	(₹)	(₹)	(₹)

**Note 5.3 : Related Party Disclosures as required by AS 18 of Companies (Accounting Standards) Rules 2006 is as follows:****(a) Related Parties and Relationship**

(a) Companies in which the company has substantial interest (I.e more than 20% in voting power directly or indirectly)

Thirumalai Charity Trust

Lapiz Inc, U.S.A.

**(b) Other related parties**

Thirumalai Chemicals Limited.

Chempak Industries

Hamsa Investments Associates Pvt. Ltd.

Varadaraja Credits & Investments Pvt. Ltd.

Ms. Meera Parthasarathy

**(c) Directors of the Company**

Mr. R. Sampath, Chairman & Managing Director

Mrs. Indira Sundararajan, Wholetime Executive Director

Mr. S. Santhanam

Mr. S. Sridhar

Mr. Nimish Patel

Mr. M. C. Choksi

Dr. G. G. Nair

Ms. K. R. Javeri

**(d) Key Management Personnel:**

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

Mr. B. Sreenivasacharyulu - Senior General Manager

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### B. Details of transactions with above parties

Particulars	Companies in which company has the substantial interest (₹)	Other related parties (₹)	Key Management Personnel (₹)	Total (₹)
<b>Purchase of goods</b>				
- Thirumalai Chemicals Limited	- (23,516)			- (23,516)
<b>Sale of goods</b>				
- Thirumalai Chemicals Limited	118,269 (333,409)			118,269 (333,409)
<b>Income from IT Enabled Services</b>				
- LAPIZ Inc. USA	140,575,955 (106,652,959)			140,575,955 (106,652,959)
<b>Reimbursement of expenses paid</b>				
- Thirumalai Chemicals Limited	573,670 (14,268)			573,670 (14,268)
<b>Remuneration paid to</b>				
- Mr. V. Bharathram			3,081,321 (2,782,776)	3,081,321 (2,782,776)
- Mr. B. Sreenivasacharyulu			1,744,866 (1,366,825)	1,744,866 (1,366,825)
- Ms. Meera Parthasarathy		1,107,360 (854,240)		1,107,360 (854,240)
<b>Remuneration to Directors:</b>				
- Mr. R. Sampath			10,549,286 (12,296,243)	10,549,286 (12,296,243)
- Mr. S. Santhanam			2,109,857 (2,459,249)	2,109,857 (2,459,249)
- Ms. Indira Sundararajan			10,549,286 (12,296,243)	10,549,286 (12,296,243)
<b>Reimbursement of expenses received</b>				
- Thirumalai Chemicals Limited	47,000 (59,575)			47,000 (59,575)
<b>Rent paid to</b>				
- Thirumalai Chemicals Limited	3,716,526 (2,920,049)			3,716,526 (2,920,049)

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### B. Details of transactions with above parties

Particulars	Companies in which company has the substantial interest	Other related parties	Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)
<b>Receiving of services from</b>				
- Thirumalai Chemicals Limited	88,462 (354,417)			88,462 (354,417)
- Hamsa Investments Associates Pvt Ltd		1,698,929 (1,721,753)		1,698,929 (1,721,753)
- Varadharaja Credits & Investments Pvt Ltd.		9,987,591 (8,998,239)		9,987,591 (8,998,239)
<b>Outstanding payables</b>				
- Thirumalai Chemicals Limited	491,692 (609,202)			491,692 (609,202)
- Hamsa Investments Associates Pvt Ltd		64,774 (75,070)		64,774 (75,070)
- Varadharaja Credits & Investments Pvt Ltd.		1,127,019 (568,358)		1,127,019 (568,358)
<b>Directors' Remuneration Payables</b>				
- Mr. R. Sampath			1,222,517 (2,969,474)	1,222,517 (2,969,474)
- Mr. S. Santhanam			2,109,857 (2,459,249)	2,109,857 (2,459,249)
- Ms. Indira Sundararajan			254,459 (1,904,185)	254,459 (1,904,185)
<b>Outstanding receivables</b>				
- Thirumalai Chemicals Limited	2,632 (115,891)			2,632 (115,891)
- LAPIZ Inc. USA		44,290,197 (39,420,071)		44,290,197 (39,420,071)
<b>Donations paid</b>				
- Thirumalai Charity Trust		<b>4,050,000</b> (4,800,000)		<b>4,050,000</b> (4,800,000)
<b>Deposits given</b>				
- Thirumalai Chemicals Limited	131,149,352 (211,287,864)			131,149,352 (211,287,864)
<b>Interest income on deposits given</b>				
- Thirumalai Chemicals Limited	5,814,660 (10,821,828)			5,814,660 (10,821,828)
<b>Outstanding deposits receivables</b>				
- Thirumalai Chemicals Limited	1,400,000 (1,400,000)			1,400,000 (1,400,000)

(i). Meeting fees paid to Directors ₹ 9,60,000 (Prev. Year ₹ 8,20,000)



## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

### 5.4 : AS19 Details of Leasing arrangements

The Company has taken premises for office use and godown under cancellable lease agreements. The total lease rentals recognised as expense during the year ₹ 19,071,721 (Prev. Year ₹ 4,284,283).

As per the above lease agreements the rent and car parking charges will be enhanced by 15% over the last paid rent at the end of thirty six months from the date of commencement of the lease agreement. The option to renew the lease deed for a further period shall be at the sole option of the lessee to be exercised by giving six months prior notice in writing before the end of lease term of sixty months from the date of commencement of lease.

### 5.5 : AS 20 Disclosure regarding earning per share (EPS)

The basic and diluted EPS is calculated as under:

	2011-12	2010-11
Profit attributed to equity shareholders (₹)	136,924,594	170,108,908
No. of equity shares (of ₹ 2 each)	29,200,000	29,200,000
Earning per share in ₹	4.69	5.83

### 5.6 : DISCLOSURES AS REQUIRED BY AS 27 FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES.

The company has investments in a jointly controlled entities as per the following details:

Name and Country of Incorporation	: LAPIZ INC, USA.
Proportion of ownership interest	: 35.00%
Proportionate share for the year ended 31 <sup>st</sup> March 2012	
in respect of	
i. Assets	₹ 15,862,285 (Prev.Year ₹ 13,874,358)
ii. Liabilities	₹ 16,203,253 (Prev. Year ₹ 14,408,557)
iii. Income	₹ 56,278,182 (Prev.Year ₹ 41,728,118)
iv. Expenses	₹ 56,027,260 (Prev.Year ₹ 40,916,653)

### 6.1 : Disclosures required as per Micro, Small and Medium Enterprises Development Act, 2006.

Sundry Creditors include due to Micro and Small Enterprises to whom the company owes amounts outstanding for more than 45 days. The above information regarding Micro and Small Enterprises had been determined to the extent such parties have been identified.

Particulars	2011-12	2010-11
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	830,387	830,151
(ii) The amount of interest paid by the buyer in terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act, 2006 alongwith the amount of payment made to the supplier beyond the appointed day during each 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 2006	236	Nil
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	830,387	830,151
(v) The amount of further interest remaining due and payable even 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	236	Nil

## Notes forming part of financial statements for the year ended 31<sup>st</sup> March 2012

**6.2 : The Company enters into forward exchange contracts for hedging purpose. As at the year end, the exposure in foreign currency for the Company is as under:**

Particulars	2011-12		2010-11	
	Foreign Currency	Amt in ₹	Foreign Currency	Amt in ₹
Account Receivable	\$1,495,349.41	76,053,471	\$1,607,785.00	71,433,898
	€ 278.75	18,838	\$15.00	938
	£23,453.26	1,900,418	\$40,901.00	2,916,628
Accounts Payable	\$469,583.60	24,089,639	\$243,214.95	10,900,894
			€ 22,000	1,397,000
	£1,381.46	111,940		
Forward Contract	\$91,980.00	4,678,103	\$100,000.00	4,443,000

**6.3 : The revised schedule VI has become applicable from 1<sup>st</sup> April, 2011, for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year`s classification / disclosure.**

As per our report of even date

For and on behalf of the Board of Directors

**For & on behalf of**

**CONTRACTOR, NAYAK & KISHNADWALA**

Chartered Accountants

**R. SAMPATH**

Chairman and Managing Director

**H. V. KISHNADWALA**

Partner

**N. ASOKAN**

Company Secretary

**INDIRA SUNDARARAJAN**

Wholetime Director

PLACE : MUMBAI

DATE :

### FINANCIAL HIGHLIGHTS FOR 10 YEARS

Particulars	₹ in Lakhs									
	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Share Capital	584	584	584	584	584	584	584	365	365	365
Reserves & Surplus	7,604	7,253	6,573	7,415	6,706	6,205	5,365	4,756	3,882	3,361
Net Worth	8,188	7,837	7,157	7,999	7,290	6,789	5,949	5,121	4,247	3,726
Fixed Assets ( Net )	4,526	4,072	2,973	3,196	2,243	2,122	2,136	2,282	2,322	2,408
Sales / Other Income	13,825	12,372	10,839	11,125	8,832	8,139	6,342	6,363	5,382	4,954
Gross Profit before Interest & Depreciation	2,548	2,880	2,120	2,276	2,347	2,866	2,073	2,050	1,524	842
Interest & Finance Charges	171	41	90	74	29	20	19	28	71	142
Depreciation	550	427	430	346	285	284	278	301	307	301
Current Tax / Fringe Benefit Tax	371	771	671	156	563	413	331	328	254	147
Deferred Tax/MAT Entitlement/ Tax Adjustment	86	(60)	(149)	309	(56)	138	(115)	(105)	(40)	(45)
Net Profit	1,369	1,701	1,078	1,392	1,525	2,010	1,560	1,499	932	297
Dividend (incl. Dividend Tax)	1,018	1,021	1,021	683	1,025	1,170	732	624	412	206
Dividend ( % )	150	150	150	100	150	175	110	150	100	50
Earnings per Share (₹)	4.69	5.83	3.69	4.77	5.22	6.88	5.34	41.06	25.54	8.12









**The Akshaya Vidya Trust**

# The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja - CBSE (1994)

Vedavalli Higher Secondary School, Walaja - Tamilnadu State Board (1999)

Vedavalli Vidyalaya School, Ranipet - CBSE (2003)

## Two core beliefs that have guided us are:

- ◆ 'Learning by doing' is the best way to understand fundamental concepts thoroughly
- ◆ Learning can take place only in a fear-free atmosphere.

Spread over two campuses with good facilities for congenial atmosphere of learning, we continue our mission to provide holistic education. More than 2300 students study in our schools. We give you a sample of our activities during the year for you to get a feel of how learning takes place here.

Grandparents were happy when the KG children gave them a glimpse of their work on 'Grandparents day'. Parents were thrilled to receive postcard greetings after their children visited the post office.

Primary school children dressed up as the poet Bharathiar and sang his songs. In traditional costumes, children danced their way into the hearts of the audience to highlight Tamil culture. Value education through stories and activities helped clarify many conflicting issues for middle school children. Continuous Comprehensive Evaluation activities were evidenced by the wonderful charts put up by the students of the high school on the display boards. Rigorous training for the Board exams coupled with supervision of caring teachers for students' well being was visible in the higher secondary sections.

Activity packed special weeks in Science, Maths, English, Environment and Sports provided ample opportunities for children to explore, experiment, experience and understand many things. Projects, exposure visits and field trips enabled learning. Book fairs were organized. Programmes on Teachers' Day and Children's Day helped understand and appreciate each other's priorities. Traditional sports and games were rediscovered in activities and displays on the Sports day. A variety of students' talents found expression on the Annual day. Computers skills learnt throughout the year were demonstrated by all classes on a special day. The Art and Craft exhibition displayed the work of the students in all the classes and left the visitors spellbound.

Dr. Arvind Gupta demonstrated scientific principles in action by making toys out of trash. Environment activist Mr. Srinivasan highlighted the need for waste management. Eco Warrior Mr. Yoganathan stressed upon the need for growing trees. Soil Biologist Dr. Sultan Ismail impressed upon the need to protect Mother Earth. Ms. Devika explained the relevance of Gandhian principle of Ahimsa. Mr. Arun Karthick, an alumna who plays for the IPL interacted with the children.

The training in school enables students to perform well not only in public examinations but also in national competitions. Our students also won prizes in zonal, district and CBSE sports events. Our alumni stand out because of their confidence and competence. They are team leaders because of their analytical thinking, communication and inter-personal skills. We are proud of our students and alumni.

The tiny tots who stepped into our school now come back to admit their children. We welcome you to visit us. Our children will be eager to show you around the school and explain how learning takes place here.



Visit us: [www.vedavallividyalaya.org](http://www.vedavallividyalaya.org)



# Thirumalai Charity Trust

Responding to a need,

Reaching out to the poor...



“Bringing the rural poor together in building their own future” — That’s TCT, Thirumalai Charity Trust, started in 1970 by the Thirumalai Group of Industries. Volunteerism, women empowerment and community involvement have been the hallmark of our programmes. We count on the involvement of our many volunteers, women beneficiaries, treated alcoholics, disabled people and their families. We enjoy the goodwill of the local community. We currently serve more than 100,000 people in 25,000 families in 225 villages of Vellore District in Tamilnadu.

Because of our three decades of engagement with the community, we are uniquely positioned to develop a good community health model. We started the Thirumalai Mission Hospital in April 2010 as a not-for-profit facility to provide accessible, affordable quality healthcare to all.

The hospital, located on a 5-acre plot now has 30 beds in a built up area of 15,000 sq.ft., spread over three floors. Equipped with modern facilities, the hospital provides a comprehensive range of services, through a team of highly qualified and experienced surgeons and physicians.

The highlights of 2011–2012 include the following:

- ◆ Nearly 40,000 patients were given primary health care in the villages.
- ◆ The hospital provided secondary care to nearly 16,000 patients in the outpatients department and more than 200 patients were given in-patient care.
- ◆ More than 2000 patients were served in camps at the hospital.
- ◆ In our 20th de-addiction camp, 30 persons received help. At a meeting of the beneficiaries, the treated alcoholics and their family members resolved to sensitise the rural families on the dangers of drinking and come together to protect children and women from violence.
- ◆ We assisted nearly 200 senior citizens for cataract surgery.
- ◆ We performed checkups for more than 15,000 students in schools.
- ◆ In a pilot programme for screening women for cervical and breast cancer, 670 women were screened by our gynaecologist in the villages. We are following up with and working out a treatment plan for those with cancer and possible risks of cancer.
- ◆ Nearly 200 women were screened for osteoporosis with the help of DEXA Bone scan. We are providing treatment with calcium & vitamin D supplements, and counselling and follow-up for those with risks and problems.
- ◆ An expansion was undertaken on the second floor and the hospital facilities were improved.
- ◆ In order to improve the quality of work, the laboratory, the medical record system and the training for the staff received a lot of attention.

Every aspect of the functioning of Thirumalai Mission Hospital is guided by a quality policy that stresses transparency, ethics and an adherence to good, standard medical practices.

As we reach out to more people to serve in more ways, we also reach out to those who would like to participate in our efforts. Visit us in person to get a first hand feel of our activities.