



ULTRAMARINE & PIGMENTS LTD.

58th
ANNUAL
REPORT
— • —
2018–2019

Contents	Pg. No.
Financial Snapshot	5
Financial Highlights for 10 Years	6
Notice	7
Directors' Report, Management's Discussion & Analysis	69
Corporate Governance Report	102
Certificate of Non-Disqualification of Directors	117
Independent Auditor's Report	118
Balance sheet	125
Statement of Profit and Loss	126
Cash Flow Statement	127
Notes to Financial Statements	130



Board of Directors

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

Independent Directors

Dr. Gopakumar G. Nair (upto 31-03-2019)
 Mr. Nimish U. Patel
 Mr. T. R. Madhavan
 Mr. Vinod G. Nehemiah
 Mr. Navin M. Ram
 Mr. S. Ragothaman
 Mr. Rajeev Mahendra Pandia
 Mr. C.R. Chandra Bob
 Dr. Mrs. P. Arunasree

Audit Committee

Mr. T. R. Madhavan, Chairman
 Mr. Nimish U. Patel
 Mrs. Indira Sundararajan
 Mr. S. Ragothaman

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

Mr. T. R. Madhavan, Chairman
 Mr. Vinod G. Nehemiah
 Mrs. Indira Sundararajan

Stakeholders Relationship Committee

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

Chief Financial Officer

Mr. S. Ramanan

Company Secretary

Mr. Kishore Kumar Sahoo

Auditors

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

Factory

Ambattur

556, Vanagaram Road
 Ambattur, Chennai - 600 053
 Tel. : +91-44-26136700 -704
 Fax: +91-44-26821201

Bankers

Bank of India
 The Hongkong and Shanghai Banking Corporation Limited (HSBC)

Registered Office

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

Registrar & Share Transfer Agent

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

General Information

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

58th Annual General Meeting

Date & Time

29th July, 2019 at 3.00 p.m.

Venue

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

Dividend declared

225% (₹ 4.50 per share)

Book closure

23rd July, 2019 to 29th July, 2019
 (both days inclusive)

Ranipet

25-B, SIPCOT Industrial Complex ,
 Ranipet - 632 403, Tamilnadu
 Tel: +91-4172-278500-504
 Fax: +91-4172-664400
 E-mail: syndet@ultramarinepigments.net

Board of Directors



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



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



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



Mr. R. Senthil Kumar is the Whole-time Director of Ultramarine & Pigments Limited. He has been working in the Company since 1988. He is looking after the operation of plants at Ranipet and Ambattur. He has more than 28 years of experience in various areas viz, manufacturing, sales and marketing, Projects, Commercials and day to day plant operations. He is a Science graduate.



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



Mr. Nimish U. Patel is the Managing Director of Shri Dinesh Mills Limited and Chairman & Managing Director of Dinesh Remedies Ltd. He has more than 28 years of experience in the field of Textile and more than 12 years in the field of Electro Plating and Pharma Industries.



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



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



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



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



Mr. Rajeev M. Pandia is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and holds the Master's degree in the same field from Stanford University, California. A Distinguished Alumnus of IIT Bombay and a Rotary International scholar; he is a fellow of Indian National Academy of Engineering and of Indian Institute of Chemical Engineers. He has more than 45 years of experience in strategic planning, project evaluation and management, technology transfer, international marketing, safety, health and environmental issues, Government policies and general management. He advises several Indian and international companies in the areas of Strategy, Project execution and operational excellence.

In 2009, Mr. Pandia received the ICC Lifetime Achievement Award from Indian Chemical Council for his contribution to the Indian chemical industry. He is currently occupies the position of Independent Director as well as membership and chairmanship of Audit Committees and Stakeholders Relationship Committees of GRP Limited, Excel Industries Ltd, The Supreme Industries Ltd.



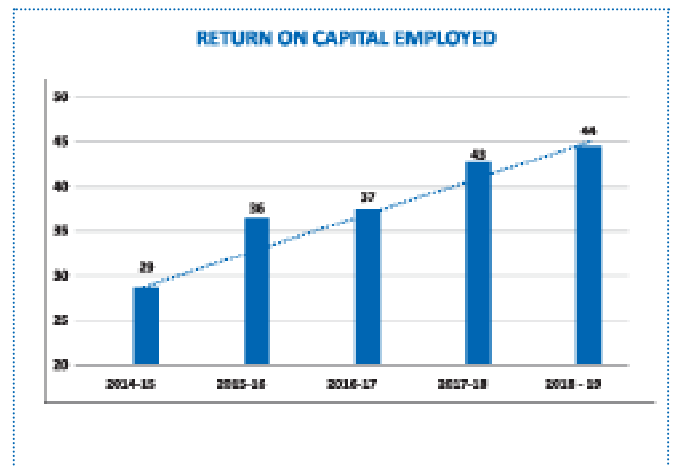
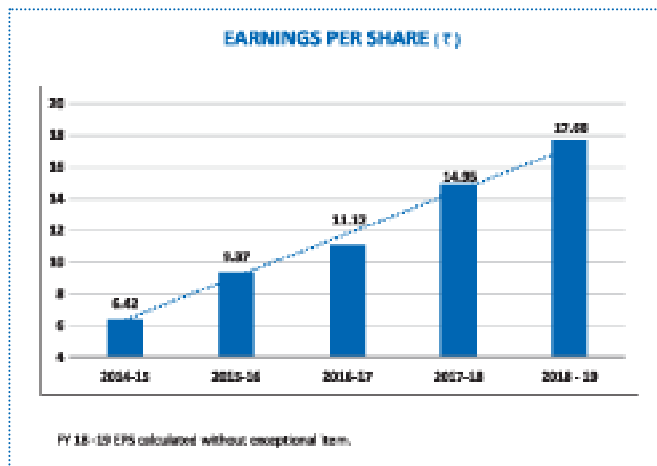
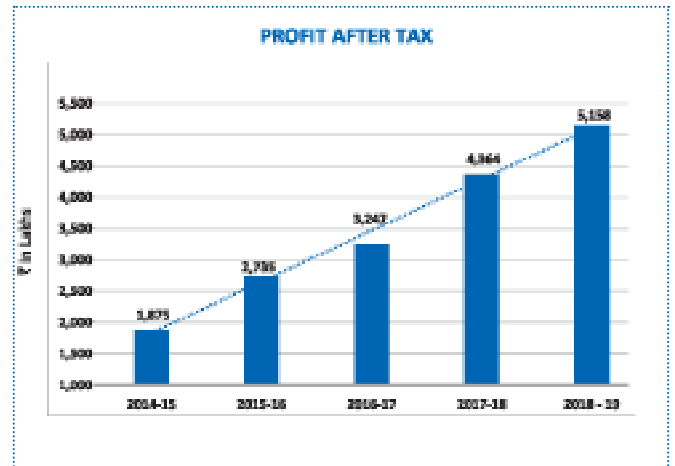
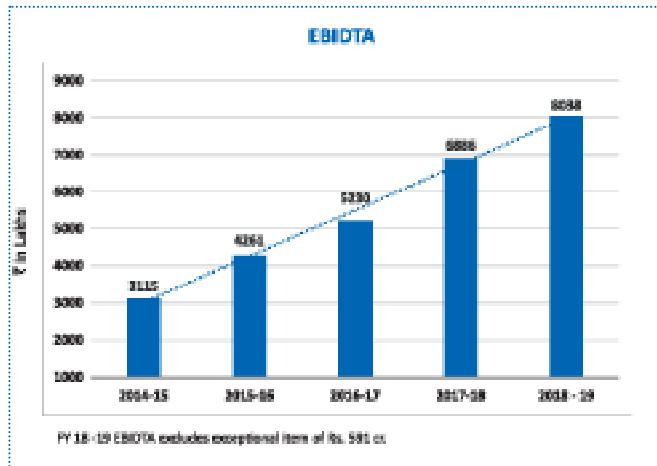
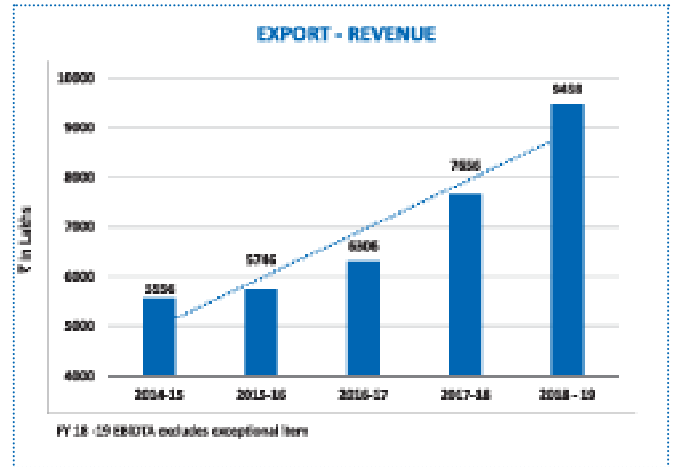
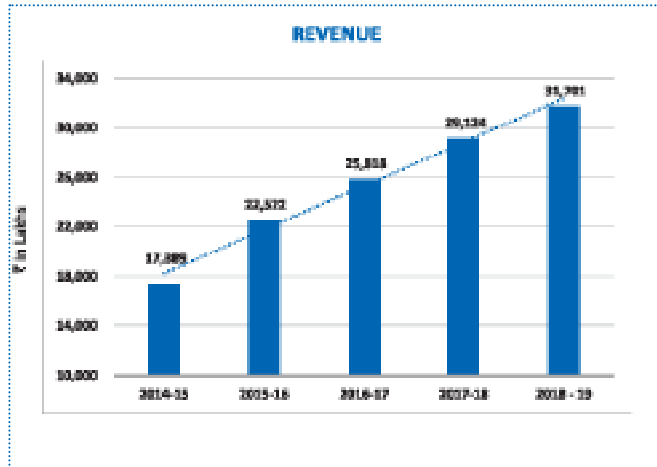
Mr. C. R. Chandra Bob is a fellow member of Institute of Chartered Accountants of India. He has more than 30 years of experience in Audit, Assurance and Taxation. He has worked as Regional Finance Controller (Southern Region) and Plant Manager of Praxair India Pvt. Ltd, a well-known MNC, where he was heading the complete operations and business of the Unit as a Profit Centre. Since then he has set up a professional Auditing Firm with the base in South India performing Audit, Assurance, Taxation, Compliance and related matters. He has extensive experience in these areas and provides the services to well-known Companies.



Dr. P. Arunasree is a Doctorate in Organic Chemistry and Bachelor of Law. She has more than 16 years of experience in the field of Intellectual Property Rights. She is the Director of Gnanlex Hermenueticus Pvt. Ltd., a Knowledge & Technology based firm providing services in Intellectual Property, regulatory linkages, technology development, licensing & contracts of IP related areas within India and Globally.



Financial Snapshot





FINANCIAL HIGHLIGHTS for 10 YEARS

₹ in Lakhs

Sl. No.	Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
		IndAS				IGAAP					
1	Share capital	584	584	584	584	584	584	584	584	584	584
2	Reserves & surplus	37905	50,524	30,771	10,869	9,364	8,633	8,048	7,604	7,253	6,573
3	Net Worth	38489	51,108	31,355	11,453	9,948	9,217	8,632	8,188	7,837	7,157
4	Fixed Assets (Net)	8110	7,082	6,054	5,454	3,969	4,215	4,296	4,526	4,072	2,973
5	Sales/ Other Income*	31701	28,607	25,818	22,522	17,389	15,328	14,394	13,825	12,372	10,839
6	Profit before Tax **	8,037	6,342	4,818	3,904	2,752	2,159	1,737	1,827	2,412	1,600
7	Tax Expenses	(2,389)	(1,978)	(1,571)	(1,169)	(877)	(719)	(524)	(457)	(711)	(522)
8	Net Profit after Tax	5,648	4,364	3,247	2,735	1,875	1,440	1,213	1,370	1,701	1,078
9	Dividend (incl. Dividend Tax)	1582	1,494	1,406	1,230	1,054	854	769	1,018	1,021	1,021
10	Dividend (%)	225	212.50	200.00	175.00	150.00	125.00	112.50	150.00	150.00	150.00
11	Earnings Per share (Rs)	19.34	14.95	11.12	9.37	6.42	4.93	4.15	4.69	5.83	3.69

* Sales and other income of previous financial year 2017-18 includes excise duty of ₹. 516.91 lakhs.

** For FY 18-19. Figures of EBIDT, PAT & EPS are inclusive exceptional income.



NOTICE

NOTICE is hereby given that the FIFTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ULTRAMARINE & PIGMENTS LIMITED will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga – C. Rly, Mumbai – 400019 on Monday, the 29th day of July, 2019 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mrs. Indira Sundararajan (DIN:00092203), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, until the conclusion of 63rd Annual General Meeting of the Company at such fee as shall be fixed by the Board of Directors.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 5, 14 of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered by replacing all the existing Articles 1 to 219 with the new Articles 1 to 210, a copy of which is annexed to the explanatory statement, be and is hereby adopted as new Articles of the Articles of Association of the Company.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. R. Senthil Kumar (DIN:07506927), Whole-time Director of the Company or Mr. Kishore Kumar Sahoo, Company Secretary be and are hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Mumbai.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014,



Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nimish U Patel (DIN. 00039549), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years upto Annual General Meeting for the year 2024.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Navin M Ram (DIN. 02410242), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years upto 10.11.2024.”

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

“RESOLVED THAT pursuant to provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and other applicable provisions, if any, as amended from time to time and subject to such approvals, consents, permissions, terms and conditions, if any, as may be considered necessary from the appropriate authorities, consent of the Members be and is hereby accorded for the continuance of the Directorship of Mr. R. Sampath (DIN: 00092144), Non-Executive Promoter Director of the Company (who will be attaining the age 75 on 11.11.2019) as long as he continues in the Office of Director of the Company subject to the provisions, rules and regulations of Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and or any other appropriate authorities, as may be applicable, and as amended from time to time and that Mr. R. Sampath shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to undertake all other activities as may be incidental or expedient in this regard.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re- enactment thereof for the time being in force), approval of the members of the company be and is hereby accorded for the re-appointment of



Ms. Tara Parthasarathy (DIN.07121058) as Joint Managing Director of the Company for a period of 5 years with effect from 15.03.2020 on the terms and conditions and on the remuneration set out below:

- (i) Salary per month ₹ 2,50,000/- (with 10% annual increments and provision to pay multiple increments in any year).
- (ii) Commission of up to 1% of the net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.
- (iii) In addition to the above remuneration, Ms. Tara Parthasarathy shall be entitled to perquisites like HRA/ Unfurnished/furnished accommodation, gas, electricity, water and furnishings, Telephone allowance, provision for Car, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, group medical insurance and term insurance etc., in accordance with the rules of the Company.
- (iv) Company's contribution to Provident fund and Superannuation Fund, Gratuity payment and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid and Ms. Tara Parthasarathy shall be entitled to the same.

Minimum remuneration:

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to by the Board of Directors and Ms. Tara Parthasarathy."

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

"RESOLVED THAT pursuant to the provisions of Section 196,197,198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. R. Senthil Kumar (DIN.0007506927) as Whole-time Director of the Company for a period of 5 years with effect from 1st August, 2019 on the terms and conditions and on the remuneration set out below and he is liable to retire by rotation

- i) Salary per month ₹ 2,00,000/- (with 10% annual increments and provision to pay multiple increments in any year).
- (ii) Variable pay as per the recommendation of Nomination and Remuneration Committee and approval of the Board.
- (iii) In addition to the above remuneration, Mr. R. Senthil Kumar shall be entitled to perquisites like HRA/ Unfurnished/furnished accommodation, gas, electricity, water and furnishings, telephone allowance, provision for Car, medical reimbursement and leave travel concession for self and family, personal accident insurance, group medical insurance and term insurance etc., in accordance with the rules of the Company.
- (iv) Company's contribution to Provident fund and Superannuation Fund, Gratuity payment and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid and Mr. Senthil Kumar shall be entitled to the same.



Minimum Remuneration

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to by the Board of Directors and Mr.R. Senthil Kumar .”

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

“RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act,2013 read with the Companies (Appointment and Qualification of Directors) Rules,2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act,2013, Mr. V. Bharathram (DIN.08444583) be and is hereby appointed as a Director of the Company with effect from 1st August,2019 and is liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re- enactment thereof for the time being in force), approval of the members be and is hereby accorded for the appointment of Mr. V. Bharathram (DIN.08444583) as Whole-time Director of the Company for a period of 5 years with effect from 01.08.2019 on the terms and conditions and on the remuneration set out below:

- i) Salary per month ₹ 4,00,000/- [with 10% annual increments and provision to pay multiple increments in any year].
- (ii) Commission of up to 1% of the net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.
- (iii) In addition to the above remuneration, Mr. Bharathram shall be entitled to perquisites like HRA/Unfurnished/ furnished accommodation, gas, electricity, water and furnishings, telephone allowance, provision for car, medical reimbursement, leave travel concession for self and family, personal accident insurance, group medical insurance and term insurance etc., in accordance with the rules of the Company.
- (iv) Company’s contribution to Provident fund and Superannuation Fund, Gratuity payment and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid and Mr. Bharathram shall be entitled to the same.

Minimum Remuneration

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

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to by the Board of Directors and Mr. V. Bharathram.”



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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajeew Mahendra Pandia (DIN.00021730), who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto Annual General Meeting for the year 2024.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and Regulation 16 (1) (b), 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. C.R. Chandra Bob (DIN.07384175), who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto Annual General Meeting for the year 2024.”

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. P. Arunasree (DIN. 01351504) who has submitted a declaration that she meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto Annual General Meeting for the year 2024.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”



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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Schedule IV to the Companies Act, 2013 and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Harsh R. Gandhi (DIN. 00133091) who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 01.08.2019.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

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

Regd. Office:

Thirumalai House, Plot No. 101 -102,
Road No. 29, SION – East, Mumbai – 400022
Email: cs@ultramarinepigments.net,
Website: www.ultramarinepigments.net
Date: 15th May, 2019

By the Order of the Board

For **Ultramarine & Pigments Limited**,

[Kishore Kumar Sahoo]

Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- The Register of Members and the Share Transfer books of the Company will remain closed from 23rd July, 2019 to 29th July, 2019 (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 22nd day of July, 2019 as beneficial owner as per the list furnished by the Depository Participants for the purpose.



4. The Proxy form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before commencement of the meeting.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars & Share Agent of the Company.
6. i) Pursuant to the provisions of Section 205A(5) & 205(c) of the erstwhile Companies Act, 1956 and Section 124 & 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to 2010-2011 to the Investor Education and Protection Fund (The IEPF) established by the Central Government.
- ii) The shareholders may note that pursuant to the provisions under Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, shares in respect of which dividend were not claimed by the shareholders for seven consecutive years, had been transferred to Investor Education and Protection Fund (IEPF).

64,500 shares were transferred to IEPF on 21.12.2018 and 10.01.2019.

The details are posted in the Company's website: www.ultramarinepigments.net / investors column for the information of the shareholders.

- iii) Under Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the intimation letter regarding update of Bank account and PAN have been duly sent through the Company's Registrar and Share Transfer Agent. The details of communication are given below:

Sl no.	Date	No. of Shareholders to whom communication sent	Details of Communication	Mode of sending
1.	20.10.2018	195	Initial letter	Registered and Speed post
2.	30.10.2018	198	1st reminder letter	Ordinary post
3.	25.12.2018	187	2nd reminder letter	Ordinary post

7. Details under SEBI Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent in the permitted mode.
9. Electronic copy of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
10. Members may note that the Notice of the 58th Annual General Meeting and the Annual Report for 2018-19 will be available on the Company's website for download.



11. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
12. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE405A01021.
13. Members / Proxies are requested to bring attendance-slip along with their copy of Annual Report to the Meeting.

14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using electronic voting system from a place other than venue of AGM ("remote e -voting") will be provided by Central Depository Services of India Limited (CDSL):
- II. The facility for voting through ballot paper will be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-voting will be able to exercise their rights at the meeting through ballot paper.
- III. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th July, 2019 at (9.00 a.m.) and ends on 28th July, 2019 at (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd July, 2019 may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date are not entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field. • The Sequence no. is printed on the address slip of the Annual report cover.



Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
---	---

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
15. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd July, 2019.
 16. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date i.e 22nd July, 2019, may obtain the login ID and password by sending a request at evoting@cdslindia.com. However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
 17. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut –off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper.
 18. R M MIMANI & ASSOCIATES LLP, a firm of Company Secretaries [Firm Registration No. 12001MH250300] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e –voting facility.
 20. The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e –voting in the presence of at least two witnesses not in the employment of the Company and shall make , not later than three days of the conclusion of AGM, a consolidated scrutinizer’s report of the total votes cast in favour of or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 21. The Results declared along with the report of the Scrutinizer shall be placed on the Company’s website: www.ultramarinepigments.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
 22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

I. Explanatory Statement in respect of the special business pursuant to section 102 (1) of the Companies Act, 2013

Item No. 5

The existing Articles 1 to 219 of the Articles of Association of the Company are replaced by the new set of Articles 1 to 210 and adopted as new set of Articles of Association. The modification in the Articles of Association is carried out to give effect to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the provisions of Section 14 of the Companies Act, 2013, consent of the shareholders by passing a special resolution is required in this regard. New set of Articles 1 to 210 of Articles of Association is appended herewith separately as Annexure A.

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

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

**Item No.6**

Mr. Nimish U. Patel has a masters degree in Business Administration– Finance from City University, New York. He is the Managing Director of Shri Dinesh Mills Ltd, Dinesh Remedies Ltd, and an Independent Director of Transpek Industry Ltd. He possesses more than three decades of experience in Chemical sectors.

Dinesh group is a leading textile enterprise based in Gujarat, India, engaged in the manufacture of value added textile products. Mr. Nimish U. Patel is involved in expansion of Dinesh group and evolved business strategies for the growth of the Organization.

Mr. Nimish U. Patel joined the Board of Ultramarine & Pigments Limited in the year 2003 as a Non – Executive Director. He became the member of Audit Committee in the year 2012.

Mr. Nimish U. Patel was appointed as an Independent Director of the Company by the members at the 53rd Annual General Meeting held on 7th August, 2014 for a period of five consecutive years upto the annual general meeting for the year, 2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the Shareholders, has considered re-appointment of Mr. Nimish U. Patel as an Independent Director for second term of five consecutive years upto the annual general meeting for the year, 2024.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Nimish U. Patel fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Nimish U. Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nimish U. Patel as an Independent Director.

Save and except Mr. Nimish U. Patel, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the Notice

The Board of Directors recommends the resolution at item no. 6 as special resolution for the approval of the Members.

Item No.7

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

Mr. Navin M. Ram joined the Board of Ultramarine & Pigments Limited in the year 2014 as an Independent Director. He is also a member of Nomination & Remuneration Committee.



Mr. Navin M. Ram was appointed as an Independent Director of the Company with effect from 10.11.2014 and approved by the members at the 54th Annual General Meeting held on 7th August, 2015 for a period of five consecutive years upto 10.11.2019.

As per the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the Shareholders, has considered re-appointment of Mr. Navin M. Ram as an Independent Director for second term of five consecutive years upto 10.11.2024.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Navin M. Ram fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Navin M. Ram as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Navin M. Ram as an Independent Director.

Save and except Mr. Navin M. Ram, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice

The Board of Directors recommends the resolution at item no. 7 as special resolution for the approval of the Members.

Item No.8

Regulation 17 (1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 states that appointment or continuation of directorship of any person as Non – Executive Director attaining age 75 requires prior approval of the shareholders by passing special resolution.

Mr. R. Sampath, Chairman of the Board, the Promoter Non – Executive Director of the Company will be attaining the age 75 on 11.11.2019. His continuance as a Director post 11.11.2019 requires approval of the shareholders by means of special resolution.

In compliance with the above mentioned provision, the requisite special resolution is proposed for continuation of Mr. R. Sampath as a Director. Mr. Sampath has been associated with the Company since 1974. He has served the Company as Managing Director for a period of 26 years and as Chairman since 1999. Having been associated with the Company for such a long period, his continuation will be of immense value especially when the Company is embarking on expansion, launching of new products etc. Though Mr. Sampath will be attaining the age of seventy five, he is in good physical condition and he is of sound and alert mind. The Board is confident about Mr. Sampath being able to function and discharge his duties in an able and competent manner.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the Shareholders, has considered continuation of Mr. R. Sampath as a Director.



Save and except Mr. R. Sampath, being an appointee, Mrs. Indira Sundararajan, Vice Chairperson and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 of the Notice.

The Board of Directors recommends the resolution at item no. 8 as special resolution for the approval of the Members.

Item No. 9

Ms. Tara Parthasarathy, Joint Managing Director has been handling the surfactant division independently after her induction on the Board. During the period (year 2015 -16 to 2018 -19), the revenue of surfactant division grew from ₹ 120 Crores to ₹ 167 Crores and the Profit before Tax from ₹ 11 Crores to ₹ 20 Crores. She has been instrumental in implementing an effective HR system in the Company and policies towards gender parity.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the Shareholders, has considered the re-appointment and terms of remuneration of Ms. Tara Parthasarathy as Joint Managing Director of the Company for a period of 5 years from 15.03.2020. The details of the remuneration are given in the resolution and the same is being placed before the members for their approval.

The aggregate of the remuneration shall be within the maximum limits as laid down under Section 197, 198, and all other applicable provisions, if any of the Act, read with Schedule V of the Companies Act, 2013, as amended from time to time.

Keeping in view the experience and expertise of Ms. Tara Parthasarathy, the Board considers it desirable that the Company continues to avail of the services of Ms. Tara Parthasarathy and accordingly recommends the resolution for approval by the members.

Save and except Ms. Tara Parthasarathy, being an appointee, Ms. Meera Parthasarathy , Vice President and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The Board of Directors recommends the resolution at item no. 9 as an ordinary resolution for the approval of the Members.

Item No. 10

Mr. R. Senthil Kumar, Whole-time Director is heading the operations of the Company. During the period (year 2016 -17 to 2018 -19), the revenue of Pigments division grew from ₹ 73 Crores to ₹ 100 Crores and the Profit before Tax from ₹ 22 Crores to ₹ 41 Crores. His initiative towards continuous technological up gradation helped cut down the cycle time of launching new products.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the re-appointment and terms of remuneration of Mr. R. Senthil Kumar as Whole-time Director of the Company for a period of 5 years from 01.08.2019. The details of the remuneration are given in the resolution and the same is being placed before the members for their approval.

The aggregate of the remuneration shall be within the maximum limits as laid down under Section 197,198 and all other applicable provisions, if any of the Act, read with Schedule V of the Companies Act, 2013, as amended from time to time.

Keeping in view the experience and expertise of Mr. R. Senthil Kumar, the Board considers it desirable that the Company continues to avail of the services of Mr. R. Senthil Kumar and accordingly recommends the resolution for approval by the members.

Save and except Mr. R. Senthil Kumar, being an appointee, and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the Notice.



The Board of Directors recommends the resolution at item no. 10 as an ordinary resolution for the approval of the Members.

Item No. 11

Mr. V. Bharathram is a graduate in Computer Science and holds Masters Degree in Business Administration.

Mr. Bharathram possesses more than 25 years of experience and before joining UPL, was in charge of northern and eastern region of a reputed non banking finance Company belonging to a large corporate group in India. He has extensively worked in large commercial hubs and possesses sound knowledge in marketing, broad basing of network, risk assessment of business enterprises etc.

Mr. V. Bharathram is heading the ITES division of the Company. In his current role, he has worked extensively in international marketing.

As the Company is embarking upon substantial expansion, more thrust needs to be given in project implementation, widening the product base and capturing new markets. In view of this, it becomes necessary to induct additional Whole-time Directors for day to day operations.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment and terms of remuneration of Mr. V. Bharathram as Whole-time Director of the Company for a period of 5 years from 01.08.2019. The details of the remuneration are given in the resolution and the same is being placed before the members for their approval.

The aggregate of the remuneration shall be within the maximum limits as laid down under Section 197,198 and all other applicable provisions, if any of the Act, read with Schedule V of the Companies Act, 2013, as amended from time to time.

Keeping in view the knowledge, experience, leadership skill and expertise of Mr. V. Bharathram, the Board considers it desirable that the Company avails of his services and accordingly recommends the resolution for approval by the members.

Save and except Mr. V. Bharathram, being an appointee, Mr. R. Sampath and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 11 of the Notice.

The Board of Directors recommends the resolution at item no. 11 as an ordinary resolution for the approval of the Members.

Item No. 12

Mr. Rajeev M. Pandia is a graduate in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and holds the Master's degree in the same field from Stanford University, California. During his career spanning 45 years, he has been associated with strategic planning, project evaluation and management, technology transfer, international marketing, safety, health and environmental issues, Government policies and general management.

Mr. Pandia advises several Indian and international companies in the areas of Strategy, project execution and operational excellence.

During his career, he has been associated closely with six large chemical projects, covering the entire cycle from site selection and development to technology, procurement, construction and commissioning.

A Distinguished Alumnus of IIT Bombay and a Rotary International scholar; he is a fellow of Indian National Academy of Engineering and of Indian Institute of Chemical Engineers. In 2009, Mr. Pandia received the ICC Lifetime Achievement Award from Indian Chemical Council for his contribution to the Indian chemical industry.

Mr. Rajeev M. Pandia was appointed as an Additional Director of the Company with effect from 12.11.2018.



The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment of Mr. Rajeev M. Pandia as an Independent Director for a term of five consecutive years upto the annual general meeting for the year, 2024.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Rajeev M. Pandia fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Pandia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable that the Company avails of his services as an Independent Director.

Save and except Mr. Rajeev M. Pandia, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 12 of the Notice

The Board of Directors recommends the resolution at item no. 12 as an ordinary resolution for the approval of the Members.

Item No. 13

Mr. C.R. Chandra Bob is a Chartered Accountant and has over 30 years of experience in various fields.

In the past, he has worked as Regional Finance Controller (Southern Region) and Plant Manager of Praxair India Pvt. Ltd, a well-known MNC, where he was heading the complete operations and business of the Unit as a Profit Centre.

Since then he has set up a professional Auditing Firm with the base in South India performing Audit, Assurance, Taxation, Compliance and related matters. He has extensive experience in these areas and provides the services to well-known Companies.

Mr. C. R. Chandra Bob was appointed as an Additional Director of the Company with effect from 12.11.2018.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment of Mr. C.R. Chandra Bob as an Independent Director for a term of five consecutive years upto the annual general meeting for the year, 2024.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. C.R. Chandra Bob fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Chandra Bob as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.



The Board considers that his association would be of immense benefit to the Company and it is desirable that the Company avails of his services as an Independent Director.

Save and except Mr. C.R. Chandra Bob, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 13 of the Notice

The Board of Directors recommends the resolution at item no. 13 as an ordinary resolution for the approval of the Members.

Item No. 14

Dr. P. Arunasree is a Doctorate in Organic Chemistry and Bachelor of Law. She has more than 16 years of experience in the field of Intellectual Property Rights. She is the Director of Gnanlex Hermenueticus Pvt. Ltd is a Knowledge & Technology based firm providing services in Intellectual Property, regulatory linkages, technology development, licensing & contracts of IP related areas within India and Globally.

Dr. P. Arunasree was appointed as an Additional Director of the Company with effect from 01.04.2019.

The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment of Dr. P. Arunasree as an Independent Director for a term of five consecutive years upto the annual general meeting for the year, 2024.

The Company has received declaration from her stating that she meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Dr. P. Arunasree fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. P. Arunasree as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable that the Company avails of her services as an Independent Director.

Save and except Dr. P. Arunasree, being an appointee and her relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 14 of the Notice

The Board of Directors recommends the resolution at item no. 14 as an ordinary resolution for the approval of the Members.

Item No.15

Mr. Harsh R. Gandhi is a Science graduate from Purdue University, USA, completed Owner / President Management program with Harvard Business School, Boston, USA.

He is the Joint Managing Director of GRP Limited. GRP Limited is a manufacturer of sustainable materials, focused on upgrading end of life tyre waste to make raw materials and products for use in automotive, electrical, transportation and defense sectors. Before joining GRP, he was an Associate of The Boston Consulting group, Mumbai and an analyst with Kotak Securities, New York.

Mr. Harsh Gandhi possesses 17 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning etc.



The Board at its meeting held on 15th May, 2019, upon the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has considered the appointment of Mr. Harsh Gandhi as an Independent Director for a term of five consecutive years from 01.08.2019.

The Company has received declaration from him stating that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Harsh Gandhi fulfils the conditions specified under Section 149 of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Harsh Gandhi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto and including the date of AGM of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable that the Company avails of his services as an Independent Director.

Save and except Mr. Harsh Gandhi, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 15 of the Notice

The Board of Directors recommends the resolution at item no. 15 as an ordinary resolution for the approval of the Members.

Item No.16

The Board, on the recommendation of Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of cost records of the Company for the financial year ending March 31, 2020 as per the following details;

Name of the Cost Auditor	Audit fees (₹)
M/s. GSVK & Co., (Firm Regn. No. 002371)	25,000/-

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

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item no.16 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

None of the Directors and Key Managerial personnel of the Company and their relatives are, concerned or interested, in the resolution set out at Item no. 16 of the Notice.

Regd. Office:

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

Date: 15th May, 2019

By the Order of the Board

For **Ultramarine & Pigments Limited**,

[Kishore Kumar Sahoo]
Company Secretary



II. Details of directors seeking appointment/ re-appointment at the ensuing Annual General Meeting fixed on 29th July, 2019 as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given hereunder :

Name of the Director	Mr. R. Sampath	Mrs. Indira Sundararajan*	Mr. Nimish U. Patel	Mr. Navin M Ram
DIN	00092144	00092203	00039549	02410242
Date of Birth	11.11.1944	09.05.1948	22.12.1965	24.12.1972
Qualification	Chemistry graduate; Chemical Engineering from Washington State University, USA.	BSc-Tech from University Department of Chemical Technology (now Institute of Chemical Technology), Mumbai	MBA – Finance from City University, New York .	Economics graduate from University of Rochester.
Expertise in specific functional areas	More than 50 years of experience in managing business affairs.	More than three decades of experience in Business and Trade	More than three decades of experience in Textiles and Chemical sectors.	More than a decade of experience in Entrepreneurship.
List of other Directorships held excluding foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Thirumalai Chemicals Ltd	Nil	1. Shri Dinesh Mills Ltd 2. Transpek Industry Ltd	Nil
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	<u>Thirumalai Chemicals Ltd:</u> Member – Audit Committee Member - Stakeholders Relationship Committee	Nil	<u>Transpek Industry Ltd:</u> Chairman – Stakeholders Relationship Committee Member – Audit Committee	Nil
No. of shares held in the Company	11,32,449	10,71,855	76,384	1,050
Relationship between Director interse	Related to Mrs. Indira Sundararajan, Vice Chairperson	Related to Mr. R. Sampath, Chairman	Nil	Nil

Note : * Mrs. Indira Sundararajan retires by rotation, and being eligible, offers herself for re-appointment.



Name of the Director	Ms. Tara Parthasarathy	Mr. R. Senthil Kumar	Mr. Rajeev M. Pandia
DIN	07121058	07506927	0021730
Date of Birth	31.01.1986	26.05.1967	17.12.1949
Qualification	B Tech ; Master of Environmental Management (MEM) from Yale School of Forestry and Environmental Studies, New Haven, USA.	Science Graduate Masters in Business Administration	Chemical engineering -IIT, Bombay Masters in Chemical Engineering from Stanford University.
Expertise in specific functional areas	Specialist in Environmental Management and related businesses; Her experience includes Consulting, project scoping, bidding and realization.	More than 28 years of experience in various areas viz, manufacturing, sales, marketing and plant operations	Career spanning of 45 years, he has been associated with strategic planning, project evaluation and management, technology transfer, international marketing, safety, health and environmental issues, Government policies and general management.
List of other Directorships held excluding foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil	Nil	1.GRP Limited 2.Excel Industries Ltd 3.The Supreme Industries Ltd 4.Deepak Phenolics Ltd 5.Thirumalai Chemicals Ltd 6.Supreme Petrochem Ltd
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil	Nil	<u>GRP Ltd :</u> Chairperson – Audit Committee & Stakeholders Relationship Committee <u>The Supreme Industries Ltd:</u> Member – Audit Committee & Stakeholders Relationship Committee <u>Excel Industries Ltd</u> Member – Audit Committee
No. of shares held in the Company	20,000	500	500
Relationship between Director interse	Nil	Nil	Nil



Name of the Director	Mr. V. Bharathram	Mr. C.R. Chandra Bob	Dr. P. Arunasree	Mr. Harsh R. Gandhi
DIN	08444583	07384175	01351504	00133091
Date of Birth	24.11.1966	27.06.1961	28.06.1968	17.07.1977
Qualification	Graduate degree in Computer Science and Masters in Business Administration.	Chartered Accountant	Ph.D. in Organic Chemistry; Bachelor of Law.	Science graduate from Purdue University, USA, Owner / President Management program with Harvard Business School, Boston, USA.
Expertise in specific functional areas	Over 25 years of experience in marketing, broad basing of network, risk assessment of business enterprises etc.	Over 30 years of experience in Audit, Assurance and Taxation.	Over 16 years of experience in Intellectual Property Rights (IPR).	17 years of experience in various senior managerial positions in the key areas of market promotion, projects, operations, business development, strategic planning
List of other Directorships held excluding foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Private Companies	Nil	Nil	Nil	GRP Limited
Chairman / Member of the Committees of the Board of other Companies in which he / she is a Director	Nil	Nil	Nil	<u>GRP Limited:</u> Member – Stakeholders Relationship Committee
No. of shares held in the Company	36,000	500	650	---
Relationship between Director interse	Related to Mr. R. Sampath, Chairman	Nil	Nil	Nil

Directorship in listed Companies and committee membership in Audit Committee and Stakeholders Relationship Committee are considered.



ULTRAMARINE & PIGMENTS LIMITED

CIN: L24224MH1960PLC011856

Regd. Office. Thirumalai House, Road No.29, Sion – East, Mumbai – 400022

Tel: 022-43686200, 6256 Fax: 022-24011699

Email: cs@ultramarinepigments.net, Web: www.ultramarinepigments.net

The Companies Act, 2013
Company Limited by Shares

ARTICLES OF ASSOCIATION OF ULTRAMARINE & PIGMENTS LIMITED CONSTITUTION OF THE COMPANY

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

INTERPRETATION CLAUSE

2.
 - a. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
 - b. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'
 - c. 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
 - d. 'The Company' or 'This Company' means ULTRAMARINE & PIGMENTS LIMITED.
 - e. 'Directors' means the Directors for the time being of the Company.
 - f. 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.
 - g. 'Members' means members of the Company holding a share or shares of any class.
 - h. 'Month' shall mean a calendar month.
 - i. 'Paid-up' shall include 'credited as fully paid-up'.
 - j. 'Person' shall include any corporation as well as individual.
 - k. 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
 - l. 'Section' or 'Sec.' means Section of the Act.
 - m. Words importing the masculine gender shall include the feminine gender.
 - n. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
 - o. 'Special Resolution' means special resolution as defined by Section 114 in the Act.
 - p. 'The Office' means the Registered Office for the time being of the Company.
 - q. 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
 - r. 'Proxy' includes Attorney duly constituted under a Power of Attorney.
 - s. 'Securities' means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956



3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
4. The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.
7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
 - I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
 - (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
8.
 - i) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.
 - ii) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class



- | | |
|---|---|
| 9. Issue of further shares with disproportionate rights | Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking <i>pari passu</i> therewith. |
| 10. Not to issue shares with disproportionate rights | The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares. |
| 11. Power to pay commission | The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful. |
| 12. Liability of joint holders of shares | The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares. |
| 13. Trust not recognised | Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder. |
| 14. Issue other than for cash | <p>a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.</p> <p>b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.</p> |
| 15. Acceptance of shares | An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder. |
| 16. Member' right to share Certificates | <p>1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:</p> <p>a. One certificate for all his shares; or</p> <p>b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, subdivision/consolidation into marketable lots shall be done free of charge.</p> |



2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
 3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company
17. One Certificate for joint holders In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.
18. Renewal of Certificate If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
19. No fee For every certificate issued under the last preceding Article, no fee shall be charged by the Company.
20. Splitting and consolidation of Share Certificate The shares of the Company will be split up/consolidated in the following circumstances:
 - a. At the request of the member/s for split up of shares in marketable lot.
 - b. At the request of the member/s for consolidation of fraction shares into marketable lot.
21. Directors may issue new Certificate(s) Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.
22. Person by whom installments are payable If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.
- Lien**
23. Company's lien on shares The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.



24. As to enforcing lien by sale For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.
25. Authority to transfer
- a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
26. Application of proceeds of sale The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

Calls on Shares

27. Calls Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
28. When call deemed to have been made A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.
29. Length of Notice of call Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
30. Sum payable in fixed installments to be deemed calls If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.
31. When interest on call or installment payable If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
32. Sums payable at fixed times to be treated as calls The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.



33. Payment of call in advance The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.
34. Partial payment not to preclude forfeiture Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

Forfeiture of Shares

35. If call or installment not paid, notice may be given If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.
36. Evidence action by Company against shareholders On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
37. Form of Notice The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
38. If notice not complied with, shares may be forfeited If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
39. Notice after forfeiture When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
40. Boards' right to dispose of forfeited shares or cancellation of forfeiture A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.



41. Liability after forfeiture A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
42. Effect of forfeiture The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
43. Evidence of forfeiture A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
44. Non-payment of sums payable at fixed times The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
45. Validity of such sales Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Transfer and Transmission of Shares

46. Transfer
- a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
 - b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
 Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
 - c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly



paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

47. Form of transfer

Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

48. Board's right to refuse to register

The Board, may, at its absolute discretion and without assigning any reason, decline to register:

- i) The transfer of any share, whether fully paid or not, to a person of whom it do not approve or

ii) Any transfer or transmission of shares on which the Company has a lien.

Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.

The provision of this clause shall apply to transfer of stock also.

49. Further right of Board of Directors to refuse to register

- a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
 - i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
 - ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
 - iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.



- iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
- v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

50. Rights to shares on death of a member for transmission

- a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

51. Rights and liabilities of person

1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either to be registered himself as a holder of the share or to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

52. Notice by such a person of his election

- a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member



53. No transfer to infant, etc No transfer shall be made to an infant or a person of unsound mind.
54. Endorsement of transfer and issue of certificate Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.
55. Custody of transfer The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
56. Register of members
Closure of Register of members
When instruments of transfer to be retained
- The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.
 - The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.
 - All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.
57. Company's right to register transfer by apparent legal owner The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

Alteration of Capital

58. Alteration and consolidation, sub-division and cancellation of shares The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:
- increase its share capital by such amount as it thinks expedient by issuing new shares;
 - consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
 - sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
 - Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.



b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.

5. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

59. Reduction of capital, etc. by Company

The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

- a. its share capital;
- b. any capital redemption reserve account; or
- c. any share premium account

Surrender of Shares

60. Surrender of shares

The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

Set off of money due to Shareholders

61. Set off of money due to Shareholders

Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls

Conversion of Shares into Stock

62. Conversion of shares

The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

63. Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

64. Right of stockholders

The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

65. Applicability of regulations to stock and stockholders

Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.



Dematerialisation of Securities

66. Dematerialisation of Securities

a. Definitions

For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities and Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956 or Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

'Security' means such security as may be specified by SEBI from time to time.

b. Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c. Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d. Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e. Rights of depositories and beneficial owners:

Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f. Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.



g. Transfer of securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h. Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i. Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j. Register and Index of Beneficial owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

k. Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

General Meetings

67. Annual General Meeting

The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

68. Extraordinary General Meeting
Right to summon Extraordinary
General Meeting

Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

The Chairman or Vice Chairperson or Managing Director may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined

69. Extraordinary Meeting by
requisition

a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.

b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.

c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.



- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

70. Length of notice for calling meeting

A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

71. Accidental omission to give notice not to invalidate meeting

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

72. Special business and statement to be annexed

All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

73. Quorum

The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally present

Number of members more than 5000: 30 members personally present



74. If quorum not present, when meeting to be dissolved and when to be adjourned
- If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
75. Chairman of General Meeting
- The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.
76. When Chairman is absent
- If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.
77. Adjournment of meeting
- The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.
78. Resolutions at General Meeting how decided
- At a General Meeting, a resolution put to the vote of the meeting shall be decided on the following manner:
- Combined result of electronic voting as per the provisions of Section 108, and the poll to be conducted in accordance with the provisions of Section 109 of the Act for the Shareholders who have not voted through electronic mode shall be considered as the resolution is passed/ not passed. The declaration by the Chairman that a resolution has, electronic voting, and through Poll been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.
79. Casting vote
- In the case of an equality of votes, the Chairman shall, electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.
80. Taking of poll
- If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
81. In what cases poll taken without adjournment
- A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct
82. Votes
- a) Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. Every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.



- b) Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c) Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.
83. Business may proceed notwithstanding demand for poll A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
84. Joint holders In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
85. Member of unsound mind A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.
86. No member entitled to vote while call due to Company No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
87. Proxies permitted on polls On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.
88. Instrument of proxy
- a) The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, shall be under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b) A body corporate (whether a company within the meaning of this Act or not) may:
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
 2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- c) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder



89. Instrument of proxy to be deposited at the office
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.
90. Validity of vote by proxy
- A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
91. Form of proxy
- Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.
- Directors**
92. Number of Directors
- Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.
- Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.
93. Qualification of Directors
- Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
94. Director's remuneration
- a) Subject to the provisions of the Act, the Directors may, with the sanction of a ordinary / Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
 - b) Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/ Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
 - c) Subject to the provisions of the Act, the Company in General Meeting may by Ordinary Resolution sanction and pay to the Non – Executive Directors (who held office as Directors at any time during the or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors) in addition to the said fees set out in sub-clause (a) above,



a Commission not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of Commission so calculated shall be divided between all the Non – Executive Directors of the Company in the manner as recommended by the Nomination and Remuneration Committee and with the approval of the Board.

d) Subject to the provisions of Section 188 of the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

95. Directors may act notwithstanding vacancy The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 122 below.

96. Chairman or Vice-chairman of the Board a) Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, The Director elected by the Board shall act as Chairman / Vice Chairperson of the Board or the Managing Director of the company will act as Chairman of the board and Joint Managing Director will act as Vice chairperson of the Board.

b) Subject to the provisions of the Act, the Chairman and the Vice Chairperson may be paid such remuneration for their services as Chairman and Vice Chairperson respectively, and such reasonable expenses including expenses connected with travel, secretarial service etc. as may be decided by the Board of Directors from time to time.

97. Casual vacancy If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

Vacation of Office by Director

98. Vacation of office by Directors The office of a Director shall be vacated if:

1. he is found to be unsound mind by a Court of competent jurisdiction;
2. he applies to be adjudicated as an insolvent;
3. he is an undischarged insolvent;
4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. he has not complied with Subsection (3) of Section 152
8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;



10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. he becomes disqualified by an order of a court or the Tribunal.
12. he is removed in pursuance of the provisions of the Act,
13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
 - a. for thirty days from the date of the adjudication, sentence or order;
 - b. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
 - c. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

99. Alternate Directors

- a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.
- b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

Independent Directors

100. Independent Directors

- a) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whichever is higher, from time to time.
- b) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI Listing Regulations and shall not be liable to retire by rotation.

101. Women Director

The Directors shall appoint one women director as per the requirements of section 149 of the Act and one women Independent Director as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

102. Additional Directors

The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 92 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

103. Proportion of retirement by rotation

The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

104. Debenture Director

Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed.

The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound



to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

105. Corporation/ Nominee Director

- a) Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).
- b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- c) The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s. The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 92.



106. Disclosure of interest of Directors
- a) Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.
- Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.
- b) A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.
107. Rights of Directors
- Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
108. Directors to comply with Section 184
- Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.
109. Directors power of contract with Company
- Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.
110. Rotation and retirement of Directors
- At every annual general meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.
111. Retiring Directors eligible for re-election
- A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
112. Which Directors to retire
- The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.



113. Retiring Directors to remain in office till successors are appointed
- Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
114. Power of General Meeting to increase or reduce number of Directors
- Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 92 and may also determine in what rotation the increased or reduced number is to retire.
115. Power to remove Directors by ordinary resolution
- Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.
116. Rights of persons other than retiring Directors to stand for Directorships
- Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on electronically or on poll on such resolution".
117. Register of Directors and KMP and their shareholding
- The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
118. Business to be carried on
- The business of the Company shall be carried on by the Board of Directors.

Meeting of the Board

119. Meeting of the Board
- The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.
120. Director may summon meeting
- A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.



121. Question how decided
- a) Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
 - b) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
122. Right of continuing Directors when there is no quorum
- The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.
123. Quorum
- The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum.
124. Election of Chairman to the Board
- If no person has been appointed as Chairman or Vice Chairman under Article 96(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
125. Power to appoint Committees and to delegate
Delegation of powers
- a) The Board may, from time to time, and at any time and in compliance with provisions of the Act and SEBI Listing Regulations constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.
 - b) Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the Act and listing agreement.
 - c) The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the Act and listing agreement.
126. Proceedings of Committee
- The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last preceding Article.
127. Election of Chairman of the Committee
- a) One of the Committee members shall act as Chairman of the Committee(s). if the Chairman of the Committee is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
 - b. The quorum of a Committee may be fixed by the Board and until so fixed, the quorum shall be two members.



128. Question how determined
- a) A Committee may meet and adjourn as it thinks proper.
- b) Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee
129. Acts done by Board or Committee valid, not- withstanding defective appointment, etc
- All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.
130. Resolution by circulation
- Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

Powers and duties of Directors

131. General powers of Company vested in Directors
- The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
132. Attorney of the Company
- The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.
133. Power to authorise sub-delegation
- The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.
134. Directors' duty to comply with the provisions of the Act
- The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.



135. Special power of Directors In furtherance of and without prejudice to the general powers conferred by or implied in Article 131 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.
- 136.
- a. To acquire and dispose of property and rights To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.
- b. To pay for property in debentures, etc. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- c. To secure contracts by mortgages To secure the fulfilment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.
- d. To appoint officers, etc. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- e. To refer to arbitration To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.
- To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.
- f. To give receipt To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.
- g. To act in matters of bankrupts and insolvents To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- h. To give security by way of indemnity To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- i. To give commission To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.
- j. To make contracts etc To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.



- k. To make bye-laws
From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.
- l. To set aside profits for provided fund
Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.
- m. To make and alter rules
To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.
137. Managing Director
Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:
- a) The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
 - b) The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting.
 - c) If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
 - d) The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
 - e) Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/ Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.



138. Whole-time Director
- Subject to the provisions of the Act and subject to the approval of the Shareholders, the Board may appoint one or more of its body, as Whole-time Director or Whole-time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
- A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.
139. Secretary
- The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.
140. Powers as to commencement of business
- Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
141. Delegation of power
- Subject to Section 179, the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

Borrowing

142. Borrowing Powers
- The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part



of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

143. Assignment of debentures

Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

144. Terms of debenture issue

- a) Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b) Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.



- c) The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.
- d) The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- e) The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

145. Charge on uncalled capital	Any uncalled capital of the Company may be included in or charged by mortgage or other security.
146. Subsequent assignees of uncalled capital	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.
147. Charge in favour of Director of indemnity	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.
148. Powers to be exercised by Board only at meeting	<p>Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <ul style="list-style-type: none"> a) to make calls on shareholders in respect of money unpaid on their shares; b) to authorise buy-back of securities under section 68; c) to issue securities, including debentures, whether in or outside India; d) to borrow monies; e) to invest the funds of the company; f) to grant loans or give guarantee or provide security in respect of loans; g) to approve financial statement and the Board's report; h) to diversify the business of the company; i) to approve amalgamation, merger or reconstruction; j) to take over a company or acquire a controlling or substantial stake in another company; k) to make political contributions; l) to appoint or remove key managerial personnel (KMP);



- m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
- n) to appoint internal auditors and secretarial auditor;
- o) to take note of the disclosure of director's interest and shareholding;
- p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
- q) to invite or accept or renew public deposits and related matters;
- r) to review or change the terms and conditions of public deposit;
- s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
- t) such other business as may be prescribed by the Act.

The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, c, d and e above.

Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.

Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.

Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

149. Register of mortgage to be kept
- The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.
150. Register of holders of debentures
- Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection
151. Inspection of copies of and Register of Mortgages
- The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
152. Supplying copies of register of holder of debentures
- The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.



153. Right of holders of debentures as to Financial Statements Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
154. Minutes The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.

The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.
155. Managing Director's power to be exercised severally All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.
- Manager**
156. Manager Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board
- Common Seal**
157. Common Seal The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Director / Company Secretary.
158. Affixture of Common Seal The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.
- Dividends and Reserves**
159. Rights to Dividend The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.
160. Declaration of Dividends The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
161. What to be deemed net profits The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
162. Interim Dividend The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.



163. Dividends to be paid out of profits only
- No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
164. Reserve Funds
- a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
 - b) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.
165. Method of payment of dividend
- a) Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
 - b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
 - c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.
166. Deduction of arrears
- The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.
167. Adjustment of dividend against call
- Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.
168. Payment by cheque
- a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
 - b) Every such cheque shall be made payable to the order of the person to whom it is sent.
 - c) Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.
169. Retention in certain cases
- The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.



170. Receipt of joint holders
- A. Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- i) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
 - ii) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.
171. Deduction of arrears
- Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
172. Notice of Dividends
- Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
173. Dividend not to bear interest
- No dividend shall bear interest against the Company.
174. Unclaimed Dividend
- No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.
175. Transfer of share not to pass prior Dividend
- Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Capitalisation of Profits

176. Capitalisation of Profits
- The Company in General Meeting, may on the recommendation of the Board, resolve:
- i) that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
 - ii) that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
 - iii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub-clause (3) either in or towards:
 - a) paying up any amount for the time being unpaid on any share held by such members respectively;
 - b) paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
 - iv) A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
 - v) The Board shall give effect to resolutions passed by the Company in pursuance of this Article.



177. Powers of Directors for declaration of Bonus
- a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
 - ii) generally do all acts and things required to give effect thereto.
 - b) The Board shall have full power:
 - i) to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
 - ii) to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
 - c) Any agreement made under such authority shall be effective and binding on all such members.
178. Books of account to be kept
- a) The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
 - b) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
 - c) The books of accounts shall be open to inspection by any Director during business hours
179. Where books of account to be kept
- The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
180. Inspection by members
- The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.
181. Statement of account to be furnished to General Meeting
- The Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.
182. Financial Statements
- Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.
183. Authentication of Financial Statements
- a) Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
 - b) The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon



184. Auditors Report to be annexed The Auditor's Report shall be attached to the financial statements.
185. Board's Report to be attached to Financial Statements
- a) Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
 - b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
 - c) The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
 - d) The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 183.
 - e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.
186. Right of member to copies of Financial Statements The Company shall comply with the requirements of Section 136.

Annual Returns

187. Annual Returns The Company shall make the requisite annual return in accordance with Section 92 of the Act.

Audit

188. Accounts to be audited
- a) Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
 - b) Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
 - c) Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
 - d) The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.



- e) i) The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

- ii) If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- f) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- g) A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.
- h) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- i) Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

189. Audit of Branch Offices

The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

190. Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Board.

191. Rights and duties of Auditors

- A. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
- B. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- C. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:



- I) in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
 - II) in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
- D. The Auditor's Report shall also state:
- a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
 - b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
 - c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
 - d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - e) whether, in his opinion, the financial statements comply with the accounting standards;
 - f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
 - g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
 - h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
 - k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- E. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- F. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

192. Accounts when audited and approved to be conclusive

Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.



193. Service of documents on the Company
- A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the Act.
- Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic or other mode.
- Save as provided in the Act or the rules made there under for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode.
- Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.
194. How documents to be served to members
- a) A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- c) Where a document is sent by post:
- service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
- i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
- ii) in any other case, at the time at which the letter should be delivered in the ordinary course of post.
195. Members to notify address in India
- Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
196. Service on members having no registered address in India
- If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.



197. Service on persons acquiring shares on death or insolvency of members
- A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
198. Notice valid though member de-ceased
- Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.
199. Persons entitled to Notice of General Meeting
- Subject to the provisions of Section 101 of the Act and these Articles, notice of General Meeting shall be given to;
- a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
 - b) the auditor or auditors of the company; and
 - c) every director of the company.
- Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
200. Advertisement
- a) Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
 - b) Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.
201. Transference, etc. bound by prior notices
- Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
202. How notice to be signed
- Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
- Authentication of Documents**
203. Authentication of document and proceeding
- Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.



Winding up

204. Winding up
Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities *pari-passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.
205. Division of assets of the Company in specie among members
If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

Indemnity and Responsibility

206. Directors' and others' right to indemnity
Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
207. Not responsible for acts of others
Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.



Secrecy Clause

208. Secrecy clause

- a) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b) Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles

Registers, Inspection and Copies thereof

209. Registers, inspection and copies thereof

Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the Act by the company, provided he gives fifteen days notice to the company about his intention to do so.

Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

General authority

210.

Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this Articles.



We the several person, whose names, addresses and descriptions are subscribed hereunder are desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name, address, descriptions, signatures and occupations of the subscribers	Number of shares taken by each Subscriber	Name, address, description and occupations of the Witnesses
Mr. Erich Graef 2-3, Altamount Road, Bombay, Merchant	10 (Ten)	
Mr. G.P. Nair Managing Director Bombay Drug House Pvt. Ltd. Bombay -16 Merchant	10 (Ten)	
Mr. R. Raghunatha Iyengar C/o. Chemidye Trading Co. Pvt Ltd., Kamer Building, Cawasji Patel Street, Bombay -1 Service	10 (Ten)	Sd/- R.K. Moorthi C/o: Chika Private Ltd., Mehta Chambers, 13, Mathew Road, Bombay – 4 Service
Mr. N.S. Iyengar Plot no.103, Bombay -31 Merchant	10 (Ten)	
Mr. N. R. Swamy Plot no.103, Bombay -31 Merchant	10 (Ten)	Sd/- Dhimat S. Malvi, Solicitor, C/o: Messers. Amarchand & Mangaldas & Mangaldas & Malvi Ranchoddas & Co.
Mr. N. T. Iyengar Plot no.103, Bombay -31 Merchant	10 (Ten)	Yusuf Building, Mahatma Gandhi Road Fort, Bombay
Mr. S. Santhanam Plot no.103, Bombay -31 Merchant	10 (Ten)	
Mr. R. Srinivasan C/o: Chemidye Trading Co. Pvt Ltd., Kamer Building, Cawasji Patel Street, Bombay -1 Service	10 (Ten)	
	80 (Eighty)	



DIRECTORS' REPORT, MANAGEMENT'S DISCUSSION & ANALYSIS

To

Dear Members,

Your Directors have the pleasure of presenting the 58th Annual Report and the audited financial statement of the Company for financial year ended March 31, 2019.

FINANCIAL RESULTS:

A summary of the Company's Financial Results for the financial year 2018 -19 is as under:

Particulars	₹ Lakhs	
	Financial Year 2018-19	Financial Year 2017-18
Revenue from operations (net of excise duty)	30,686	27,736
Profit before tax*	8,037	6,341
Tax Expenses (Including Deferred Tax)	2,389	1,977
Profit after Tax *	5,649	4,364

* includes exceptional item

DIVIDEND:

Your Directors have recommended a dividend of ₹ 4.50 per share of the nominal value of ₹ 2.00 each for the year ended March 31, 2019 [previous year ₹ 4.25 per share of nominal value ₹ 2.00 per share]. The payment of dividend together with the tax thereon absorbed a sum of ₹ 1581.50 Lakhs. The dividend, if declared, by the members at the forthcoming Annual General Meeting will be paid to all the eligible members by 6th August, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OPERATIONS AND FINANCIAL PERFORMANCE:

For the first time since inception, the Company has crossed ₹ 300 Crores in total revenue including other income. At ₹ 317 Crores, the revenue shows a 9% growth over the previous year. This growth includes a record ₹ 100 Crores in the Pigments division, again a company first, and 28% increase in revenue from ITeS. The overall performance of the Company has been good. Profit before tax stands at ₹ 74 Crores for the year, a 28% margin, excluding exceptional income of almost ₹ 6 Crores. Total export sales for the year was ₹ 95 Crores, as against ₹ 77 Crores in the Financial Year (FY) 2017-18.

Detailed analysis of division wise performance is given below.

PIGMENT DIVISION:

The revenue for the year from this division has gone up by 15% in spite of a marginal reduction in volume. This is mainly due to increased focus on selling highly value added products, and was achieved due to investments in technology over the past two years. The prevailing economic conditions in the domestic market caused a mild down trend, which was balanced by increased volumes in exports. Sales of Complex Inorganic Colour Pigments picked up speed in both the Domestic and Exports markets, showing returns from an increased investment in R&D.

The Pigments division achieved a net revenue of ₹ 100 crores in this financial year as compared to ₹ 87.47 crores in the previous financial year.

**SURFACTANTS DIVISION:**

The Surfactants division has achieved 100% capacity utilisation. With continual improvement processes, the division has seen an increase in productivity. The company continues to invest in technology to reduce bottlenecks, with a plan to further improve hourly productivity.

This division has seen a 7% increase in profits and a 5% increase in revenues to ₹ 167 crores in FY 2018 -19, as compared to ₹ 159 crores in FY 2017-18.

The implementation of expansion project at Naidupetta has gained momentum during the year. Civil construction is under progress and orders for major equipment have been placed. Commercial production is likely to commence during first quarter of next financial year.

WIND MILL GENERATION:

Wind mills have generated 58.78 lakhs units as against 59.79 lakhs units. The marginal drop is due to seasonal wind variations. Captive consumption from the wind mills grew to 43.74 lakh units, an increase of 2 lakh units over the previous year.

ITES DIVISION:

During the year under review, this division reported an income of ₹ 38.85 crores which was higher by 28% when compared to previous year figure of ₹ 30.25 crores. This is mainly due to additional revenue from Data conversion and health care. The division continues to diversify its service offerings to ensure sustainability and profitability.

EXPORTS:

The company's total export sales reached 94 Crores, a 24% improvement over FY 2017-18. Export earnings from Manufacturing divisions went up by 21%, primarily due to a growth in sales volumes of highly value added Pigments in Asia, Europe and North America. ITeS exports grew by 33% over the previous year.

ENERGY AND WATER:

As one of 49 companies in India that have been awarded the Responsible Care logo (2017), your company takes environmental sustainability seriously. We have been awarded the Go Green Initiative Award from the Tamil Nadu Energy Consumer's association, a 3 star rating for Environmental, Health and Safety practices from the CII-Southern Region and a Certificate of Appreciation from the National Safety Council of India.

As a company that includes caring for the environment in our core values, we have continuously focused on energy conservation in our manufacturing processes, reduction in water consumption and maximum recycling of process water, and reducing our dependence on non-renewable electricity. In the FY 2018-19, almost 70% of the power consumed by the manufacturing division came from renewable resources, with 43.74 lakh units from our wind mills, and the rest from our onsite solar plants. Additionally, due to our focus on reduction and recycling of our water, we have reduced raw water consumption by 40% from FY 2017-18 levels in our Ranipet facility. In FY 2019-20, we hope to finish implementing these changes in Ambattur, and continue to improve our reuse efficiency, and reduce our raw water intake.

EARNINGS PER SHARE (EPS):

Earnings Per Share (EPS) is at ₹ 19.34 including exceptional items. EPS without exceptional items is ₹ 17.68, registering a growth of 19% over previous year.

INTERNAL FINANCIAL CONTROL:

Your company maintains adequate controls over financial reporting. All the financial data are captured from the system with in-built security developed for both financial data accuracy and for prevention of data leakage. Your company has an effective ERP system which is customized to suit the company specific requirements. Majority of approvals and work flows are routed through the system.



Periodical health check-up audit for IT Systems is carried out by a consultant to strengthen the existing system and update data security measures.

Your company has put in place adequate systems and procedures for ensuring internal financial controls and these are being followed in the normal course of operations of the Company.

Your company has well defined, updated Standard Operating Procedures (SOP) for each and every function of the company. A suitable risk mitigation plan for each pre-defined SOP has also been developed, and it is well documented. The Internal Auditor's reports, observations and management responses are placed before the audit committee in the presence of the Internal Auditor and the same is discussed in detail. Corrective actions, if any, are taken promptly. The action taken report is also placed before the Audit Committee for review at each meeting. Audit committee ensures that appropriate actions to correct deviations, if any, are taken up immediately by the management.

The Audit Committee of the Company briefs the Board on the effectiveness of internal control system in the operations of the Company.

PERSONNEL

Industrial Relations continued to be harmonious throughout the year under review. Your Company currently employs 338 people. We finished the year with 37 women employees (11%), as compared to 28 in the previous year, and 21 in the year before that.

Throughout the year, the HR team executes multiple training programmes, with external trainers for communication, coaching, technical education, managerial skills and change leadership, and with internal trainers for a continuing on-the-job training programme for all employees. This was coordinated with last year's training needs assessment, and is supported by continuous monitoring to aid retention and retraining.

Your company's employees have taken on special projects large and small to help improve the company's well-being and support its continued profitability. The directors appreciate all the contributions they have made to achieve this year's improved performance, and their contributions to the future of the organisation.

RISKS AND CONCERNS.

Ultramarine Blue consumption in the laundry segment has been falling on a yearly basis. This year, this was accompanied by a dip in industrial sales in the domestic market. Mitigation of this requires further geographical expansion and increased value addition, moving out of the low end laundry grades.

The surfactant plant is operating at maximum capacity, and volume growth without capacity addition is unlikely. The project in Naidupeta must be completed expeditiously in order to retain momentum.

PROSPECTS & OUTLOOK.

The company expects to enter commercial production at the Naidupeta plant by the first quarter of FY20-21.

With a focus on improving yield of high value grades of pigments, the company is investing in R&D in all stages of the production process, from Raw Material procurement and processing to the final stages of value addition. We currently process 30% more of the high value grades than we did last year by volume, and 150% more than we did in 2016-17, entirely due to internal innovation.

New products are being introduced in both the surfactants and the pigments divisions in a forward looking manner, and have been seeded in the domestic and exports market to better understand customer needs and applications. The company anticipates that they will become commercially viable over the next two years.

CAUTIONARY STATEMENT:

The statements made in the report describe the company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations. The annual results can differ materially from those expressed or implied, depending on the economic conditions, Government Policies and other incidental factors and developments.

**SHARE CAPITAL:**

The paid up equity share capital as on 31st March, 2019 was ₹ 5.84 crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

DIRECTORS:

- i) As per the provisions of Companies Act, 2013, Mrs. Indira Sundararajan (DIN.00092203), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment.
- ii) Mr. Rajeev Mahendra Pandia (DIN: 00021730) and Mr. C.R. Chandra Bob (DIN: 07384175) were appointed as Additional Directors of the Company with effect from 12.11.2018. Based on the recommendation of Nomination and Remuneration Committee, their appointment as Independent Directors is proposed at the ensuing AGM.
- iii) In compliance with Regulation 17 (1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, Dr. Gopakumar G. Nair, aged 78, Independent Director (DIN: 00092637), tendered his resignation with effect from 31.03.2019.
- iv) Dr. P. Arunasree (DIN: 01351504) was appointed as an Additional Director of the Company with effect from 01.04.2019. Based on the recommendation of Nomination and Remuneration Committee, her appointment as an Independent Director is proposed at the ensuing AGM.
- v) Mr. R. Sampath, Chairman of the Board, Non-Executive Promoter Director (DIN: 00092144) will be attaining the age 75 on 11.11.2019. In terms of Regulation 17 (1A) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 and based on the recommendation of Nomination and Remuneration Committee, his continuation as a Director is proposed at the ensuing AGM by means of special resolution.
- vi) The first term of Mr. Nimish U. Patel (DIN:00039549) and Mr. Navin M. Ram (02410242), Independent Directors expires on 29.07.2019 and 10.11.2019 respectively. Based on the recommendation of Nomination and Remuneration Committee, their re-appointment as Independent Directors for the second term is proposed at the ensuing AGM, by means of special resolution.
- vii) The tenure of Ms. Tara Parthasarathy, Joint Managing Director (DIN: 07121058) expires on 15.03.2020. Based on the recommendation of Nomination and Remuneration Committee, her re-appointment as Joint Managing Director is proposed at the ensuing AGM.
- viii) The tenure of Mr. R. Senthil Kumar, Whole-time Director (DIN: 07506927) expires on 31.07.2019. Based on the recommendation of Nomination and Remuneration Committee, his re-appointment as Whole-time Director is proposed at the ensuing AGM.
- ix) The Nomination and Remuneration Committee has recommended appointment of Mr. V. Bharathram (DIN.08444583) as a Whole-time Director subject to the approval of the Shareholders at the ensuing AGM.
- x) The Nomination and Remuneration Committee has recommended appointment of Mr. Harsh R. Gandhi (DIN.00133091) as an Independent Director subject to the approval of the Shareholders at the ensuing AGM.

DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors had furnished to the Company a declaration under section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

MEETINGS:

During the year, five Board meetings and four Audit Committee meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013.

**BOARD EVALUATION:**

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an annual performance evaluation of the performance of the Board, the Directors individually as well as the evaluation of Board Committees, was carried out.

The performance of Chairman of the Board was reviewed by the Independent Directors taking into account the views of the Executive Directors. The parameters considered were leadership ability, adherence to corporate governance practices etc.

The performance evaluation of the Non Independent Directors was carried out by the entire Board of Directors (excluding the Director being evaluated). The Parameters considered were compliance to regulation and statutes with due emphasis on corporate governance, technical competence, contribution to discussion on strategy / performance, motivating and reviewing key employees etc.

The Independent Directors have assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation of Independent Directors was done by the entire Board of Directors (excluding the Independent Director being evaluated). They are evaluated on various parameters viz., participation in Board and Committee meetings, value addition to discussions on strategy, objectivity and independence of views, suggesting best practices and new perspectives from their experience. etc.

The evaluation process was conducted through a format of questionnaire with provision for rating on a scale from 1 to 5 (5 being the highest and 1 being the lowest).

A summary report including score against each of the evaluation criteria and verbatim comments was submitted to the Chairman of the Board.

The Chairman of the Board shared the report with the Board members in the subsequent Board meeting, discussions were held on the feedback and the Board has identified areas where the improvements need to be effected.

POLICIES:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed companies. In compliance with the same, the Company has formulated the policies. The corporate governance policies viz. Policy on Related Party Transactions, Corporate Social Responsibility Policy, Policy on Board Diversity, Policy on Disclosure of Material Event / Information, Code of Fair Disclosure under SEBI (Prohibition of Insider Trading) Regulations, 2015, Whistle Blower Policy etc. are available on our Company's website: www.ultramarinepigments.net.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The policy of the Company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub – section (3) of Section 178 of the Companies Act, 2013 was framed on the recommendation of Nomination and Remuneration Committee and approved by the Board.

The key objective of this policy is selection, appointment of and remuneration to Key Managerial Personnel, Directors and Senior Management Personnel. The said policy is given as Annexure – 1 to the Director's Report.

RISK MANAGEMENT POLICY:

A Risk Management Policy was framed and approved by the Board. The objective of this policy is to minimize the adverse impact of various risks on business goals and objectives and enhancement of the value of stakeholders. A Risk Management Committee has been constituted. The risk management process has been reviewed by the Risk Management Committee.

**VIGIL MECHANISM (WHISTLE BLOWER POLICY):**

The vigil mechanism of the Company incorporates a whistle blower policy in terms of listing agreement (now SEBI Listing Regulations) with Stock Exchange. Through this policy it aims to provide an avenue for employees to raise their concerns on any violation of legal or regulatory requirements, fraud, malfeasance, misrepresentation of financial statements and reports. During the year, the policy was amended by incorporating the provision of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 relating to leak of unpublished price sensitive information (UPSI) or suspected leak of UPSI and the procedure for inquiry relating thereto.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

No. of complaints received: Nil, No. of complaints disposed off: NA

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec. 134 (5) of the Companies Act, 2013, the Directors confirm that.

- i] in preparation of the annual accounts for the year ended March 31, 2019 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, 2019 and of the profit of the company for the year ended that date.
- iii] proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- iv] the annual accounts have been prepared on a "going concern" basis.
- v] that proper internal financial controls are laid down and are adequate and operating effectively.
- vi] that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

Particulars of loans and investments are provided in the financial statements (Please refer Note 6,7,11,13 & 15 to the financial statement).

RELATED PARTY TRANSACTIONS:

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee was obtained for the transactions which were foreseen and repetitive in nature. The transactions for which omnibus approval was required were placed before the Audit Committee and the Board for their review and approval.

A policy on the Related Party Transactions was framed, approved by the Board and posted on the Company's website, www.ultramarinepigments.net.



The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC - 2 is not applicable.

STATEMENT PURSUANT TO SEBI LISTING REGULATIONS:

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

REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance is annexed herewith. As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate on Corporate Governance is enclosed to the Board's Report.

STATEMENT SHOWING UNCLAIMED DIVIDEND AS ON MARCH 31, 2019

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/ unclaimed account required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The unclaimed amounts along with their due dates for transfer to IEPF is mentioned below:

Sl. No.	Year	Nature	Dividend Amount per Share (in ₹)	Amount of unclaimed dividend as on March 31, 2019 (₹)	Due date to transfer unclaimed dividend amount to IEPF [IEPF rule 3(1)]
1	2011-12	Final	3.00	796,740	25/10/2019
2	2012-13	Final	2.25	653,847	14/09/2020
3	2013-14	Final	2.50	743,400	17/10/2021
4	2014-15	Final	3.00	996,105	17/10/2022
5	2015-16	Interim	3.50	1,254,018	02/06/2023
6	2016-17	Final	4.00	1,406,708	22/10/2024
7	2017-18	Final	4.25	1,120,644	12/09/2025

The details of unclaimed dividend are available on the Company's website: [www.ultramarinepigments.net/investors/investors information](http://www.ultramarinepigments.net/investors/investors%20information)

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

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

64,500 shares were transferred to IEPF on 21.12.2018 and 10.01.2019.

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

DETAILS RELATING TO DEMATERIALIZED UNCLAIMED SUSPENSE ACCOUNT:

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	No. of shares transferred to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares
16	1,02,800	Nil	Nil	45,200	11	57,600



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

AUDITORS:

M/s. Brahmayya & Co was appointed as statutory auditors at the AGM held on 7th August, 2014 to hold office from the conclusion of the meeting till the conclusion of Annual General Meeting to be held in the year, 2019. Re-appointment of M/s. Brahmayya & Co as statutory auditors is proposed at the ensuing AGM.

COST AUDIT:

Our Company falls under the applicability of maintenance of cost records and their audit. Mr. G. Sundaresan, Cost Accountant (Membership no.11733) has been appointed as Cost auditor for the financial year 2018-19.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Company has appointed M/s. R.M. Mimani & Associates LLP, a firm of Company Secretaries in practice as Secretarial Auditor to undertake the secretarial audit of the Company. The Secretarial audit report in Form MR- 3 is given in Annexure -2 to this report.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of Annual Return in Form MGT- 9 are given in Annexure – 3 to this report.

PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1),(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure – 4 & 5 to this report.

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

The particulars required to be included in terms of section 134(3)(m) of the Companies Act, 2013 with regard to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo are given in Annexure – 6 to this report

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF THE COMPANY:

A report on CSR initiatives of the Company and the CSR policy are given in Annexure – 7 to this report.

ACKNOWLEDGEMENT

Your Directors thank the various Central and State Government Departments, Organisations and Agencies for the co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., shareholders, customers, dealers, vendors, and banks for their support. The Directors place on record their sincere appreciation of all employees of the Company for their commitment and continued contribution to the Company

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

Place: Chennai
Date : 15th May, 2019

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



ANNEXURE - DIRECTOR'S REPORT

Nomination and Remuneration Policy

Objectives:

The Key Objectives of the Committee and the Policy:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Remuneration Policy:

Managing Director (s), Whole time Director, Non – Executive and Independent Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non - Executive Directors. This will then be approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director(s), and Whole - time Director. Remuneration is paid within the ceiling approved by the Shareholders.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees, and commission if any, payable on the net profit of the Company as per the ceiling prescribed under Companies Act, 2013.

CEO, COO, CFO, CS and Senior Management Personnel

The remuneration of CEO, COO, CFO, CS and senior management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company, while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry as a whole.



R M MIMANI & ASSOCIATES LLP

Company Secretaries

A-101, Excellency, Old Raviraj Complex, Jessal Park, Bhayander (East), Thane - 401105

Ph. No. 022-69999914, Email:rmimani222@gmail.com

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To,

The Members

Ultramarine & Pigments Limited,

[CIN: L24224MH1960PLC011856]

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

Sion (East), Mumbai -400022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ultramarine & Pigments Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- VI. The Management has Identified and confirmed the following laws as specifically applicable to the Company;
 - a. Explosive Act, 1974
 - b. Hazardous Wastes (Management and Handling) Rules 2016
 - c. The Chemical Weapons Convention Act, 2000
 - d. Information Technology Act, 2000 and the rules made there under
 - e. Copyrights Act, 1957
 - f. The Trade Marks Act, 1999
 - g. Factories Act, 1948 and the rules made thereunder
 - h. Legal Metrology Act, 2009
 - i. Legal Metrology (Packaged Commodities) Rules, 2011.



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

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

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company.

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

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

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

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

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

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

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 15th May, 2019

FCS No: 6271
CP No : 4234

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



Annexure A

To,
The Members
Ultramarine & Pigments Limited,
[CIN: L24224MH1960PLC011856]
Thirumalai House, Road No. 29,
Near Sion Hill Fort,
Sion (East), Mumbai -400022

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

RANJANA MIMANI
(PARTNER)

Place : Mumbai
Dated : 15th May, 2019

FCS No: 6271
CP No : 4234

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

FORM NO. MGT - 9**I. REGISTRATION AND OTHER DETAILS:**

CIN	L24224MH1960PLC011856
Registration Date	25.10.1960
Name of the Company	Ultramarine & Pigments Limited
Category / Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	Thirumalai House, Road No.29 Near Sion Hill Fort, Sion (E), Mumbai - 400 022 Tel : +91-22-43686200, 6256 Fax : +91-22-24011699/24014754 E-mail: cs@ultramarinepigments.net Website: www.ultramarinepigments.net
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Ltd, Subramanian Building No.1, Club House Road Anna Salai, Chennai - 600002 Ph: 044 – 28460390, Fax : 044 - 28460129 E-mail: investor@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the* Product/ service	% to total turnover of the company
1	Surfactants	202	54.48
2	Pigments	201	32.70
3	ITES	620	11.69

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

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

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



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) *Category-wise Share Holding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	11,056,814	-	11,056,814	37.87	10,961,735	-	10,961,735	37.54	(0.33)
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	3,289,046	-	3,289,046	11.26	3,521,577	-	35,21,577	12.06	0.80
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other – Trust	1,206,224	-	1,206,224	4.13	1,206,224	-	1,206,224	4.13	0.00
Sub-Total (A) (1)	15,552,084	-	15,552,084	53.26	15,689,536	-	15,689,536	53.73	0.47
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter = (A) (1) + (A) (2)	15,552,084	-	15,552,084	53.26	15,689,536	-	15,689,536	53.73	0.47



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	72,583	-	72,583	0.25	72,583	-	72,583	0.25	0.00
(b) Banks/FI	41,168	800	41,968	0.14	41,168	800	41,968	0.14	0.00
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Foreign Portfolio Investors (Corporate)	-	-	-	-	143,043	-	143,043	0.49	0.49
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	113,751	800	114,551	0.39	256,794	800	257,594	0.88	0.49
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	440,937	-	440,937	1.51	283,650	-	283,650	0.97	(0.54)
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	8,031,802	825,692	8,857,494	30.33	7,969,467	603,956	8,573,423	29.36	(0.97)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	3,094,227	-	3,094,227	10.60	3,182,601	-	3,182,601	10.90	0.30
(c) Others (Specify)									
IEPF	80,746	-	80,746	0.28	145,246	-	145,246	0.50	0.22
Escrow Account	-	-	-	-	57,600	-	57,600	0.20	0.20
Clearing members	21,206	-	21,206	0.07	5,148	-	5,148	0.02	(0.05)
Hindu undivided families	327,333	-	327,333	1.12	337,102	-	337,102	1.15	0.03
NRI	643,672	-	643,672	2.21	667,850	-	667,850	2.29	0.08
Trusts	500	-	500	0.00	250	-	250	0.00	0.00
Foreign Portfolio Investor (Individual)	67,250	-	67,250	0.23	-	-	-	-	-
Sub-Total (B)(2)	12,707,673	825,692	13,533,365	46.35	12,648,914	603,956	13,252,870	45.39	(0.96)
Total Shareholding of Promoter = (B) (1) + (B) (2)	12,821,424	826,492	13,647,916	46.74	12,905,708	604,756	13,510,464	46.27	(0.47)
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	28,373,508	826,492	29,200,000	100.00	28,595,244	604,756	29,200,000	100.00	-

ii) *Shareholding of Promoters:*

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	THIRUMALAI CHEMICALS LIMITED	3,250,026	11.13	-	3,482,557	11.93		0.80
2	SANTHANAM SUNDARARAJAN	1,222,636	4.19	-	1,222,636	4.19		-
3	SRIDHAR SUNDARARAJAN	1,223,595	4.19	-	1,203,595	4.12		(0.07)
4	INDIRA SUNDARARAJAN	1,071,855	3.67	-	1,071,855	3.67		-
5	BHOOMA PARTHASARATHY	811,763	2.78	-	811,763	2.78		-
6	JAYALAKSHMI VENKATARAMAN	732,040	2.51	-	712,040	2.44		(0.07)
7	R SAMPATH	872,242	2.99	-	872,242	2.99		-
8	S SANTHANAM –HUF	519,075	1.78	-	0	0.00		(1.78)
9	PARTHASARATHY RANGASWAMY	736,331	2.52	-	736,331	2.52		-
10	SUJATA SAMPATH	582,634	1.99	-	582,634	1.99		-
11	DAYA SRIDHAR	482,928	1.65	-	471,928	1.62		(0.03)
12	KALA SUNDARAVEDA	396,970	1.36	-	376,392	1.29		(0.07)
13	RANGASWAMY PARTHASARATHY – HUF	407,400	1.39	-	407,400	1.39		-
14	SRIDHAR SUNDARARAJAN – HUF	350,449	1.20	-	330,449	1.13		(0.07)
15	DEEPA AJAY	306,200	1.05	-	363,796	1.25		0.20
16	G S FAMILY TRUST	315,301	1.07	-	315,301	1.07		-
17	RANGASWAMY SAMPATH - HUF	260,207	0.89	-	260,207	0.89		-
18	R S FAMILY TRUST	259,243	0.89	-	259,243	0.89		-
19	V S FAMILY TRUST	2,60,960	0.89	-	260,960	0.89		-
20	GEETHA .S	1,92,962	0.66	-	192,962	0.66		-
21	M P FAMILY TRUST	1,87,960	0.64	-	187,960	0.64		-
22	T P FAMILY TRUST	1,82,760	0.63	-	182,760	0.63		-
23	PRAVIN RANGACHARI	1,80,030	0.62	-	180,030	0.62		-
24	S VARADARAJAN	1,60,000	0.55	-	346,482	1.19		0.64
25	SRINATH SRIDHAR	1,44,680	0.50	-	141,180	0.48		(0.02)



Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
26	S VIDYA	1,07,515	0.37	-	107,515	0.37	-	-
27	S NARAYAN	72,800	0.25	-	347,796	1.19	-	0.94
28	RAMYA BHARATHRAM	59,360	0.20	-	59,360	0.20	-	-
29	V BHARATHRAM	36,000	0.12	-	36,000	0.12	-	-
30	MEERA PARTHASARATHY	48,120	0.16	-	48,120	0.16	-	-
31	TARA PARTHASARATHY	20,000	0.07	-	20,000	0.07	-	-
32	ADITYA RAJAN	17,200	0.06	-	17,200	0.06	-	-
33	KAVYA NARAYAN	16,000	0.05	-	16,000	0.05	-	-
34	UTTARA B	16,000	0.05	-	16,000	0.05	-	-
35	V S SUNDARARAJAN	4,108	0.01	-	4,108	0.01	-	-
36	BINA RAJAN	4,000	0.01	-	4,000	0.01	-	-
37	PRATHAMESH KARKAL	1,600	0.01	-	1,600	0.01	-	-
38	VARADARAJAN SANTHANAM	114	0.00	-	114	0.00	-	-
39	JASMINE LTD	39,020	0.13	-	39,020	0.13	-	-
Total		15,552,084	53.26		15,689,536	53.73		0.47

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

Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1.	Thirumalai Chemicals Limited	3,250,026	11.13	3,250,026	10.43
	03.07.2018	74,500	0.26	3,324,526	11.39
	10.08.2018	78,200	0.27	3,402,726	11.65
	13.08.2018	52,331	0.18	3,455,057	11.83
	23.08.2018	27,500	0.09	3,482,557	11.93
	Market purchase				
At the End of the year		3,482,557	11.93	3,482,557	11.93



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
2.	Daya Sridhar	482,928	1.65	482,928	1.65
	10.08.2018 Market sale	(11,000)	(0.04)	471,928	1.61
	At the End of the year	471,928	1.61	471,928	1.61
	At the beginning of the year				
3.	Jayalakshmi Venkataraman	732,040	2.51	732,040	2.51
	10.08.2018	(10,000)	(0.03)	722,040	2.48
	13.08.2018	(10,000)	(0.03)	712,040	2.45
	Market sale				
	At the End of the year	712,040	2.45	712,040	2.45
	At the beginning of the year				
4.	Kala Sundarveda	396,970	1.36	396,970	1.36
	10.08.2018	(10,578)	(0.04)	386,392	1.32
	13.08.2018	(10,000)	(0.03)	376,392	1.29
	Market sale				
	At the End of the year	376,392	1.29	376,392	1.29
	At the beginning of the year				
5.	Sridhar Sundararajan	1,223,595	4.19	1,223,595	4.19
	10.08.2018	(10,000)	(0.03)	1,213,595	4.16
	13.08.2018	(10,000)	(0.03)	1,203,595	4.13
	Market sale				
	At the End of the year	1,203,595	4.13	1,203,595	4.13
	At the beginning of the year				
6.	Sridhar Sundararajan HUF	350,449	1.20	350,449	1.20
	10.08.2018	(10,000)	(0.03)	340,449	1.17
	13.08.2018	(10,000)	(0.03)	330,449	1.14
	Market sale				
	At the End of the year	330,449	1.14	330,449	1.14



Sl. No	Name of Promoters Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
7.	S Santhanam HUF	519,074	1.78	519,074	1.78
	10.08.2018 Inter-se Transfer (gift)	(519,074)	(1.78)	0	0.00
	At the End of the year	0	0.00	0	0.00
	At the beginning of the year				
8.	Deepa Ajay	306,200	1.05	306,200	1.05
	12.08.2018 Inter-se Transfer (gift)	57,596	0.19	363,796	1.24
	At the End of the year	363,796	1.24	363,796	1.24
	At the beginning of the year				
9.	S. Narayan	88,800	0.30	88,800	0.30
	12.08.2018 Inter-se Transfer (gift)	274,996	0.94	363,796	1.24
	At the End of the year	363,796	1.24	363,796	1.24
	At the beginning of the year				
10.	S. Varadarajan	177,314	0.61	177,314	0.61
	12.08.2018 Inter-se Transfer (gift)	186,482	0.63	363,796	1.24
	At the End of the year	363,796	1.24	363,796	1.24
	At the beginning of the year				
11.	Srinath Sridhar	144,680	0.50	144,680	0.50
	13.08.2018 Market sale	(3,500)	(0.02)	141,180	0.48
	At the End of the year	141,180	0.48	141,180	0.48



iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	R. Sundar Rajan				
	At the beginning of the year	643,467	2.2036	643,467	2.2036
	06.04.2018 - sale	(250)	0.0008	643,217	2.2027
	29.06.2018 - purchase	7	0.0000	643,224	2.2027
	20.07.2018 - purchase	350	0.0011	643,574	2.2040
	27.07.2018 - purchase	50	0.0001	643,624	2.2041
	24.08.2018 - purchase	284	0.0009	643,908	2.2051
	31.08.2018 - purchase	150	0.0005	644,058	2.2056
	07.09.2018 - purchase	50	0.0001	644,108	2.2058
	14.09.2018 - purchase	59	0.0002	644,167	2.2060
	21.09.2018 - purchase	50	0.0001	644,217	2.2061
	28.09.2018 - purchase	150	0.0005	644,367	2.2066
	09.11.2018 - sale	(50)	0.0001	644,317	2.2065
	16.11.2018 - sale	(100)	0.0002	644,217	2.2063
	At the end of the year	644,217	2.2063	644,217	2.2063
	R. Sundar Rajan				
	At the beginning of the year	0	0.0000	0	0.0000
	11.01.2019 - purchase	50	0.0001	50	0.0001
	18.01.2019 - purchase	100	0.0002	150	0.0003
	25.01.2019 - purchase	75	0.0002	225	0.0005
	01.02.2019 - purchase	50	0.0001	275	0.0006
	08.02.2019 - purchase	200	0.0006	475	0.0012
	01.03.2019 - sale	(250)	0.0007	225	0.0005
	08.03.2019 - purchase	50	0.0001	275	0.0006
	15.03.2019 - purchase	(210)	0.0006	65	0.0002
	22.03.2019 - sale	20	0.0000	45	0.0001
	At the end of the year	45	0.0001	45	0.0001



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	T. Vijayaraghavan				
	At the beginning of the year	642,500	2.2003	642,500	2.2003
	27.04.2018 – sale	(1100)	0.0037	641,400	2.1965
	04.05.2018 – sale	(600)	0.0020	640,800	2.1945
	11.05.2018 – sale	(550)	0.0018	640,250	2.1926
	17.08.2018 – sale	(10,250)	0.0351	630,000	2.1575
	At the end of the year	630,000	2.1575	630,000	2.1575
3.	R. Ramachandran	321,699	1.1017	321,699	1.1017
	08.03.2019 – sale	(51)	0.0001	321,648	1.1016
	At the end of the year	321,648	1.1016	321,648	1.1016
4.	Bhavana G Desai				
	At the beginning of the year	419,148	1.4353	419,148	1.4353
	During the year	--	--	--	--
	At the end of the year	419,148	1.4353	419,148	1.4353
5.	K. Sridhar				
	At the beginning of the year	298,682	1.0228	298,682	1.0228
	11.01.2019 – sale	(3,000)	0.0102	295,682	1.0126
	At the end of the year	295,682	1.0126	295,682	1.0126
	Sridhar Krishnaswamy				
	At the beginning of the year	0	0.0000	0	0.0000
	07.12.2018 – purchase	7,021	0.0240	7,021	0.0240
	21.12.2018 – sale	(1,000)	0.0034	6,021	0.0206
	28.12.2018 – sale	889	0.0030	6,910	0.0236
	31.12.2018 – sale	(889)	0.0030	6,021	0.0206
	At the end of the year	6,021	0.0206	6,021	0.0206
6.	S. Bhooma				
	At the beginning of the year	174,124	0.5963	174,124	0.5963
	18.05.2018 - purchase	300	0.0010	174,424	0.5973
	29.06.2018 - purchase	50	0.0001	174,474	0.5975



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	13.07.2018 - sale	(50)	0.0001	174,424	0.5973
	20.07.2018 - purchase	350	0.0011	174,774	0.5985
	27.07.2018 - purchase	50	0.0001	174,824	0.5987
	24.08.2018 - purchase	300	0.0010	175,124	0.5997
	31.08.2018 - purchase	150	0.0005	175,274	0.6002
	07.09.2018 - purchase	50	0.0001	175,324	0.6004
	14.09.2018 - purchase	100	0.0003	175,424	0.6007
	21.09.2018 - purchase	50	0.0001	175,474	0,6008
	At the end of the year	175,474	0,6008	175,474	0,6008
7.	Saroja Srinivasan				
	At the beginning of the year	159,307	0.5455	159,307	0.5455
	10-08-2018 – sale	(200)	0.0006	159,107	0.5448
	17.08.2018 - sale	(400)	0.0013	158,707	0.5435
	21.12.2018 – sale	(500)	0.0017	158,207	0.5418
	01.03.2019 – sale	(1)	0.0000	158,206	0.5418
	15.03.2019 - sale	(200)	0.0006	158,006	0.5411
	At the end of the year	158,006	0.5411	158,006	0.5411
8.	Gymkhana Partners L.P				
	At the beginning of the year	66,200	0.2267	66,200	0.2267
	06.04.2018 - purchase	6,506	0.2222	72,606	0.2489
	25.05.2018 - purchase	4,373	0.0149	77,079	0.2639
	08.06.2018- purchase	13,694	0.0468	90,773	0.3108
	29.06.2018 - purchase	5,605	0.0191	96,378	0.3300
	07.09.2018 - purchase	8,522	0.0291	104,900	0.3592
	28.09.2018 - purchase	17,450	0.0597	122,350	0.4190
	12.10.2018 – purchase	6,437	0.0220	128,787	0.4410
	25.01.2019 - purchase	2,064	0.0070	130,851	0.4481
	08.02.2019 - purchase	8,477	0.0290	139,328	0.4771
	At the end of the year	139,328	0.4771	139,328	0.4771



Sl. No.	Name of Top 10 Shareholders Date wise Increase / Decrease in Top 10 Shareholders holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	K. Sridhar				
	At the beginning of the year	157,000	0.5376	157,000	0.5376
	13.07.2018 – sale	(10,000)	0.0342	147,000	0.5034
	23.11.2018 – sale	(10,000)	0.0342	137,000	0.4691
	At the end of the year	137,000	0.4691	137,000	0.4691
10.	Surabi Amritha Srinivasan				
	At the beginning of the year	121,491	0.4160	121,491	0.4160
	10.08.2018 – sale	(700)	0.0023	120,791	0.4136
	17.08.2018 – sale	(4,668)	0.0159	116,123	0.3976
	24.08.2018 – sale	(18,224)	0.0624	97,869	0.3352
	31.08.2018 – sale	(10,054)	0.0344	87,825	0.3007
	07.09.2018 – sale	(7,819)	0.0267	80,006	0.2739
	14.09.2018 – sale	(5,440)	0.0186	74,556	0.2553
	At the end of the year	74,556	0.2553	74,556	0.2553

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

S.No	Name of the Directors and KMP Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vinod G. Nehemiah, Director At the beginning of the year 05.06.2018 06.06.2018 Market purchase At the End of the year	177,600 10,000 5,560 - 193,160	0.61 0.03 0.02 - 0.66	177,600 187,600 193,160 - 193,160	0.61 0.64 0.66 - 0.66
2.	Mr. Nimish U. Patel, Director At the beginning of the year During the year At the End of the year	76,384 - 76,384	0.26 - 0.26	76,384 - 76,384	0.26 - 0.26
3.	Dr. Gopakumar G Nair , Director At the beginning of the year During the year At the End of the year	18,000 - 18,000	0.06 - 0.06	18,000 - 18,000	0.06 - 0.06



4.	Mr. T.R.Madhavan, Director				
	At the beginning of the year	600	0.00	600	0.00
	During the year	-	-	-	-
	At the End of the year	600	0.00	600	0.00
5.	Mr. Navin M Ram , Director				
	At the beginning of the year	1050	0.00	1050	0.00
	During the year	-	-	-	0.00
	At the End of the year	1050	0.00	1050	0.00
6.	Mr. S. Ragothaman, Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the End of the year	500	0.00	500	0.00
7.	Mr. R. Senthil Kumar, Whole-time Director				
	At the beginning of the year	500	0.00	500	0.00
	During the year	-	-	-	-
	At the End of the year	500	0.00	500	0.00
8	MR. Rajeev M. Pandia, Director				
	At the beginning of the year	-	0.00	-	0.00
	Market purchase – qualification shares	500	-	500	-
	At the End of the year	500	0.00	500	0.00
9	MR. C.R. Chandra Bob, Director				
	At the beginning of the year	-	0.00	-	0.00
	Market purchase – qualification shares	500	-	500	-
	At the End of the year	500	0.00	500	0.00
10.	Mr. S. Ramanan, CFO				
	At the beginning of the year	934	-	934	0.00
	During the year	-	-	-	-
	At the End of the year	934	0.00	934	0.00
11.	Mr. Kishore Kumar Sahoo, Company Secretary				
	At the beginning of the year	10	0.00	10	0.00
	During the year	-	-	-	-
	At the End of the year	10	0.00	10	0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: ₹ Lakhs

SI No.	Particulars of remuneration	Indira Sundararajan, Vice Chairperson and Managing Director	Tara Parthasarathy, Joint Managing Director	R. Senthil Kumar, Whole-time Director
1(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.98	24.71	17.52
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	25.33	9.00	13.75
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---



2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - as % of profit - others, specify...	19.64	30.00	---
5	Others. Variable pay	---	---	10.00
Total (A)		50.95	63.71	41.27

B. Remuneration to other Directors:

₹ Lakhs

Sl. No	Particulars of Remuneration	Name of Directors						Total Amount
		Gopakumar G. Nair	Nimish U. Patel	T.R. Madhavan	Vinod G. Nehemiah	Navin M. Ram	S. Ragothaman	
1	Independent Directors • Fee for attending board / committee meetings	4.40	3.60	5.20	3.60	4.00	4.00	24.80
	• Commission	3.56	3.56	8.90	3.56	3.56	8.90	32.04
	• Others, please specify	-	-	-	-	-	-	-
Total (1)		7.96	7.16	14.10	7.16	7.56	12.90	56.84
2	Other Non-Executive Directors • Fee for attending board / committee meetings	R. Sampath		Indira Sundararajan	Rajeev M. Pandia	C.R. Chandra Bob		
		3.60	1.20	0.80	1.20	-	6.80	
		32.04	-	-	-	-	32.04	
		-	-	-	-	-	-	
Total (2)		35.64	1.20	0.80	1.20	-	38.84	
Total (B) = (1)+(2)							95.68	

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

₹ Lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.60	4.49	17.09
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	16.58	8.56	25.14
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---



2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - as % of profit - others, specify...	---	---	---
5	Others, please specify	---	---	---
Total (C)		29.18	13.05	42.23

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			None		
Punishment			None		
Compounding			None		
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

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

Place: Chennai
Date : 15th May, 2019

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure – 4

Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2018- 19.

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2018-19.

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employees
1.	Tara Parthasarathy	Joint Managing Director	23:1
2.	R. Senthil Kumar	Whole-time Director	15:1

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or manager during the financial year 2018-19.

Sl. No.	Name	Designation	Percentage increase in remuneration
1.	Tara Parthasarathy	Joint Managing Director	11.84
2.	R. Senthil Kumar	Whole –time Director	2.44
3.	S. Ramanan	Chief Financial Officer	1.88
4.	Kishore Kumar Sahoo	Company Secretary	9.00

- iii) The percentage increase in the median remuneration of Employees in the financial year is 39.67.

- iv) The Company has 892 permanent employees on the rolls of Company as on 31st March, 2019.

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

The profit before tax for the financial year ended 31st March, 2019 increased by 17% whereas the average increase in remuneration was 17%.

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

₹ in Lakhs

Sl. No.	Particulars	Year (2018 – 19)	Year (2017 – 18)	Percentage of increase/ decrease
1	Sales	30,686	27,736	10.63
2	Profit before tax	8,037	6,341	26.74
3	Remuneration of the KMP	168	372	(54.84)



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

Particulars	As on 31.03.2019	As on 31.03.2018	Increase / (Decrease) (%)
Price Earnings Ratio	14.86	18.39	(19.2)
Market Capitalization (₹ in Crore)	767.08	802.85	(4.45)

The Company has not made any public issue of shares.

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

ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

Sl. No.	Name of Key Managerial Personnel	Designation	Percentage increase in Remuneration	Percentage of increase in performance
1.	Tara Parthasarathy	Joint Managing Director	11.84	8.61
2.	R. Senthil Kumar	Whole – time Director	2.44	8.61
3.	S. Ramanan	Chief Financial Officer	1.88	8.61
4.	Kishore Kumar Sahoo	Company Secretary	9.00	8.61

x) The key parameter for any variable component of remuneration availed by Managing Directors:

Only Commission is payable in addition to monthly remuneration. The Commission is based on the performance of the Company and is paid upon recommendation of Nomination and Remuneration Committee. Variable compensation is payable to a Whole-time director of the Company.

xi) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: 1: 1.45

xii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



Annexure – 5

Details of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Sl. No.	Name of Employee	Age in Years	Qualification and Experience	Designation	Remuneration (₹)	Percentage of equity shares held in the Company	Date of commencement of employment	Last Employment held
1	Ms. Indira Sundararajan	71	BSc. Tech 27 yrs	Vice Chairperson and Managing Director	50,95,049	3.67	01.07.2003	Thirumalai Chemicals Ltd.,
2.	Ms. Tara Parthasarathy	33	B Tech, Master of Environmental Management (MEM) 9 Yrs	Joint Managing Director	7,157,021	0.07	16.03.2015	World Resources Institute, Bangalore
3.	Mr. R. Senthil Kumar	52	Science Graduate 30 yrs	Whole – time Director	4,860,242	0.00	20.07.1988	Ultramarine & Pigments Ltd., as General Manager-Operations

Notes:

- 1) Remuneration paid to Mrs. Indira Sundararajan upto 09.05.2018
- 2) Remuneration includes Company's contribution to Provident Fund, Medical Benefits, Leave Travel Allowance and commission payable etc.
- 3) Nature of employment is contractual.

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

Place: Chennai
Date : 15th May, 2019

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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



Annexure - 6

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014
I CONSERVATION OF ENERGY

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

FUEL CONSUMPTION (POWER & FUEL)

	UNITS	YEAR ENDING 31.03.2019	YEAR ENDING 31.03.2018
1. ELECTRICITY			
a) Purchased Units	KW /HR	65,28,998	66,35,406
Total amount paid		5,11,66,298	5,41,88,199
Rate/ Unit	₹	7.84	8.17
b) Own Generation			
Through Windmill	KW/HR	58,78,398	46,58,947
Through Solar	KW/HR	4,19,158	2,58,599
Through DG	KW/HR	1,36,485	1,53,974
Unit / Litre of Diesel Oil	KW/HR	3.35	3.31
Cost Per Unit	₹	21.72	18.26
2. COAL AND COKE			
Coal & Coke &Pet Coke	₹	3,73,92,597	3,04,35,158
Coal & Coke &Pet Coke	Tons	1,657	1,407
Rate / Ton	₹	22,569	21,625
3. FURNACE OIL/ DIESEL / SKO ETC			
Furnace Oil / Diesel / SKO Etc.	KL	1,314	1,299
Total amount	₹	5,96,11,304	4,69,26,680
Rate / KL	₹	45,370	36,135
4. LPG			
LPG – Value	₹	88,50,438	-
LPG CYLINDER 450 KG QUANTAZ	KG	1,36,972	-
Average rate per KL	₹ / KG	64.61	-
4. RESEARCH & DEVELOPMENT EXPENDITURE ON R&D			
i) Capital	₹	28,42,657	17,42,218
ii) Recurring	₹	1,29,68,369	1,12,38,310
iii) Total	₹	1,58,11,026	1,29,80,528
iv) Total R&D Expenditure as a percentage of total turnover		0.52%	0.47%

II. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION

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

III. FOREIGN EXCHANGE EARNINGS & OUTGO

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

On Behalf of the Board

For **Ultramarine & Pigments Limited**,

Tara Parthasarathy

Joint Managing Director

[DIN: 07121058]

R. Senthil Kumar

Whole - time Director

[DIN: 07506927]

Place: Chennai

Date : 15th May, 2019

**Annual Report on Corporate Social Responsibility (CSR) Activities, 2018-19:****Composition of CSR Committee:**

Mr. T.R. Madhavan	Chairman of the Committee (Independent Director)
Mr. Vinod G. Nehemiah	Member (Independent Director)
Mrs. Indira Sundararajan	Member (Non – Executive Director)

Corporate Social Responsibility (CSR) Policy : adopted and implemented in the year 2014.**Corporate Social Responsibility (CSR) Philosophy:**

In UPL, giving back to the community is considered as a necessity and not a choice. Since inception, it has been inculcated in our employees and our management that the company's well-being hinges not only upon the financial health, efficiency of production and general health and wealth of our employees but also upon the health, wealth and opportunities available to the weaker section of the society with special focus on rural people.

CSR contribution:

Pursuant to the provisions of Companies Act, 2013, the Company should spend in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial year. In compliance with the said provision, the expenditure made by the Company towards CSR activities for the financial year 2018 -19 is given below:

Particulars	Amount
i) Average net profit of the Company for the last three years (computed as per the provision of section 198 of the Companies Act, 2013)	₹ 5,012 Lakhs
ii) Prescribed CSR expenditure: 2% of (i) above	₹ 100.24 Lakhs
iii) Total amount spent for the financial year towards CSR activities	₹ 107.00 Lakhs

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

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: 1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
				(₹. in lakhs)			
1.	Integrated Community Health and Development Program for primary and Secondary health care	Clause (i), (iv) promoting health care including preventive health care	Ranipet, Vellore district of Tamil Nadu	120.00	88.00	366.78	Implementing agency – “Thirumalai Charity Trust”, Vellore, Tamil Nadu



1	2	3	4	5	6	7	8
2.	Education Programs: • Contribution towards installation of solar power plant for a School	Clause (ii) Promotion of Education	Mumbai		10.00	20.00	South Indians Welfare Society, Mumbai
	• Contribution to the school for spastic and mentally retarded children		Ranipet, Vellore district of Tamil Nadu		4.00		VISHWAS
	• Contribution to a School		Ranipet, Vellore district of Tamil Nadu		2.00		Bhuvana Foundation
3.	Contribution towards construction of Toilets	Health and sanitation development in rural India	Chennai		1.00		South Central India Network for development alternatives
4.	Contribution towards disaster relief		Kerala		2.00		Chief Ministers Distress Relief Fund, Kerala
	Total			120.00	107.00	386.78	

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) policy, is in compliance with CSR objectives and policy of the Company’.

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

Place: Chennai
Date : 15th May, 2019

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

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

**CORPORATE GOVERNANCE REPORT, 2019**

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulations”]

Company’s philosophy on Corporate Governance

The Company believes that the pursuit for good Corporate Governance is an ongoing process which facilitates the Company to achieve its avowed objectives of transparency, accountability and responsibility in all our dealings with our shareholders, customers, employees and the community at large. This objective extends not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with the best practices for corporate governance.

The Company recognizes that strong Corporate Governance is a key driver of sustainable corporate growth and long term value creation.

In this report the Company confirms its compliance with the corporate governance conditions as required by SEBI Listing Regulations.

Board of Directors**(a) Composition of Board as on 31.03.2019**

Category	No. of Directors
Executive Directors	2
Non – Executive and Non Independent Directors including Chairman	5
Non executive and Independent Directors	5

(b) Relevant details of Directors

Name of Directors	Category	No. of Directorships of other Public Companies	Board Sub-committees: Audit Committee & Stakeholder Relationship Committee Membership / Chairmanship	
Mr. R. Sampath	Non-Executive	1	2	-
Ms. Indira Sundararajan	Non-Executive	-	-	-
Ms. Tara Parthasarathy	Executive	-	-	-
Mr. R. Senthil Kumar	Executive	-	-	-
Dr. Gopakumar G. Nair	Non Executive Independent	3	1	1
Mr. Nimish U. Patel	Non Executive Independent	5	1	1
Mr. T.R. Madhavan	Non Executive Independent	-	-	-
Mr. Vinod G. Nehemiah	Non Executive Independent	-	-	-
Mr. Navin M. Ram	Non Executive Independent	-	-	-
Mr. S. Ragothaman	Non Executive Independent	7	2	2
Mr. Rajeev M. Pandia	Non Executive Non Independent	6	3	2
Mr. C.R. Chandra Bob	Non Executive Non Independent	-	-	-
Dr. P. Arunasree	Non Executive Non Independent	-	-	-

- Mr. R. Sampath is the Chairman
- Mrs. Indira Sundararajan, Vice Chairperson



- Mr. R. Sampath and Mrs. Indira Sundararajan are related
- Ms. Tara Parthasarathy, Joint Managing Director
- Mr. R. Senthil Kumar, Whole – time Director
- Mr. Rajeev Mahendra Pandia and Mr. C.R. Chandra Bob were appointed as Additional Directors with effect from 12.11.2018.
- Dr. Gopakumar G. Nair ceased to be a Director with effect from 31.03.2019.
- Dr. P. Arunasree was appointed as an Additional Director with effect from 01.04.2019

(c) Board Meetings

Number of Board Meetings held during the year 2018 - 2019

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

10/04/2018, 30/05/2018, 06/08/2018, 12/11/2018, 05/02/2019 & 29/03/2019

The Board meetings are held in compliance with the provisions under Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS -2).

(d) Attendance of Directors at Board meetings and Annual General Meeting

Name of the Directors	Attendance at Board meeting held on						Attendance at the AGM held on August 06, 2018
	April 10, 2018	May 30, 2018	August 06, 2018	November 12, 2018	February 05, 2019	March 29, 2019	
Mr. R. Sampath	✓	Leave of absence	✓	✓	✓	✓	✓
Mrs. Indira Sundararajan	✓	Leave of absence	Leave of absence	✓	Leave of absence	✓	Absent
Ms. Tara Parthasarathy	✓	✓	✓	Leave of absence	✓	✓	✓
Mr. R. Senthil Kumar	✓	✓	✓	✓	✓	✓	✓
Dr. Gopakumar G. Nair	✓	✓	✓	✓	✓	✓	✓
Mr. Nimish U. Patel	✓	✓	✓	Leave of absence	✓	✓	✓
Mr. T. R. Madhavan	✓	✓	✓	✓	✓	✓	✓
Mr. Vinod G. Nehemiah	✓	Leave of absence	✓	✓	✓	✓	✓
Mr. Navin M Ram	✓	✓	✓	✓	✓	✓	✓
Mr. S. Ragothaman	✓	Leave of absence	✓	✓	✓	✓	✓
Mr. Rajeev M. Pandia	NA	NA	NA	NA	✓	✓	NA
Mr. C.R. Chandra Bob	NA	NA	NA	NA	✓	✓	NA

**Board Committees****Audit Committee**

Composition of Audit Committee

- Mr. T.R. Madhavan (Chairman)
 Mr. Nimish U. Patel (Member)
 * Ms. Tara Parthasarathy (Member)
 Mr. S. Ragothaman (Member)
 ** Mrs. Indira Sundararajan (Member)
 * Ceased to be a member with effect from 12.11.2018
 ** Inducted as a member with effect from 12.11.2018

The composition of Audit Committee meets with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, four meetings of the Audit Committee were held on the following dates:

30/05/2018, 06/08/2018, 12/11/2018, and 04/02/2019.

Members of the Committee, Chief Financial Officer as well as the Statutory Auditors, and internal auditors are present at all the meetings.

The Company Secretary acts as Secretary to the Audit Committee.

Attendance record of Audit Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Mr. T.R. Madhavan	Independent	Chairman	4	4
Mr. Nimish U. Patel	Independent	Member	4	3
Ms. Tara Parthasarathy	Executive	Member	3	3
Ms. Indira Sundararajan	Non -Executive	Member	2	1
Mr. S. Ragothaman	Independent	Member	4	3

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

Nomination and Remuneration Committee

Composition of the Committee:

- Mr. Vinod G. Nehemiah (Chairman)
 Dr. Gopakumar G. Nair (Member)
 Mr. Navin M Ram (Member)
 Mr. R. Sampath (Member)



During the year, three meetings of the Committee were held on 30/05/2018, 12/11/2018 and 04/02/2019

Attendance record of Nomination and Remuneration Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Mr. Vinod G. Nehemiah	Independent	Chairman	3	2
Dr. Gopakumar G. Nair	Independent	Member	3	3
Mr. Navin M. Ram	Independent	Member	3	3
Mr. R. Sampath	Non-Executive	Member	3	2

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

Stakeholders Relationship Committee

Composition of the Committee:

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

The Stakeholder Relationship Committee deals with the following matter:

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

Mr. Kishore Kumar Sahoo, Company Secretary is the Compliance Officer. All requests whenever received from any investor were timely attended for redressal. No complaints were received from the Shareholders during 2018-19. The process of share transfer is delegated to a Registrar and Share Transfer Agent and is done once a fortnight (depending on transfers received) in compliance with SEBI Listing Regulations and is confirmed and ratified by the Board at each subsequent meeting.

During the year, one meeting of the Committee was held on 30/05/2018.

Attendance record of Stakeholders Relationship Committee

Name of the Director	Category	Status	No of meetings	
			Held	Attended
Dr. Gopakumar G. Nair	Independent	Chairman	1	1
Mr. T.R. Madhavan	Independent	Member	1	1
Mrs. Indira Sundararajan	Executive	Member	1	0

**Corporate Social Responsibility (CSR) Committee**

Composition of the Committee:

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

The CSR Committee reviews the CSR activities, and recommends the amount to be contributed for the purpose of CSR. CSR activity report and statement of accounts have been placed before the Committee for review. A meeting of the CSR committee was held on 30th May, 2018. All the members of the Committee were present except Mr. R. Sampath.

A report on CSR activities for the Financial Year 2018-19 is given in the Directors' Report, Annexure 7.

Risk Management Committee

Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made mandatory the constitution of a risk management committee for top 500 listed Companies based on the market capitalization. The Company is not under the top 500 list; however it has constituted a risk management committee during the year.

Composition of the Committee:

Mr. R. Sampath	(Chairman)
Ms. Tara Parthasarathy	(Member)
Mr. R. Senthil Kumar	(Member)
Mr. C. R. Chandra Bob	(Member)
Mr. S. Ramanan	(Member)

One meeting of the risk management committee was held on 28th March, 2019 and all the members of the Committee were present.

The Committee discussed on the various risk identified by the Company viz. Strategic risk, operational risk, financial risk, market risk, credit risk, compliance risk etc. and the mitigation plan relating thereto.

Business Review Committee

Composition of the Committee:

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

During the year, one meeting of the Committee was held on 29/03/2019. All the members of the Committee were present.

The role of business review Committee:

- Reviewing performance goals and important details for each business units, and overall for the Company.
- Reviewing performance with respect to the Budgets and Plans.



- Discussing and reviewing market demand and product development; working capital management; business risk and mitigation; growth strategy and implementation.
- Guiding the management team on specific issues.

Independent Directors meeting

During the year under review the Independent Directors met on 4th February, 2019, inter alia to discuss and review:

- Performance of non – independent directors;
- Performance of the Chairperson of the Company;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent directors were present at the meeting.

Familiarization program for Independent Directors

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarize the independent directors through various programs about the Company. During the financial year, Senior Officials of the Company has made presentations, provided information relating to Company's operations, function, and strategy plan of the Company to the independent directors. The details of familiarization program are available at the website of the Company: www.ultramarinepigments.net / investors /.

Remuneration of Directors

Managing Director, Whole-time Directors

Remuneration paid or payable to Managing Director, Whole-time Director during the year ended 31-03-2019.

Name	Salary	Perquisites	Contribution to PF and other Funds	Commission/variable pay (Payable)	Total	No. of shares held
1. Ms. Indira Sundararajan Vice Chairperson and Managing Director	597,581	*25,33,333	--	1,964,135	5,095,049	10,71,855
2. Ms. Tara Parthasarathy Joint Managing Director	2,471,040	900,000	785,981	3,000,000	7,157,021	20,000
3. Mr. R. Senthil Kumar Whole – time Director	1,752,396	1,375,211	732,635	1,000,000	4,860,242	500

Mrs. Indira Sundararajan ceased to be Managing Director with effect from 09.05.2018. (Remuneration paid upto 09.05.2018)

* Leave encashment

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

Non – Executive Directors and Independent Directors

- Sitting fee is payable to the Non-Executive Directors for attending the Board / Committee meetings. The sitting fee paid to the non-executive Directors (2018 -19) is as under:



Name	Amount (₹)
Mr. R. Sampath	3,60,000
Mrs. Indira Sundararajan	1,20,000
Dr. Gopakumar .G. Nair	4,40,000
Mr. Nimish U. Patel	3,60,000
Mr. T.R. Madhavan	5,20,000
Mr. Vinod G Nehemiah	3,60,000
Mr. Navin M. Ram	4,00,000
Mr. S. Ragothaman	4,00,000
Mr. Rajeev M. Pandia	80,000
Mr. C.R. Chandra Bob	1,20,000
Total	31,60,000

Sitting fees paid to the Non-Executive Directors depending on the number of meetings attended by them. These payments are reviewed by the Board of Directors from time to time.

- Payment of Commission to Non – Executive Directors (within the ceiling 1% of profit of the Company computed under section 198 of the Companies Act, 2013). The manner of payment of Commission was recommended by Nomination and Remuneration Committee and approved by the Board of Directors. The details of Commission paid to Non – Executive and / or Independent Directors for the financial year 2017 -18 is as follows:

Name	Commission amount (₹)
Mr. R. Sampath	32,04,478
Dr. Gopakumar G. Nair	3,56,053
Mr. Nimish U. Patel	3,56,053
Mr. T.R. Madhavan	8,90,133
Mr. Vinod G. Nehemiah	3,56,053
Mr. Navin M. Ram	3,56,053
Mr. S. Ragothaman	8,90,133
Total	64,08,957

Shareholdings of Directors

Details of shares held by Non-Executive Directors as on 31/03/2019

Name	No. of Shares held
Mr. R.Sampath	11,32,449
Dr. Gopakumar G. Nair	18,000
Mr. Nimish U. Patel	76,384
Mr. T.R Madhavan	600
Mr. Vinod G Nehemiah	1,93,160
Mr. Navin M. Ram	1,050
Mr. S. Ragothaman	500
Mr. Rajeev M. Pandia	500
Mr. C.R. Chandra Bob	500



Brief details of General Body Meetings

The Fifty eighth Annual General Meeting of the Company for the financial year 2018- 2019 would be held on **Monday, the 29th Day of July, 2019 at 3.00 pm at “The Mysore Association Auditorium”, Mysore Association, 392/393, Bhaudaji Road, Matunga- C. Rly. Mumbai – 400 019.**

The last three Annual General Meetings were held as under

Financial Year	Date	Time	Location
2017 – 2018	06/08/2018	3.00 PM	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.
2016 – 2017	11/08/2017	3.00 PM	2nd Floor, Matusree Ratanbai Palan Hall, Sri Naranji Shamji Mahajanwadi, 452 – 453, Bhaudaji Road, Matunga, Mumbai – 400 019.
2015 – 2016	08/08/2016	3.30 PM	Mysore Association Auditorium, 393, Bhaudaji Road, Matunga, Mumbai – 400 019.

- Special resolutions passed in the previous three annual general meetings : Nil
- Special resolution passed last year through postal ballot : Nil
- Special resolution is proposed to be conducted through postal ballot : Nil

Remote e – voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e – voting facility. The Company has engaged CDSL to provide e-voting facility to all the members.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e – voting can exercise their vote at the AGM.

Code of Conduct

In compliance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, The Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company. The Code is also posted on the Company’s website.

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2019. The Joint Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

Prevention of Insider trading

The Company has adopted a code of conduct on insider trading to regulate, monitor and report the trading by insiders under the SEBI (Prohibition of insider trading) Regulations, 2015. This code of conduct also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The code of fair disclosure is available on Company’s website: www.ultramarinepigments.net / investors/ Company policies.

Disclosures:

(i) Internal Audit Functions and Statutory Compliance

Internal Audit functions of the Company have been carried out by a firm of Chartered Accountants. The Reports of the Internal Auditors on the operations and financial transactions and the action taken thereon by the management in the form of a report are duly submitted to the Audit Committee of the Board of Directors. The Statutory Auditors are provided with the reports of the internal auditors including the action taken report made by the Company.

The Internal auditor also makes presentation to the Audit Committee whenever required.

For every quarter, the Company Secretary / Department Head make report of Statutory compliances. These are placed before the Audit Committee and the Board Meeting.



(ii) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There were no material significant transactions with the Directors or the management or their relatives that have any potential conflict with the interest of the Company.

(iii) Details of Non-compliance

There were no cases of non-compliance by the Company nor any cases of penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(iv) Establishment of vigil mechanism and affirmation that no personnel have been denied access to the Audit Committee

The Company has implemented a vigil mechanism policy (Whistle blower policy), whereby the employees can raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The policy safeguards the whistle blower and also provides a direct access to the Chairman of Audit Committee. During this year no complaints were received under this mechanism nor has any personnel been denied access to the Audit Committee.

(v) Policy on dealing with related party transactions is available at Company's website: www.ultramarinepigments.net / investors / Company policies.

(vi) Risk Management

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

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

(viii) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

The Company fulfills the following discretionary requirement pursuant to Regulation 27(1) of the Listing regulations read with Part E of Schedule II.

- The Non- Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and allowed reimbursement of expenses incurred in performance of his duties. He is also entitled to Commission on the net profit of the Company.
- The Company is in the regime of un-qualified financial statements.

(ix) CEO / CFO Certification

Appropriate certification as required under Regulation 17(8) of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 has been made to the Board of Directors by the CEO/CFO which has been taken note of by the Board.

(x) Means of communication

The Company has promptly reported all material information including quarterly results to the Stock Exchanges where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a National Daily and in a vernacular language newspaper.

All material Information for investors, Financial results, Annual Report, report on corporate governance, Shareholding pattern, Company's policies are posted in the Company's website at www.ultramarinepigments.net.

**(xi) Disclosures by Management to the Board**

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

(xii) Management Discussion and Analysis

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

(xiii) General Shareholders Information

- 1) Date, time and venue of 58th AGM : Monday, 29th July, 2019 at 3.00 pm
The Mysore Association Auditorium,
The Mysore Association,
393, Bhaudaji Road,
Matunga –C Rly, Mumbai - 400019
- 2) Date of Book Closure : 23rd July , 2019 to 29th July, 2019
(both days Inclusive)
- 3) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
- 4) Listing Fees : Paid as per the listing agreement
- 5) ISIN No. : INE405A01021
- 6) BSE Stock Code : 506685
- 7) Registered Office : Thirumalai House,
Road No.29, Sion-East, Mumbai- 400 022.
Phone: +91-22-4368 6200/6256
Fax : +91-22-24011699
E. Mail : cs@ultramarinepigments.net
- 8) Registrars and Share Transfer Agent : Cameo Corporate Services Ltd,
Subramanian Building
No.1, Club House Road
Anna Salai, Chennai - 600002
Ph: 044 – 28460390, Fax : 044 - 28460129
E. Mail : investor@cameoindia.com
- 9) Compliance Officer : Mr. Kishore Kumar Sahoo - Company Secretary
Ultramarine & Pigments Ltd.,
Thirumalai House, Road No.29,
Sion (East), Mumbai – 400 022.
Phone:+91-22-24017841/ 2401 7853
Fax : +91-22-2401 1699
E.Mail : cs@ultramarinepigments.net



- 10) Share Transfer System : The Company's shares are traded in the Stock Exchanges compulsorily in de-materialized mode. Shares sent for physical transfer or de-materialisation requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- 11) Financial Calendar : Annual Results : 15th May, 2019
Results for the Quarter ending :
June 30, 2019 : By 29th July, 2019
September 30, 2019 : By 14th Nov, 2019
December 31, 2019 : By 14th Feb, 2020
March 31, 2020 : By 30th May, 2020
- 12) Mailing of Annual Reports : Last week of June, 2019
- 13) Dividend Payment dates : By 6th August, 2019.
- 14) Dematerialisation of Shares : As on 31/03/2019, 97.93% of the Company's shares representing 2,85,95,244 shares were held in the de-materialized form.
Shares with NSDL – 2,59,85,396
Shares with CDSL - 26,09,848
- 15) Plant location : **Ambattur**
No.556, Vanagaram Road,
Ambattur, Chennai – 600 053, Tamilnadu.
Tel: +91-44 – 26136700 - 26136704
Fax: +91- 44- 26821201
- Ranipet**
25-B, SIPCOT Industrial Complex,
Ranipet – 632 403, Tamil Nadu.
Tel: +91- 4172- 278500 -504
Fax: +91- 4172- 664400
E.mail:syndet@ultramarinepigments.net
- Lapiz Digital Services**
RR Tower – IV , Super A - 16 &17,
T V K Industrial Estate, Guindy
Chennai – 600032
Tel: +91 - 44- 42901300
Fax:+91-44- 42901310
E-mail : info@lapizdigital.com



16) Categories of Shareholders as on 31.03.2019

Categories of Shareholders as on 31.03.2019	No. of Shares	% to the total paid up capital
Promoters/ Promoter group	15,689,536	53.73
General Public and HUF	12,150,726	41.61
Companies / Bodies Corporate	283,650	0.97
NRI	667,850	2.29
Investor Education & Protection Fund (IEPF)	145,246	0.50
Mutual Fund	72,853	0.25
Foreign Portfolio Investor	143,043	0.49
Financial Institutions / Banks	41,968	0.14
Clearing Member & Trusts	5,398	0.02
Total	29,200,000	100.00

17) Distribution of Shareholding as on 31.03.2019

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	9921	92.87	3,264,227	11.18
5001- 10000	364	3.41	1,348,358	4.62
10001-20000	199	1.86	1,576,977	5.40
20001-30000	63	0.59	790,216	2.70
30001-40000	28	0.26	499,658	1.71
40001-50000	12	0.11	270,456	0.93
50001-100000	39	0.37	1,319,455	4.52
Over 100000	57	0.53	20,130,653	68.94
TOTAL	10683	100.00	29,200,000	100.00

18) Stock Market price data and BSE Sensex for the year 2018 – 2019

Month	Market share at BSE Ltd			BSE Sensex	
	High	Low	No. of Shares traded	High	Low
April -2018	375.00	278.00	200,512	35,213.30	32,972.56
May-2018	359.00	279.00	145,902	35,993.53	34,302.89
June-2018	301.00	213.00	186,866	35,877.41	34,784.68
July-2018	305.00	249.95	185,702	37,644.59	35,106.57
August-2018	320.00	243.00	523,197	38,989.65	37,128.99
September-2018	269.30	225.15	176,467	38,934.35	35,985.63
October-2018	265.00	211.05	137,885	36,616.64	33,291.58
November-2018	275.00	245.00	114,673	36,389.22	34,303.38
December-2018	260.00	227.00	97,322	36,554.99	34,426.29
January-2019	255.00	209.85	90,819	36,701.03	35,375.51
February-2019	244.80	205.20	106,401	37,172.18	35,287.16
March-2019	283.90	234.10	143,412	38,748.54	35,926.94



19) Corporate Ethics

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

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy

Joint Managing Director

DIN: 07121058

Place : Chennai

Date : 15th May, 2019

Declaration by the CEO under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

In accordance with Regulation 26 (3) of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended March 31, 2019.

For **Ultramarine & Pigments Limited,**

Tara Parthasarathy

Joint Managing Director

DIN: 07121058

Place : Chennai

Date : 15th May, 2019

**CEO / CFO Certification**

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

To,
The Board of Directors
Ultramarine & Pigments Limited

We, Tara Parthasarathy, Joint Managing Director, and S. Ramanan, Chief Financial Officer of Ultramarine & Pigments Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement of Ultramarine & Pigments Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that there are no :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year; and
 - (iii) instances of significant fraud of which we have become aware.

For Ultramarine & Pigments Limited,

Place: Chennai
Date : 15th May, 2019

Tara Parthasarathy
Joint Managing Director
[DIN: 07121058]

S. Ramanan
Chief Financial Officer



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Ultramarine & Pigments Limited.

1. This certificate is issued in accordance with the terms of our engagement letter reference 16th August, 2017.
2. We, Brahmayya & Co, Chartered Accountants, the Statutory Auditors of Ultramarine and Pigments Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
Brahmayya & Co.,
Chartered Accountants
Firm Registration No.: 000511S

R Nagendra Prasad
Partner
Membership No.: 203377
UDIN: 19203377AAAABC6777

Place: Chennai
Date: 15th May, 2019



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Ultramarine & Pigments Limited

[CIN: L24224MH1960PLC011856]

Thirumalai House, Road No. 29,

Near Sion Hill Fort,

Sion (East), Mumbai - 400022

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ultramarine & Pigments Limited (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

DIN	Full Name	Designation	Date of Appointment
00092144	Mr. Rangaswamy Sampath	Director	01/08/2007
00092203	Mrs. Indira Sundararajan	Director	01/08/2004
07121058	Ms. Tara Parthasarathy	Managing Director	16/03/2015
07506927	Mr. Ramachandra Senthil Kumar	Whole-time Director	08/08/2016
00039549	Mr. Nimishbhai Upendrabhai Patel	Director	28/10/2003
00163992	Mr. Tiruthurai Poondi Madhavan Ramamurti	Director	11/02/2013
00379444	Mr. Vinod Gnanakan Nehemiah	Director	29/03/2013
02410242	Mr. Navin Muthu Ram	Director	10/11/2014
00042395	Mr. Ragothaman Rao Sethumadhava	Director	14/02/2015
00021730	Mr. Rajeev Mahendra Pandia	Additional Director	12/11/2018
07384175	Mr. Calidas Ramchandrar Chandra Bob	Additional Director	12/11/2018
01351504	Mrs. Arunasree Piduri	Additional Director	01/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

RANJANA MIMANI
(PARTNER)

Place : Mumbai

Dated : 15th May, 2019

FCS No: 6271

CP No : 4234



INDEPENDENT AUDITOR'S REPORT

To
The Members of Ultramarine & Pigments Limited

Report on the Financial Statements

1. Opinion

- 1.1 We have audited the financial statements of Ultramarine & Pigments Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information ("the financial statements").
- 1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Profit, changes in equity and its cash flows for the year ended on that date

2 Basis for Opinion

- 2.1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Key Audit Matters

- 3.1 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no other key audit matters to be communicated in our report

4 Information Other than the Financial Statements and Auditor's Report Thereon

- 4.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- 4.2 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 4.3 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 4.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5 Responsibilities of Management and Those Charged with Governance for the Financial Statements

- 5.1 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards



specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 5.2 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process

6 Auditor's Responsibilities for the Audit of the Financial Statements

- 6.1 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 6.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also
- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 6.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 6.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



6.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

7 Report on Other Legal and Regulatory Requirements

7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

7.2 As required by Section 143 (3) of the Act, we report that

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position - Refer Note 37 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Brahmayya & Co.**

Chartered Accountants

Firm's registration number: 000511S

R. Nagendra Prasad

Partner

Membership number: 203377

Place: Chennai

Date: 15th May, 2019

**Annexure – ‘A’ to Independent Auditors’ Report**

[Referred to in paragraph 7.1 under ‘Report on Other Legal and Regulatory requirements’ of our Report of even date]

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the company has a program of verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable. Pursuant to the program, the management carried out the physical verification of the fixed assets during the year. The discrepancies noticed on such verification were not material;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in one case wherein a portion of land costing ₹ 28,750/- for which the title of property in the name of the company as per revenue records and in occupation of a third party claiming the title and the company has taken steps to protect its title and the case is pending disposal.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. The discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
 - (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year;
 - (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
 - (v) The Company has not accepted any deposit to which the provisions of Sections 73 to 76 of the Act and The Companies (Acceptance of Deposits) Rules, 2014 would apply. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal related to compliance with above provisions.
 - (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
 - (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2019, for a period of more than six months from the date they became payable.
 - (b) According to the records of the company and information and explanations given to us, there are no outstanding amounts in respect of service tax, goods and services tax that have not been deposited with the appropriate authorities on account of any dispute. Disputed income tax, value added tax, duty of customs, duty of excise that have not been deposited on account of disputed matters pending before appropriate authorities are as under :



Name of the Statute	Nature of Dues	Amount in ₹ Lakhs	Year to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.51	Financial Year 2005-06	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	30.36	Financial Year 2009-10	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income tax	106.80	Financial Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	12.60	Financial Year 2012-13, 2013-14 and 2015-16	Appellate Deputy Commissioner of Commercial Taxes, Chennai
Tamil Nadu Value Added Tax Act, 2006	Tamil Nadu Value Added Tax	8.41	Financial Year 2013-14 & 2014-15	Joint Commissioner of Commercial Taxes, Chennai

Amounts paid under protest and not charged to Statement of Profit and Loss has not been included above. [Refer Note 37 to the financial statements].

- (viii) According to the information and explanations given to us, the company did not avail any loan or borrowings from banks or financial institutions and also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 3(viii) of the Order are not applicable;
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the company has not availed any term loans during the year and accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or on the company by its officers or employees has been noticed or reported during the year under report.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Chennai
Date: 15th May, 2019

R. Nagendra Prasad
Partner
Membership number: 203377



ANNEXURE - “B” TO AUDITORS’ REPORT

Referred to in paragraph 7.2(f) of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of Ultramarine & Pigments Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. Nagendra Prasad
Partner
Membership number: 203377

Date: 15th May, 2019



Balance Sheet as at 31st March, 2019

₹ in Lakhs

Sl. No	Particulars	Note No	As at 31 March 2019	As at 31 March 2018
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		4	7,841.91	6,992.90
(b) Capital work in progress		4	247.88	67.77
(c) Other Intangible assets		5	20.56	21.79
(d) <u>Financial Assets</u>				
(i) Investments		6	18,499.31	37,178.55
(ii) Loans		7	307.20	106.78
(iii) Others		8	0.70	1.03
(e) Other non-current assets		9	1,392.61	1,002.16
			28,310.17	45,370.98
(2) Current assets				
(a) Inventories		10	2,717.48	2,509.13
(b) <u>Financial Assets</u>				
(i) Investments		11	4,701.22	2,783.22
(ii) Trade receivables		12	3,302.89	2,611.12
(iii) Cash and cash equivalents		13	2,718.79	1,429.30
(iv) Bank balances other than cash and cash equivalents		14	70.35	60.57
(v) Loans		15	722.58	510.47
(vi) Others		16	131.09	101.56
(c) Current Tax Assets (Net)		17	48.25	19.21
(d) Other current assets		18	360.62	312.04
(e) Assets Held for Sale		19	-	602.94
			14,773.27	10,939.56
			43,083.44	56,310.54
Total Assets				
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		20	584.00	584.00
(b) Other Equity		21	37,904.74	50,524.16
			38,488.74	51,108.16
LIABILITIES				
(1) Non-current liabilities				
(a) Provisions		22	107.06	98.27
(b) Deferred tax liabilities (net)		23	1,096.82	1,225.10
(c) Deferred Income		24	38.59	42.01
			1,242.47	1,365.38
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables		25		
Total outstanding dues of micro enterprises and small enterprises			28.15	-
Total outstanding dues of creditors other than micro enterprises and small enterprises			2,158.75	2,870.54
(ii) Other financial liabilities		26	785.65	612.07
(b) Other current liabilities		27	343.38	324.43
(c) Provisions		28	32.88	26.54
(d) Deferred Income		29	3.42	3.42
			3,352.23	3,837.00
			43,083.44	56,310.54
Total Equity and Liabilities				

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of

Brahmayya & Co

Chartered Accountants

Firm Regn. No. 000511S

R.NAGENDRA PRASAD

Partner

Membership No.203377

Place: Chennai

Date : 15th May, 2019

For and on behalf of the Board of Directors

TARA PARTHASARATHY

Joint Managing Director

DIN :07121058

R. SENTHIL KUMAR

Whole-time Director

DIN :07506927

S. RAMANAN

Chief Financial Officer

T.R. MADHAVAN

Director

DIN:00163992

KISHORE KUMAR SAHOO

Company Secretary



Statement of profit and loss for the year ended 31st March, 2019

		₹ in Lakhs		
Sl. No	Particulars	Note No.	Year ended 31 March 2019	Year Ended 31 March 2018
I	Revenue From Operations	30	30,685.75	28,252.99
II	Other Income	31	1,015.49	870.57
III	Total Income (I+II)		31,701.24	29,123.56
IV	EXPENSES			
	Cost of materials consumed	32	14,359.59	13,371.72
	Purchase of Stock-in-trade		-	1.35
	Changes in Inventories of Finished goods and work-in-progress	33	(279.90)	122.51
	Excise Duty recovered on sales		-	516.92
	Employee benefits expense	34	4,382.71	3,821.72
	Finance costs	35	10.99	62.44
	Depreciation and amortization expense	4	581.57	483.44
	Other expenses	36	5,200.94	4,402.44
	Total expenses (IV)		24,255.90	22,782.54
V	Profit before exceptional items (III-IV)		7,445.34	6,341.02
VI	Exceptional items (Refer Note No. 47)		591.21	-
VII	Profit before tax (V+VI)		8,036.55	6,341.02
VIII	Tax expense:			
	(1) Current tax		(2,517.00)	(1,871.78)
	(2) Tax relating to prior years		-	(34.43)
	(3) Deferred tax		128.28	(70.50)
IX	Profit for the period (VII - VIII)		5,647.83	4,364.31
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		(26.27)	(44.44)
	- Equity instruments through other comprehensive income		(16,754.07)	16,823.63
	A(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		9.18	15.53
	- Equity instruments through other comprehensive income		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	Total other comprehensive income (A (i - ii) + B (i - ii))		(16,771.16)	16,794.72
XII	Total comprehensive income for the period (IX + XI)		(11,123.33)	21,159.03
XIII	Earnings per equity share of face value of ₹ 2 each			
	(1) Basic		19.34	14.95
	(2) Diluted		19.34	14.95

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of

Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai

Date : 15th May, 2019

For and on behalf of the Board of Directors

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary



Statement of cash flows for the year ended 31st March, 2019

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before tax	8,036.55	6,341.02
Adjustments for:		
Finance Cost	10.99	62.44
Depreciation and amortisation expenses	581.57	483.44
Interest Income	(208.63)	(65.00)
Dividend Income	(409.39)	(438.08)
Profit on sale of leasehold land	(591.21)	-
Provision for Leave Encashment	17.84	(8.79)
Bad Debts and Provision for expected credit loss	2.94	4.88
Net gains on disposal of property, plant and equipment	46.61	(3.39)
Remeasurement of defined benefit liabilities	(26.27)	(44.44)
Receipt of government grant	(3.42)	(3.42)
Net gains on sale of Investments	(275.17)	(217.45)
Net gains arising on financial assets designated at FVTPL	(91.63)	(63.82)
Net gains on foreign currency transactions and translation	(7.21)	5.89
Operating profit before working capital changes	7,083.57	6,053.28
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(208.37)	30.34
Trade receivables	(696.79)	778.21
Current financial loans and advances	(25.32)	0.92
Other current assets	26.02	157.54
Non-current financial loans and advances	(0.09)	62.95
Other Non-current assets	(0.35)	(54.35)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(674.36)	409.39
Other current financial liabilities	54.50	(42.87)
Other current liabilities	17.29	71.30
Current provisions	-	(35.24)
Cash generated from operations	5,576.10	7,431.47
Direct taxes paid (net)	(2,556.09)	(1,937.91)
Net cash generated from operating activities (A)	3,020.01	5,493.56



Particulars	₹ in Lakhs	
	For the year ended 31 March 2019	For the year ended 31 March 2018
B Cash flows from investing activities		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(1,890.69)	(1,969.81)
Payment for intangible assets (including Intangible assets under development)	(29.25)	(8.19)
Proceeds from sale of GIDC Land	1,194.15	(191.36)
Proceeds from disposals of PPE	1.36	3.61
Purchase of non current investments	(227.86)	(2,166.73)
Redemption of non current investments	2,185.90	590.55
Purchase of current investments	(17,011.80)	(12,321.91)
Redemption of current investments	15,427.69	11,730.30
(Increase)/ decrease in deposit with companies	(416.36)	(280.00)
Interest received	134.03	82.24
Dividend received	409.39	438.08
Net cash (used in) investing activities (B)	(223.44)	(4,093.22)
C Cash flow from financing activities		
Interest paid	(10.99)	(62.44)
Dividend paid	(1,496.09)	(1,405.78)
Net cash (used in) financing activities (C)	(1,507.08)	(1,468.22)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	1,289.49	(67.88)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts & EEFC accounts and deposit accounts	328.60	663.39
Cash on hand	0.70	0.78
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	1,100.00	833.00
CASH AND CASH EQUIVALENTS AS PER NOTE No.13	1,429.30	1,497.18
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts, EEFC accounts and deposit accounts	536.70	328.60
Cash on hand	1.09	0.70
Add: Short-term bank deposits with original maturity of more than 3 months and less than 12 months	2,181.00	1,100.00
CASH AND CASH EQUIVALENTS AS PER NOTE No. 13	2,718.79	1,429.30

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of
Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary

Place: Chennai
Date : 15th May, 2019



Statement of changes in equity for the year ended 31st March, 2019

				₹ in Lakhs
				Amount
I Equity Share Capital				
Balance as at 31 March 2017				584.00
Changes in equity share capital during the year				-
Balance as at 1 April 2018				584.00
Changes in equity share capital during the year				-
Balance as at 31st March 2019				584.00
II Other Equity				
Particulars	Surplus		Items of Other comprehensive income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVOCI - Equity Instrument	
As at 31 March 2017	4,105.00	9,885.59	16,780.32	30,770.91
Profit for the year ending 31st March 2018	-	4,364.31	-	4,364.31
Other Comprehensive Income				
-Recognition of Investments at fair value			16,823.63	16,823.63
-Remeasurement of Defined benefit plans (Net of Taxes)		(28.91)		(28.91)
Other comprehensive income for the Period (net of tax)	-	(28.91)	16,823.63	16,794.72
Total comprehensive income for the Period		4,335.40	16,823.63	21,159.03
Appropriation				
Final dividend		(1,168.00)	-	(1,168.00)
Tax on Final dividend		(237.78)	-	(237.78)
As at 31 March 2018	4,105.00	12,815.21	33,603.95	50,524.16
Profit for the year	-	5,647.83	-	5,647.83
Other Comprehensive Income				
-Recognition of Investments at fair value			(16,754.07)	(16,754.07)
-Remeasurement of Defined benefit plans (Net of Taxes)		(17.09)		(17.09)
Other comprehensive income for the Period (net of tax)	-	(17.09)	(16,754.07)	(16,771.16)
Total comprehensive income for the Period		5,630.74	(16,754.07)	(11,123.33)
Appropriation				
Final dividend		(1,241.00)	-	(1,241.00)
Tax on Final dividend		(255.09)	-	(255.09)
As at 31st March 2019	4,105.00	16,949.86	16,849.88	37,904.74

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of

Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai

Date : 15th May, 2019

For and on behalf of the Board of Directors

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary

**Notes to financial statements for the year ended 31st March 2019**

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

1 General Information

Ultramarine & Pigments Limited (the 'Company') is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited in India. The Company is engaged in manufacturing and selling of Pigments, Surfactants, IT-Enabled Services, and Business Process Outsourcing (BPO) activities. The Company caters to both domestic and international markets.

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

The financial statements were authorized for issue by the Company's Board of Directors on 15th May 2019.

2 Basis of preparation**A Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), under historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Effective from 1st April, 2017, the Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101 – "First time adoption of Indian Accounting Standards" with 1st April, 2016 as the transition date. The transition was carried out from Indian Accounting Principles Generally accepted in India (Indian GAAP) and accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) which was the previous GAAP.

Accounting policy has been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

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

B Functional and presentation currency

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

C Current and non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

D Basis of measurement

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

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



Notes to financial statements for the year ended 31st March 2019

E Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions and judgements are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

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

Property, plant and equipment and Intangible assets

The Company has estimated the useful lives of each class of assets based on the nature of assets, the estimated usage of the assets, past history of replacement, anticipated technological changes, etc. Management believes that assigned useful lives are reasonable. The Company reviews the carrying amount of property, plant and equipment at the end of each balance sheet date. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. This reassessment may result in change of depreciation expense in future periods.

Income taxes

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

Contingencies

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

Allowance for uncollected accounts receivable and advances

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2019 is included in the following notes:

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

3. Significant Accounting Policies

3.1 Property, Plant, and Equipment (PPE):

Property, Plant and Equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition, installation and bringing the asset to its working condition for its intended use.

**Notes to financial statements for the year ended 31st March 2019**

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

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

Subsequent expenditure:

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

The Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the useful life of the property, plant and equipment have been determined by the Management based on the technical assessment / evaluation:

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

In the case of improvements on Leasehold premises, amortisation is provided over lease period or useful life of the asset whichever is less. Leasehold rights for land are amortised on a straight line method over its lease period. Individual assets costing less than ₹ 10,000/- are fully depreciated in the year of purchase.

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

3.2 Intangible Assets:

- (i) Intangible assets are stated at cost less accumulated amortisation.
- (ii) Intangible assets are amortised on a straight-line basis as under:
 - a) Software costing up to ₹ 25,000 is amortised out in the year of acquisition. Other Software acquired is amortised over its estimated useful life of 3 years;
 - b) Intellectual Property is amortised over its estimated useful life of 2 years.

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

Research and Development expenses:

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



Notes to financial statements for the year ended 31st March 2019

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

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

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

De-recognition of intangible assets

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

The company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

3.3 Impairment of Tangible and Intangible assets:

The Company assesses whether there is any indication that an asset may be impaired at each balance sheet date. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost impaired earlier.

3.4 Non-current assets held for sale:

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

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

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

3.5 Foreign currency transactions and balances:

Initial recognition:

Foreign currency transactions (other than advance receipt or payment of foreign currency) are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss. The foreign currency transactions received or paid in advance are accounted at the date of receipt or payment of foreign currency.

**Notes to financial statements for the year ended 31st March 2019****Conversion:**

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss.

Non-monetary assets and liabilities which are carried at historical cost are not translated.

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

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

3.6 Financial Instruments:**Recognition and initial measurement:**

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

The trade receivables are recognized when right to consideration is established on transfer of control of goods and services and on fulfillment of performance obligation related to goods and services.

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

Classification and subsequent measurement:**Financial assets:**

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

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

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

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

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and



Notes to financial statements for the year ended 31st March 2019

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Subsequent measurement and gains and losses:

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

Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

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

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at

**Notes to financial statements for the year ended 31st March 2019**

amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition:**Financial assets:**

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

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

Financial liabilities:

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

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

Offsetting:

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

Derivative financial instruments and hedge accounting:

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

3.7 Inventories:

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

(a) Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on weighted average basis) and net realizable value.
(b) Packing Material	Lower of cost (determined on FIFO basis) and net realizable value
(c) Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(d) Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity.

3.8 Cash and cash equivalents:

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



Notes to financial statements for the year ended 31st March 2019

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

3.9 Taxation:

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

Current Tax:

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

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

Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized of the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

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

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

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

3.10 Revenue from Contract with Customers:

The Company's revenue is primarily comprised of sale of pigments, detergents and sulphonation products, Services income from ITES and BPO operations and sale of power from wind turbine generators.

Revenue is measured based on the transaction price, which is the fair value of the consideration received or receivable after netting trade discounts, volume discounts, sales returns and Goods and Services Tax. Revenue from sale of goods is recognized upon transfer of control of promised goods or services to customers.

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the goods / services rendered.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to all contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

**Notes to financial statements for the year ended 31st March 2019****Income from services**

- i. In case of IT Enabled Services, revenue from service contracts are recognized pro-rata, as and when the services are rendered over the period of time as per terms of contract and are net of service tax/Goods and Services Tax.
- ii. Income from BPO activities is recognized on on satisfaction of performance obligations at a point of time based on the terms of the contract with customers.

Income from wind turbine generators

Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant and has no impact. The recognition of these revenue streams is largely unchanged by adoption IND AS 115.

Export benefits:

The benefit accrued under the Merchandise Exports from India Scheme (MEIS), Duty Drawback Scheme as per the Export and Import Policy in respect of exports made under the said Schemes is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

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

Dividend and Interest income:

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

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

Sale of Scrap

Revenue from sale of scrap is recognized on sale.

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

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense and charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. An unrecognized past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.



Notes to financial statements for the year ended 31st March 2019

Retirement and other employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- ii. A retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with Insurance Company in the form of a qualifying insurance policy.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has established a gratuity trust to provide gratuity benefit through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

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

3.12 Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions:

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

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

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

**Notes to financial statements for the year ended 31st March 2019****Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed for:-

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent assets:

Contingent assets are not recognized in the financial statements.

3.13 Borrowing costs:

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

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

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

3.14 Leases:

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

Finance Leases

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases

Other leases are operating leases, and the leased assets are not recognized on the Company's Balance Sheet. Payment made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15 Earnings per share:

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



Notes to financial statements for the year ended 31st March 2019

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

3.16 Cash Flow Statement

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

3.17 Segment Reporting

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

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

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

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

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

3.18 Government Grants and Subsidies:

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

3.19 Dividend:

The final dividend on shares is recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

3.20 Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

a) Ind AS 116 Leases

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, ‘Leases’ as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

**Notes to financial statements for the year ended 31st March 2019**

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly of Land & Buildings and fully fitted office premises which are on long term lease ranging from 5 to 9 years.

The Company has carried out its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e 1st April, 2019, consequently, comparatives for the year ended 31st March, 2018 will not be retrospectively adjusted. The Company expect this adoption will result in a material increase in the assets and liabilities and is likely to have a significant impact on the standalone financial statements.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standards:

b) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12, 'Income taxes' The appendix corresponds to IFRIC 23, Uncertainty over Income Tax Treatments issued by the IFRS Interpretations Committee:

This amendment clarifies how the recognition and measurement requirements of Ind AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. The amendment applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

c) Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments.

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the 'negative compensation' must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate:

**Notes to financial statements for the year ended 31st March 2019****d) Ind AS 19 - Employee Benefits - Plan Amendment, Curtailment or Settlement, Amendments**

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

e) Ind AS 28 – Long term interests in Associates and Joint Ventures - accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests)

f) Annual Improvements to Ind AS.

- (i) Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding or the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- (ii) Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
- (iii) Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.
- (iv) Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events the generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

The above stated amendments is effective for annual periods beginning on or after April 1, 2019. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.



Notes to financial statements for the year ended 31st March 2019
4 Property Plant and Equipments

Particulars	₹ in Lakhs											
	Freehold Land	Leasehold Land	Buildings (Note i)	Plant & Machinery	Computer Equip-ments	Furniture & Fixtures	Leasehold Improve-ments	Office Equip-ments	Vehicles	Lab Equipment (Used for R&D)	Total	Capital Work-in progress
Deemed cost As at 01-04-2017	139.52	419.40	635.34	4,660.36	172.18	58.34	48.01	75.89	88.02	116.73	6,413.79	20.71
Additions	1,188.14	-	34.95	542.61	53.22	15.03	-	8.41	9.09	17.42	1,868.87	-
Disposals / Adjustments	-	419.40	-	4.27	-	-	-	-	-	-	423.67	-
Balance as at 31-03-2018	1,327.66	-	670.29	5,198.70	225.40	73.37	48.01	84.30	97.11	134.15	7,858.99	67.77
Additions (Note ii)	-	-	307.53	881.62	66.91	100.55	-	40.12	24.52	28.43	1,449.68	-
Disposals / Adjustments	-	-	-	65.83	1.35	0.91	-	2.23	3.16	-	73.48	-
Balance as at 31-03-2019	1,327.66	-	977.82	6,014.49	290.96	173.01	48.01	122.19	118.47	162.58	9,235.19	247.88
Accumulated depreciation:												
Balance as at 01-04-2017	-	4.46	24.64	274.00	53.43	7.00	7.81	14.07	14.14	6.56	406.11	-
Charge for the year	-	3.36	32.27	319.37	54.57	13.29	7.81	15.74	15.18	10.26	471.85	-
Other Adjustments	-	7.82	-	4.05	-	-	-	-	-	-	11.87	-
Balance as at 31-03-2018	-	-	56.91	589.32	108.00	20.29	15.62	29.81	29.32	16.82	866.09	-
Charge for the year	-	-	39.77	371.56	58.05	29.45	7.71	20.57	14.45	11.13	552.69	-
Other Adjustments	-	-	-	20.70	0.16	0.40	-	1.52	2.72	-	25.50	-
Balance as at 31-03-2019	-	-	96.68	940.18	165.89	49.34	23.33	48.86	41.05	27.95	1,393.28	-
Net carrying amount:												
As at 31-03-2017	139.52	414.94	610.70	4,386.36	118.75	51.34	40.20	61.82	73.88	110.17	6,007.68	-
As at 31-03-2018	1,327.66	-	613.38	4,609.38	117.40	53.08	32.39	54.49	67.79	117.33	6,992.90	-
As at 31-03-2019	1,327.66	-	881.14	5,074.30	125.07	123.67	24.68	73.33	77.42	134.63	7,841.91	-

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

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



Notes to financial statements for the year ended 31st March 2019

5 Other Intangible assets	₹ in Lakhs		
Particulars	Computer Software	Intellectual Property	Total
Deemed cost As at 01-04-2017	34.70	-	34.70
Additions	8.19	-	8.19
Disposals / Adjustments	-	-	-
Balance as at 31-03-2018	42.89	-	42.89
Additions	29.25	-	29.25
Disposals / Adjustments	-	-	-
Balance as at 31-03-2019	72.14	-	72.14
Accumulated depreciation:			
Balance as at 01-04-2017	9.51	-	9.51
Charge for the year	11.59	-	11.59
Other Adjustments	-	-	-
Balance as at 31-03-2018	21.10	-	21.10
Charge for the year	30.48	-	30.48
Other Adjustments	-	-	-
Balance as at 31-03-2019	51.58	-	51.58
Net carrying amount:			
As at 31-03-2017	25.19	-	25.19
As at 31-03-2018	21.79	-	21.79
As at 31-03- 2019	20.56	-	20.56



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

6. Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Investment at fair value through Other comprehensive income (FVTOCI)		
Quoted Equity Shares		
2,04,51,770 equity shares of Rs 1/- each (March 31, 2018 : 20,45,177 equity shares of Rs 10/- each) fully paid up in Thirumalai Chemicals Limited.	18,171.40	34,925.49
Investment at fair value through profit or loss (FVTPL)		
Quoted Debentures		
50 Fixed Interest bonds of ECL Finance Limited with face value of ₹ 1000/- maturing on 26th April 2020.	0.51	0.53
405 Fixed Interest bonds of ECL Finance Limited with face value of ₹ 1000/- maturing on 28th Jan 2019.		4.13
130 Fixed Interest Bonds of India Infoline Finance Limited with face value of ₹ 1000/- maturing on 17th Sep 2018.	-	1.31
195 Fixed Interest Bonds of Sriram Transport Finance Company Limited with face value of ₹ 1000/- maturing on 24th Oct 2018.	-	1.95
1815 Fixed Interest Bonds of Tata Capital Financial Services Limited maturing on 05th Mar 2019.	-	18.51
2500 Zero Interest Bonds of SREI Equipment Finance Limited with face value of ₹ 1000/- maturing on 29th Jun 2019.	25.00	-
100 Variable Interest-Index Linked Bonds of Edelweiss Finvest Private Limited with face value of ₹ 1,00,000/- maturing on 21st Oct 2019.	107.80	-
Unquoted units of mutual funds		
Nil (31 March 2018: 1,14,821) units of Principal Balanced Fund	-	88.91
Nil (31 March 2018: 15,71,927) units of L&T India Prudence Fund	-	423.62
Nil (31 March 2018: 44,568) units of Franklin India Templeton Balanced Fund	-	52.97
Nil (31 March 2018: 3,96,545) units of HDFC Balanced Fund	-	605.57
Nil (31 March 2018: 15,613) units of HDFC Prudence Fund	-	79.01
Nil (31 March 2018: 96,601) units of Principal Equity Saving Fund	-	34.47
Nil (31 March 2018: 40,326) units of Birla Sunlife Balanced 95 Fund - Direct Plan	-	313.72
Nil (31 March 2018: 2,68,817) units of ICICI Prudential MF Balanced Fund	-	355.94
Nil (31 March 2018: 1,63,072) units of Reliance Regular Saving Fund	-	92.24
Nil (31 March 2018: 4,99,293) units of Reliance Equity Saving Fund	-	63.92
Unquoted - Investment in Alternative Investment Fund		
1,89,970.801 (31 March 2018: 69,809) Class A2 - Regular units of UTI Structured Debt Opportunities Fund 1	183.92	70.00
1,05,69,483.149 (31 March 2018: 1,00,00,800) Class A2 - T units of UTI Structured Debt Opportunities Fund 1	10.68	30.86
Unquoted Bonds		
Investment in Bonds		
Nil (31 March 2018: 154), 6% NHA1 54EC Bonds-2015-16 (Tranche-XVI), Non-Convertible Redeemable Taxable Bonds of ₹ 10,000/- each	-	15.40
Total	18,499.31	37,178.55
Notes:		
(a) Aggregate amount of Quoted Investments and market value thereof:	18,304.71	34,951.92
(b) Aggregate amount of unquoted investments	194.60	2,226.61
(c) Aggregate amount of impairment in the value of investments	-	-



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
7. Loans		
Other Deposits		
- Considered good - Unsecured	7.20	6.78
Deposits with Corporates		
- Considered good - Unsecured	300.00	100.00
Total	307.20	106.78
8. Non-Current Advances		
Unsecured, Considered Good		
Employees advances	0.70	1.03
Total	0.70	1.03
9. Other Non - Current Assets		
Unsecured, Considered Good		
Capital Advances	424.77	52.80
Income taxes (Net)*	669.27	651.13
Security Deposits	99.30	103.32
Deposits against leased premises	174.88	173.22
Prepaid expenses	24.39	21.69
Total	1,392.61	1,002.16
*Advance income tax is net of provision for tax ₹ 4,936.77 lacs (March 31, 2018 : ₹ 3,053.19 lacs)		
10. Inventories		
Raw materials and components	638.45	442.54
Raw materials in Transit	386.16	700.28
Work in progress	885.61	716.18
Finished goods	454.27	300.68
Finished goods in Transit	146.39	189.51
Packing materials	88.42	67.33
Fuel	49.18	35.91
Stores and spares	69.00	56.70
Total	2,717.48	2,509.13
11. Investments		
Investment at fair value through Profit and Loss (FVTPL)		
Unquoted units of Mutual Funds		
12,090 (31 March 2018: 46,551) units of Franklin India Liquid Fund	338.34	1,209.17
11,447 (31 March 2018: Nil) units of L&T Liquid Fund	293.35	-
Nil (31 March 2018: 2,03,505) units of BOI AXA Short term Income Fund	-	40.52
23,485 (31 March 2018: Nil) units of BOI AXA Liquid Fund	505.94	-



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Nil (31 March 2018: 33,000) units of BOI AXA Ultra Short Duration Fund	-	701.65
Nil (31 March 2018: 34,63,383) units of Franklin India Low Duration Fund	-	702.97
Nil (31 March 2018: 2,707) units of Franklin India Short term Income plan	-	103.49
48,614 (31 March 2018: Nil) units of TATA Liquid Fund	1,431.41	-
68,284 (31 March 2018: Nil) units of SBI Liquid Fund	1,999.75	-
4,987 (31 March 2018: Nil) units of UTI Money Market Fund	105.36	-
1,05,827 (31 March 2018: 1,52,499) units of UTI Spread Fund - Direct plan - Dividend	27.07	25.42
Total	4,701.22	2,783.22

12. Trade Receivables

Considered good - Secured	-	-
Considered good - Unsecured	3,310.90	2,621.03
Having significant increase in Credit Risk	-	-
Credit impaired	-	-
Less: Provision for Expected Credit Loss	(8.01)	(9.91)
Total	3,302.89	2,611.12

Notes :

- Trade Receivable includes receivables from Related party - ₹ 22.25 lacs (31st March 2018 - ₹ 3.37 lacs)
- In determining the allowances for doubtful trade receivables the Company has used practical expedience by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

13. Cash & cash equivalents

(i) Cash on hand	1.09	0.70
(ii) Balances with banks		
In current account	183.66	212.37
In EEFC accounts	353.04	116.23
In Deposit Accounts - deposits with original maturity of less than 3 months	-	-
In Deposit Accounts - deposits with original maturity of more than 3 months and less than 12 months	2,181.00	1,100.00
Total	2,718.79	1,429.30

14. Bank balances other than cash and cash equivalents

Margin money with banks	0.64	0.59
Un-claimed dividend accounts*	69.71	59.98
Total	70.35	60.57

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



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
15. Loans		
(Unsecured, considered good, unless stated otherwise)		
Deposits with Corporates		
- Considered good - Secured	-	-
- Considered good - Unsecured	716.31	500.00
- Having significant increase in credit risk	-	-
- Credit impaired.	-	-
Loans & Advances to Employees		
- Considered good - Secured	-	-
- Considered good - Unsecured	6.27	10.47
- Having significant increase in credit risk	-	-
- Credit impaired.	-	-
Total	722.58	510.47
16. Other Financial Assets		
Exchange Gain on remeasurement of forward contracts	1.23	13.13
Advances recoverable in cash	122.62	71.14
Unbilled revenue	7.24	17.29
Total	131.09	101.56
17. Current Tax Assets (Net)		
Advance Income Tax (Net)*	48.25	19.21
Total	48.25	19.21
*Advance income tax is net of provision for tax ₹ 2,507.82 lacs . (March 31, 2018 : ₹ 1,871.78 lacs)		
18. Other Current Assets		
Advances other than capital advances:		
Advance to suppliers	25.84	13.49
Balance with GST, customs, central excise & sales tax	92.00	142.85
Export incentives receivable - duty free scrips	33.38	27.50
Interest / Income accrued but not due	94.51	19.91
Prepaid Expenses	114.89	108.29
Total	360.62	312.04
19. Assets Held for Sale		
Assets Held for Sale	-	602.94
Total	-	602.94



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
20. Share capital		
Authorised Shares		
50,000,000 (March 31, 2018: 50,000,000) equity shares of ₹ 2/- each	1,000.00	1,000.00
Issued, subscribed and fully paid-up shares		
29,200,000 (March 31, 2018: 29,200,000) Equity Shares of ₹ 2/- each fully paid up.	584.00	584.00
Total	584.00	584.00

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

	No. of shares
Authorised share capital:	
Balance as at 1st April, 2017	500,00,000
Add / (Less): Changes during the year	-
Balance as at 1st April, 2018	500,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2019	500,00,000
Issued, Subscribed and Paid up share capital:	
Balance as at 1st April, 2017	292,00,000
Add / (Less): Changes during the year	-
Balance as at 1st April, 2018	292,00,000
Add / (Less): Changes during the year	-
Balance as at 31st March, 2019	292,00,000

20.2 Terms/rights attached to equity shares

- (a) The Company has only one class of share referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.
- (b) The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on 15th May, 2019 proposed a final dividend of ₹4.50 per equity share. The proposal is subject to approval of Shareholders at their meeting to be held on 5th August, 2019.
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be proportionate to the number of equity shares held by the share holders.
- (d) There is no change in issued and paid up share capital during the year.



Notes to financial statements for the year ended 31st March, 2019

20.3 Details of shareholders holding more than 5% shares

Equity shares	Number of fully paid equity shares
Thirumalai Chemicals Limited	
As at 31st March, 2018	32,50,026
As at 31st March, 2019	34,82,557
S.Santhanam	
As at 31st March, 2018	17,41,711
As at 31st March, 2019 (less than 5%)	12,22,636
S.Sridhar	
As at 31st March, 2018	15,74,044
As at 31st March, 2019	15,34,044

21. Other Equity

₹ in lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	4,105.00	4,105.00
Retained Earnings	16,949.88	12,815.21
Other Comprehensive Income	16,849.86	33,603.95
Total	37,904.74	50,524.16

22. Long term provisions

Provision for employee benefits :

Provision for compensated absences

107.06 98.27

Total**107.06 98.27****23. Deferred tax liabilities (net)**

Deferred tax liability:

On account of timing difference in Depreciation and amortisation

1,181.22 1,275.40

Fair value adjustments of Investments

32.02 22.48

1,213.24 1,297.88

Deferred tax assets:

Liabilities allowable on payment basis

113.62 65.73

Actuarial loss on retirement benefits

- 3.62

Expected credit loss

2.80 3.43

116.42 72.78**Total****1,096.82 1,225.10****24. Deferred Income**

Government Grant (Refer note "A "below)

38.59 42.01

Total**38.59 42.01**



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

A. The Company has been granted a conditional government grant for ₹ 5,130,000/- towards installation of Solar Thermal heating system, which has been installed and is in operation since July 2016. The grant was received in 2016-17 and is recognised as deferred income. It is being amortised over the useful life of the Solar Thermal heating system in proportion in which the related depreciation expense is recognised.

Particulars	As at 31 March 2019	As at 31 March 2018
25. Trade Payables		
Trade payables :		
- Total outstanding dues of micro enterprises and small enterprises: (refer note below and note No.51)	28.15	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,158.75	2,870.54
Total	2,186.90	2,870.54
* Includes Trade payables to related party ₹ 3.78 lacs (March 31, 2018: ₹ 3.40 lacs)		
26. Other financial liabilities		
Unpaid dividends (Refer note below(i))	69.71	59.98
Employee dues	424.26	238.54
Dues to Directors - Commission payable	123.17	254.31
Creditors for capital goods	156.37	47.03
Deposit from Dealers	12.14	12.21
Total	785.65	612.07
Note:- (i) Unpaid dividends represents amounts to be credited to the Investor Education and Protection Fund as and when they become due.		
27. Other current liabilities		
Statutory Dues	76.14	125.25
Revenue received in advance	108.06	39.79
Advance received for sale of Leasehold Land	-	136.37
Other Liabilities	159.18	23.02
Total	343.38	324.43
28. Short term provisions		
For Employee benefits		
Provision for gratuity	2.02	3.66
Provision for compensated absences	30.86	21.80
For Others		
Provision for tax	-	1.08
Total	32.88	26.54
29. Deferred Income		
Government Grant	3.42	3.42
Total	3.42	3.42



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year Ended 31 March 2018
30. Revenue From Operations		
a) Sale of Products		
Manufactured Goods	26,544.59	25,015.39
Traded Goods	-	1.47
Sale of Power from Wind turbine generators	49.02	42.93
Total Sale of Products	26,593.61	25,059.79
b) Sale of Services		
Income from IT enabled Services	3,586.29	2,688.29
Income from BPO activities	298.34	335.66
Total Sale of Services	3,884.63	3,023.95
c) Other Operating Revenues		
Export Incentives	207.51	169.25
Revenue from Opearations	30,685.75	28,252.99
Disaggregate Revenue Information:		
(i) Manufactured goods		
Pigments	9,855.38	8,674.16
Detergents	445.21	412.63
Sulphonation	16,244.00	15,928.60
	26,544.59	25,015.39
(ii) Traded goods		
Sulphonation	-	1.47
	-	1.47
(iii) Revenue from IT Enabled Service		
Revenue by contract type		
Fixed price	3,371.13	2,563.99
Other contract	215.16	124.30
	3,586.29	2,688.29
31. Other Income		
a) Interest Income		
Interest income earned on financial assets that are not designated as at FVTPL:		
Bank deposits	113.84	28.19
Deposits with Companies	52.07	26.70
Bonds	36.83	4.27
Others	5.89	5.84
b) Dividend Income on Equity securities designated at FVOCI	409.04	383.47
c) Dividend Income from Investments measured at FVTPL	0.35	54.61



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year Ended 31 March 2018
d) Other non-operating Income (Net of expenses directly attributable to such income)		
Rental income	0.32	0.33
Sundry credit balances written back (Net)	12.32	16.67
Sundry receipts	12.21	1.59
Insurance Claims received	2.40	27.91
e) Other gains and losses		
Net gains on disposal of property, plant and equipment	-	3.39
Net gains arising on financial assets measured at FVTPL	91.63	63.82
Net gains on sale of Investments	275.17	217.45
Net gains on foreign currency transactions and translation	-	32.91
f) Government grant	3.42	3.42
Total	1,015.49	870.57

Note: Government grants are related to investments of the Company in Property, Plant and Equipments of Manufacturing setup in Ranipet, Tamil Nadu, India. There are no unfulfilled conditions or other contingencies attaching to these grants. The company did not benefit directly from any other forms of Government assistance.

32. Cost of material consumed

Opening Stock of Raw Materials	442.54	720.97
Add : Purchases	14,555.50	13,093.29
	14,998.04	13,814.26
Less : Closing Stock of Raw Materials	638.45	442.54
Total	14,359.59	13,371.72

33. Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress**Inventories at the end of the year**

Work-in-progress	885.61	716.18
Finished goods	600.66	490.19
Total	1,486.27	1,206.37

Inventories at the beginning of the year

Work-in-progress	716.18	771.30
Finished goods	490.19	592.83
	1,206.37	1,364.13

Add/(Less)/ Adjustment for Excise duty on Stocks	-	35.24
Net (Increase)/ Decrease in Stocks	(279.90)	122.51

(Increase)/ Decrease in work in progress

Pigments	(70.90)	33.61
Detergents	(3.78)	-
Sulphonation	(94.76)	21.51
Total	(169.44)	55.12

(Increase)/decrease in finished goods (Inclusive of finished goods in transit)

Pigments	(27.76)	82.28
Detergents	(3.18)	10.45
Sulphonation	(79.52)	9.90
Add/ (less)/ Adjustment for Excise Duty on Stocks	-	(35.24)
Total	(110.46)	67.39



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year Ended 31 March 2018
34. Employee Benefit Expense		
Salaries, Wages, Bonus and other benefits	3,633.75	2,959.02
Directors' Remuneration	169.25	325.61
Contribution to Provident Fund and other funds	246.80	243.19
Gratuity	57.05	65.73
Staff Welfare and amenities	275.86	228.16
Total	4,382.71	3,821.72
35. Finance Cost		
Interest on income tax payments	0.59	0.16
Interest Others	10.40	62.28
Total	10.99	62.44
36. Other Expenses		
Consumption of Stores and Spares	247.28	308.68
Power and Fuel	1,394.52	1,172.57
Repairs and Maintenance:		
Machinery	411.92	346.27
Buildings	145.73	196.04
Others	65.51	43.63
Packing Expenses and materials consumed	414.59	329.22
Processing Charges	142.02	108.80
Laboratory Expenses	25.87	22.20
Freight and Forwarding expenses	557.62	542.74
Insurance	61.99	62.44
Commission on sales	17.53	24.37
Advertisement and Sales Promotion expenses	51.43	106.23
Security Expenses	77.42	67.91
Software License Expenses	34.96	30.76
Water Charges	22.48	22.92
Rent	250.08	199.99
Rates & Taxes	182.29	31.58
Travelling & Conveyance expenses	242.03	201.91
Communication expenses	88.58	84.64
Legal and Professional Fees	137.86	104.18
Sitting fees to Directors	31.60	25.62
Commission to Non Executive Directors	73.53	64.09
Donation	5.00	3.50
Corporate Social Responsibility Expenditure (Refer Note 46)	107.00	90.21
Assets Scrapped / Loss on Sale of Assets (net)	46.61	-
Bad Debts written off	4.84	8.84
Provision for expected credit Loss	(1.90)	(3.96)
Loss on foreign currency transactions / translations (net)	107.90	-
Bank Charges	49.73	41.67
Miscellaneous expenses	204.92	165.39
Total	5,200.94	4,402.44



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year Ended 31 March 2018
Note:-		
1. Power and Fuel is net of wind power generated and utilised	290.12	277.40
2. Payment to Auditors (included in miscellaneous expenses)		
As Auditors:		
Audit Fees	10.50	10.50
Tax Audit Fees	2.00	2.00
Certification	5.50	5.25
In other capacity:		
Taxation matters	-	-
Other Services	-	-
Reimbursement of Expenses	-	-
Total	18.00	17.75

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

Particulars	As at 31 March 2019	As at 31 March 2018
[A] Contingent Liabilities		
(i) Claims against the Company/disputed liabilities not acknowledged as debts in respect of labour disputes	1.50	2.80
(ii) Bank Guarantees issued and outstanding	18.16	16.37
(iii) Letter of Credit issued and outstanding	52.53	321.47
[B] No provision has been made in respect of the following demands raised by the authorities since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous.		
(i) By the Income tax authorities deposited with tax authorities	690.35	690.58
(ii) Interest and penalty on account of the alleged delay in payment of dues under the ESI Act.	1.08	1.08
(iii) (a) Sales tax matters in appeal	57.19	60.04
(b) Against which advance paid	36.17	36.17
(iv) (a) Excise duty matters in appeal	-	34.38
(b) Against which advances paid	-	5.00
(v) Property tax	-	91.91
[C] Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,664.39	127.18
Against which advance paid	414.06	52.80

[D] Pending Proceedings

The Company's pending litigation comprise of claims against the Company by the parties and proceedings pending with Revenue authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.



Notes to financial statements for the year ended 31st March, 2019

38. The Company has availed credit facilities (both fund based and non-fund based) from a bank is secured by hypothecation of stocks (raw materials and finished goods) and book debts of the company and further secured by mortgage by way of deposit of title deeds of land and buildings situated at Plant at Ranipet. However, no amount is outstanding (fund based) as on 31st March, 2019.

39. Employee benefits

[A] Defined contribution plans:

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the rules of the schemes.

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a) Contribution to Employees Provident Fund*	171.93	176.00
b. Superannuation Fund*	26.46	21.11
	198.38	197.11

* Includes contribution of ₹ 11.40 lacs (31st March, 2018 ₹ 9.36 lacs) included in Director's Remuneration.

[B] Defined benefit plan:

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

1. Reconciliation of opening and closing balances of Gratuity obligation

a. Defined benefit obligation at the beginning of the year	463.46	374.65
b. Interest Cost	34.83	27.15
c. Current Service Cost	56.38	47.21
d. Past services cost	-	20.00
e. Benefits Paid from fund	(39.57)	(25.16)
f. Remeasurements - Financial assumptions and Experience adjustments	25.07	19.61
g. Defined benefit obligation at the end of the year	540.17	463.46

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

a. Fair Value of Plan Assets at the Beginning of the year	459.79	394.40
b. Adjustment to Opening balance	-	-
c. Expected Return on Plan Assets	34.54	28.64
d. Contribution by the Employer	84.59	61.24
e. Benefits Paid from the funds	(39.57)	(25.16)
f. Remeasurements - Return on Assets	(1.19)	0.67
g. Fair Value of Plan Assets at the End of the year	538.16	459.79



Notes to financial statements for the year ended 31st March, 2019

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Current Service Cost	56.38	47.21
b. Past service cost	-	20.00
c. Interest Cost	34.83	27.15
d. Expected return on plan assets	(34.54)	(28.64)
e. Net Actuarial (Gain)/Loss	26.27	18.94
f. Total Expenses recognised in Statement of Profit and Loss	82.94	84.66

4. Amount recognised in the Balance Sheet

a. Present value of Benefit Obligation at the end of the year	(540.17)	(463.46)
b. Fair Value of Plan Assets at the End of the year	538.16	459.79
c. Funded Status Surplus / (Deficit)	(2.01)	(3.67)
d. Net (Liability) / Asset Recognised in the Balance sheet	(2.01)	(3.67)

5. Other Comprehensive Income (OCI)

Remeasurements - Financial assumptions and Experience adjustments	25.08	19.61
Remeasurements - Return on Assets	1.19	(0.67)
Total actuarial (Gain)/Loss recognised in OCI	26.27	18.94

6. Description of plan assets

a. Government Bonds	-	-
b. Debt instruments & Corporate Bonds	-	-
c. Cash & Cash Equivalent	-	-
d. Insurance Fund	538.16	459.79
e. Total	538.16	459.79

7. Actuarial assumptions

a. Discount Rate	7.45%	7.85%
b. Salary Escalation Rate	8%	8%
c. Turnover Rate	10%	10%
d. Mortality Table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)



Notes to financial statements for the year ended 31st March, 2019

8. Expected future cash flows as on:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Projected benefits payable in future years from the date of reporting		
1st following year	-	-
2nd following year	-	31.89
3rd following year	35.06	4.88
4th following year	10.43	9.16
5th following year	8.77	7.24
Years 6 to 10	485.92	410.28

9. Sensitivity analysis

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

Particulars	DR: Discount Rate		ER: Salary Escalation Rate	
	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
Change in Present Value Obligation - Inc/ (Dec)	(30.25)	33.93	31.21	(28.68)
Variation in % age	-5.60%	6.28%	5.78%	-5.31%

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

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

Investment risk:

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

Interest risk:

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

Longevity risk:

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

Salary risk:

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



Notes to financial statements for the year ended 31st March, 2019

40. Tax Expense

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Amounts recognised in statement of profit and loss		
Current year	(2,517.00)	(1,871.78)
Short/Excess provision for earlier years	-	(34.43)
Current tax expense (A)	(2,517.00)	(1,906.21)
Origination and reversal of temporary differences	128.28	(70.50)
Deferred tax expense (B)	128.28	(70.50)
Tax expense recognised in the current statement (A) + (B)	(2,388.71)	(1,976.71)

(b) Amounts recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax(expenditure) benefit	Net of tax	Before tax	Tax(expenditure) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(26.27)	9.18	(17.09)	(44.44)	15.53	(28.91)
Equity Instruments through Other Comprehensive Income	(16,754.07)	-	(16,754.07)	16,823.63	-	16,823.63
	(16,780.34)	9.18	(16,771.16)	16,779.19	15.53	16,794.72

(c) Reconciliation of effective tax rate

	Year ended 31 March 2019		Year ended 31 March 2018	
	%	Amount	%	Amount
Profit before tax		8,036.55		6,341.02
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.61%)	34.94%	2,808.29	34.61%	2,194.50
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses				
Exempt income	-1.90%	(152.66)	-2.39%	(151.61)
Permanent Differences	0.31%	25.10	0.49%	31.11
Differential Tax for Investments Income recognised on Fair value	-0.28%	(22.70)	-0.54%	(34.18)
Incremental deduction allowed for research and development costs	-0.34%	(27.63)	-0.35%	(22.46)
Deductions u/s 80-IA	-0.38%	(30.16)	-0.67%	(42.48)
Capital Gains - Indexation difference and adjustment of deferred tax on leasehold land	-2.46%	(197.62)	-	-
Other adjustments	0.25%	19.79	-0.70%	(44.38)
Tax relating to earlier years	0.00%	-	0.54%	34.43
Rate difference	-0.42%	(33.72)	0.19%	11.78
	29.72%	2,388.71	31.18%	1,976.71



Notes to financial statements for the year ended 31st March, 2019

(d) Movement in deferred tax balances

₹ in lakhs

	Year ended 31 March 2019					
	Net balance 1 April 2018	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,275.40)	94.18		(1,181.22)		(1,181.22)
Employee benefits	3.62	(3.62)	-	-	-	
Liabilities allowable on payment basis	65.73	47.89		113.62	113.62	
Fair value of investments	(22.48)	(9.54)		(32.02)		(32.02)
Expected credit loss	3.43	(0.63)		2.80	2.80	
Tax assets (Liabilities)	(1,225.10)	128.28	-	(1,096.82)	116.42	(1,213.24)
Reversal of Opening DTL				-	-	
Tax assets (Liabilities) (Net)	(1,225.10)	128.28	-	(1,096.82)	116.42	(1,213.24)

(e) Movement in deferred tax balances

	Year ended 31 March 2018					
	Net balance 1 April 2017	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)						
Property, plant and equipment (includes intangible assets)	(1,243.44)	(31.96)		(1,275.40)		(1,275.40)
Employee benefits	(11.91)		15.53	3.62	3.62	
Liabilities allowable on payment basis	91.19	(25.46)		65.73	65.73	
Fair value of investments	(11.63)	(10.85)		(22.48)	-	(22.48)
Expected credit loss	5.66	(2.23)		3.43	3.43	-
Tax assets (Liabilities)	(1,170.13)	(70.50)	15.53	(1,225.10)	72.78	(1,297.88)
Reversal of Opening DTL				-	-	
Tax assets (Liabilities) (Net)	(1,170.13)	(70.50)	15.53	(1,225.10)	72.78	(1,297.88)

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

41 Financial instruments

A Valuation:

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

- The fair value of investment in quoted Equity shares is measured at quoted price or NAV
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

**Notes to financial statements for the year ended 31st March, 2019**

- iii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date except advance received or paid.
- iv) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

B Financial instruments by category

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

₹ in lakhs

FINANCIAL ASSETS/FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUES & KEY INPUTS USED
	31.03.2019	31.03.2018		
Investments in quoted equity instruments at FVTOCI	18,171.40	34,925.49	Level 1	Quoted bid price in an active market (a)
Investment in Debentures	133.31	26.43	Level 1	Quoted bid price in an active market (a)
Investments in quoted instruments (Mutual Funds) at FVTPL	4,701.22	4,893.57	Level 2	Quoted bid price in an active market
Derivative instrument - Forward contract	1.23	13.13	Level 2	Fair valuation
Investments in unquoted Instruments at FVTPL				Fair valuation (b)
Investments in unquoted Instruments at OCI				Fair valuation (b)

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

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

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

₹ in lakhs

PARTICULARS	FAIR VALUE HIERARCHY	AS AT 31.03.2019		AS AT 31.03.2018	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets at amortised cost:					
Non-current financial assets					
Investment in Bonds	Amortised Cost	-	-	15.40	15.40
Loans	Amortised Cost	307.20	307.20	106.78	106.78
Current financial assets					
Trade receivables		3,302.89	3,302.89	2,611.12	2,611.12
Cash and cash equivalents		2,718.79	2,718.79	1,429.30	1,429.30
Other bank balances		70.35	70.35	60.57	60.57
Loans		722.58	722.58	510.47	510.47
Financial liabilities held at amortised cost:					
Current financial liabilities					
Trade payables		2,186.90	2,186.90	2,870.54	2,870.54
Other financial liabilities		785.65		612.07	



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

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

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

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

41.1 Financial risk management

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

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

Risk management framework

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

A Credit risk

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

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

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

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



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

₹ in Lakhs

Ageing of Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Not due	2,821.33	2,087.19
0-3 months	418.34	480.25
3-6 months	30.39	33.45
6 months to 12 months	29.43	18.60
beyond 12 months	11.41	1.53
Allowance for doubtful trade receivables (Expected credit loss allowance)	8.01	9.91
Total	3,302.90	2,611.11

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

Movement in provisions of doubtful debts

Particulars	As at 31 March 2019	As at 31 March 2018
Opening provision	9.91	16.36
Add: Additional provision made	(1.90)	(6.45)
Closing provision	8.01	9.91

Loans

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

Investment in debt securities

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

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

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

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2718.79 as at 31st March, 2019 (31st March, 2018: ₹ 1429.30). The cash and cash equivalents are held with banks.

Derivatives

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



Notes to financial statements for the year ended 31st March, 2019

B Liquidity risk

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

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

Exposure to liquidity risk

₹ in Lakhs

Particulars	As at 31st March 2019		As at 31st March 2018	
	Carrying amount- Contractual cash flows		Carrying amount- Contractual cash flows	
	Up to 1 year	More than 1 year	Up to 1 year	More than 1 year
Non-derivative financial liabilities				
Trade and other payables	2,158.75	-	2,870.54	-
Other financial liabilities	785.65	-	612.07	-
Total non-derivative financial liabilities	2,944.41	-	3,482.61	-

C Market risk

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

(a) Foreign Currency Exchange Rate Risk

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

The following table analyzes foreign currency risk from financial instruments as of 31st March 2019 and 31st March 2018 :

In Lakhs

Particulars	USD	EURO	GBP	SGD	CAD	AUD
Accounts Receivable						
As at :						
31 March 2019	10.37	0.00	0.07	0.13	0.05	0.00
31 March 2018	10.62	0.00	0.14	-	0.01	0.01
Accounts Payable						
As at :						
31 March 2019	7.68	-	-	-	-	-
31 March 2018	13.21	-	-	-	-	-

**Notes to financial statements for the year ended 31st March, 2019****Foreign currency sensitivity analysis**

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

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

Particulars	Average Exchange rate			
	USD	GBP	INR/USD	INR/GBP
Export Transactions				
As at :				
31 March 2019	135.03	1.48	69.59	86.89
31 March 2018	118.43	0.82	64.40	86.22
Import Transactions				
As at :				
31 March 2019	61.48	0.04	71.47	77.93
31 March 2018	55.99	-	66.88	-

Impact on profit or loss and total equity

₹ in lakhs

Particulars	USD impact	
	As at 31 March 2019	As at 31 March 2018
Increase in exchange rate by 5%	250.11	194.12
Decrease in exchange rate by 5%	(250.11)	(194.12)

Particulars	GBP impact	
	As at 31 March 2019	As at 31 March 2018
Increase in exchange rate by 5%	6.29	3.54
Decrease in exchange rate by 5%	(6.29)	(3.54)

Forward foreign exchange contracts

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

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

Outstanding contracts	As at	Foreign currency	Carrying amount
Derivative instruments			
Accounts Receivables (USD)	31 March 2019	1.00	68.58
	31 March 2018	32.00	2,064.32
Accounts Payables(USD)	31 March 2019	-	-
	31 March 2018	1.24	80.92



Notes to financial statements for the year ended 31st March, 2019

D Interest Rate Risk

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

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

Exposure to interest rate risk

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

	₹ in Lakhs	
	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial Assets - measured at amortised cost	0.00	0.00
Investment in Bonds	0.00	15.40
Total	0.00	15.40

Segmentwise Revenue, Results and Capital Employed for the year ended 31st March 2019

Sl. NO.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
1	SEGMENT REVENUE		
a	Laundry & Allied Products	26,751.50	25,186.11
b	IT Enabled Services	3,884.63	3,023.95
c	Windmill	339.13	320.33
	TOTAL	30,975.26	28,530.39
	Less : Inter Segment Revenue	(290.12)	(277.40)
	SALES/INCOME FROM OPERATIONS	30,685.14	28,252.99
2	SEGMENT RESULTS		
a	Laundry & Allied Products	6,033.03	5,140.49
b	IT Enabled Services	641.52	606.67
c	Windmill	185.99	206.99
	TOTAL	6,860.54	5,954.15
	Less: Interest and Finance Charges	(10.99)	(62.45)
	Less: Unallocated Expenditure (Net-off)	595.48	449.29
	Un-allocable Income	591.21	-
	TOTAL PROFIT BEFORE TAX	8,036.24	6,340.99
3	SEGMENT ASSETS		
a	Laundry & Allied Products	13,159.36	11,635.58
b	IT Enabled Services	1,141.61	967.24
c	Windmill	1,023.18	1,053.40
d	Unallocated / Corporate	27,759.28	42,654.22
		43,083.43	56,310.44



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Sl. NO.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
4	Segment Liabilities		
a	Laundry & Allied Products	2,865.83	3,390.32
b	IT Enabled Services	368.46	195.79
c	Windmill	10.86	10.14
d	Unallocated / Corporate	1,349.34	1,606.13
		4,594.49	5,202.38
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	38,488.94	51,108.06

42 Related party disclosures**1 Names of related parties and nature of relationship:**

Nature of relationship	Name of related party		
Key Management Personnel	Mr. R. Sampath	Chairman	Non-Executive
	Mrs. Indira Sundararajan	Vice Chairperson	Non-Executive
	Ms. Tara Parthasarathy	Joint Managing Director	Executive
	Mr. R. Senthil Kumar	Whole-time Director	Executive
	Dr. Gopakumar G. Nair	Director	Non Executive Independent
	Mr. Nimish Patel	Director	Non Executive Independent
	Mr. T.R Madhavan	Director	Non Executive Independent
	Mr. Vinod G. Nehemiah	Director	Non Executive Independent
	Mr. Navin M Ram	Director	Non Executive Independent
	Mr. S. Ragothaman	Director	Non Executive Independent
	Mr. Rajeev M. Pandia	Director	Non Executive Non Independent
	Mr. C.R. Chandra Bob	Director	Non Executive Non Independent
	Mr. S. Ramanan	Chief Financial Officer	
Mr. Kishore Kumar Sahoo	Company Secretary		
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence.	Thirumalai Chemicals Limited		
	Thirumalai Charity Trust		
	Ahana LLC		
	Vedavalli Vidyalaya School (a Unit of Akshaya Vidya Trust)		
Relatives of Key Managerial Personnel	Mr. V. Bharatram	President(Operations), IT-Enabled Services and BPO activities Division	
	Ms. Meera Parthasarathy	Vice President(Operations), BPO Division	
	Ms. Vidya Sampath		



Notes to financial statements for the year ended 31st March, 2019

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

₹ in Lakhs

	2018-19	2017-18
Sales		
<u>Goods, Materials and Services</u>		
Thirumalai Chemicals Limited	0.36	0.38
Purchase		
<u>Goods, Materials and Services</u>		
Thirumalai Chemicals Limited	-	0.02
Remuneration paid to		
Mr. V. Bharathram	104.06	62.08
Ms. Meera Parthasarathy	62.18	33.96
Remuneration to Key Managerial Personnel		
Mrs. Indira Sundararajan	50.95	216.85
Ms. Tara Parthasarathy	71.57	63.88
Mr. R. Senthilkumar	48.60	45.66
Mr. S. Ramanan	32.74	32.74
Mr. Kishore Kumar Sahoo	16.25	13.77
Sitting fees and commission to Independent and Non-Executive Directors	105.13	89.68
Rendering of Services to		
Thirumalai Chemicals Limited	7.58	21.07
Thirumalai Charity Trust	-	3.08
Vedavalli Vidyalaya School	0.64	0.33
Ahana LLC, USA	62.21	13.44
Rent Paid to		
Thirumalai Chemicals Limited	38.21	37.68
Ms. Vidya Sampath	0.98	-
Receiving of services from		
Thirumalai Chemicals Limited	1.15	1.32
Outstanding payables		
Thirumalai Chemicals Limited	3.78	3.40
Advance received against sale of Property		
Thirumalai Chemicals Limited	-	136.36
Directors Remuneration Payables		
Mrs. Indira Sundararajan	19.64	160.22
Ms. Tara Parthasarathy	30.00	30.00
Mr. R. Senthilkumar	10.00	9.00
Non executive directors commission	73.53	64.08
Remuneration Payable		
Mr. V. Bharathram	15.00	7.50
Outstanding receivables		
Vedavalli Vidyalaya School	-	-
Thirumalai Charity Trust	-	0.09
Thirumalai Chemicals Limited	0.83	0.24
Ahana LLC	21.42	3.04



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

Donations paid

Thirumalai Charity Trust	88.00	70.00
--------------------------	-------	-------

Outstanding deposits receivables

Ms. Vidya Sampath	0.70	-
Thirumalai Chemicals Limited	14.00	14.00

43 Leases**Operating lease**

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

ii) Amounts recognised in profit or loss

Particulars	31st March, 2019	31st March, 2018
Lease expense	296.59	199.99
Contingent rent expense	-	-

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

Particulars	31st March, 2019	31st March, 2018
Payable		
Within one year	291.56	285.42
After one year but not more than five years	877.01	1,074.88
More than five years	126.03	182.25

44 Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of Company

Particulars	31st March, 2019	31st March, 2018
	INR	INR
Profit attributable to equity holders of the Company for basic and diluted earnings per share	5,647.83	4,364.31

ii. Weighted average number of ordinary shares

Particulars	31st March, 2019	31st March, 2018
	INR	INR
Number of Issued equity shares at April 1	292,00,000	292,00,000
Effect of shares issued as	-	-
Nominal value per share	2	2
Weighted average number of shares at March 31 for basic and diluted earnings per shares	292,00,000	292,00,000
Basic earnings per share	19.34	14.95



Notes to financial statements for the year ended 31st March, 2019

₹ in Lakhs

45 Research and Development Expenditure

Particulars	As at 31 March 2019	As at 31 March 2018
The Company has Incurred Research and Development expenses as under:		
On Capital Account:		
Lab Equipment	28.43	17.42
On Revenue Account		
Salaries & Allowances	75.06	79.40
Contributions to Provident fund and other funds	4.92	5.25
Chemicals and Consumables	17.14	14.72
Other Expenses	32.56	13.02
Total	158.11	129.81

46 CSR Expenditure

- a) Gross amount required to be spent by the Company during the year – ₹100.24 Lakhs (31st March, 2018: ₹ 76.29 Lakhs)
- b) Amount spent during the year: ₹107.00 Lakhs (31st March, 2018: ₹90.21 Lakhs) out of which ₹ 88.00 Lakhs contributed to Thirumalai Charity Trust registered u/s 35AC/80G of Income Tax Act, 1961, engaged in rural healthcare, women empowerment, disability, de-addiction and village development, surrounding the manufacturing location of the Company.

47 Exceptional items of ₹ 591.21 Lakhs represent Surplus on transfer of leasehold land during the year .**48 Disclosures required as per Micro, Small and Medium Enterprises Development Act, 2006 .**

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

Particulars	2018-19	2017-18
(i) Principal amount and Interest payable to the suppliers as at the end of the accounting year	NIL	NIL
(ii) The amount of interest paid by the buyer in terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act	NIL	NIL
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure u/s 23 of Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL



Notes to financial statements for the year ended 31st March, 2019

49 C I F Value of Imports

₹ in Lakhs

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Raw Materials	4,443.89	3,737.05
Machinery spares	0.40	0.57
Lab Equipment	1.24	0.65
Total	4,445.53	3,738.27

50. Expenditure in Foreign Currency

Travelling	35.00	39.13
Other Matters - Data procesing	-	0.11
Employees' Training & seminar expenses	27.21	26.66
Legal & Professional Charges	36.29	2.90
Printing and Stationary	7.72	-
Bank Charges	1.35	-
Telephone Expense	1.39	-
Subscription Fees	13.80	5.76
Software Expenses	0.80	2.47
Sales Promotion Expenses	9.05	38.58
Books,periodicals & subscriptions	5.14	4.47
Total	137.75	120.08

51. Earnings in foreign currencies

Export of goods calculated on FOB basis	6,027.26	4,992.64
Income from IT enabled services	3,430.79	2,663.65
Total	9,458.05	7,656.29

52 Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of
Brahmayya & Co
Chartered Accountants
Firm Regn. No. 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377
Place: Chennai
Date : 15th May, 2019

TARA PARTHASARATHY
Joint Managing Director
DIN :07121058

For and on behalf of the Board of Directors

R. SENTHIL KUMAR
Whole-time Director
DIN :07506927

S. RAMANAN
Chief Financial Officer

T.R. MADHAVAN
Director
DIN:00163992

KISHORE KUMAR SAHOO
Company Secretary

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994
Vedavalli Higher Secondary School, Walaja (State Board) 1999
Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School,
Ranipet (CBSE) 2003

Two decades in Education

The year 2018-2019 has been the glorious year for all Vedavallians as it is the celebration of the Silver Jubilee. To commemorate the completion of 25 years of the Akshaya Vidya Trust, various community outreach programmes were conducted by teachers and students. The celebration started with a grand Mass Rally on the project titled “My Town My Pride” on 23rd December 2017. Around 500 students along with alumni, teachers, and parents took the pride of walking 5 km from Arignar Anna Arts College to Gudimallur village projecting the awareness about knowing and preserving our town’s heritage.

A project display and presentation on “Legacy of Walajah Road Railway Station” was organized on 11th April 2018. Middle school children presented the history and the development of the Walajah Railway station. Neighbouring schools and the local residents visited the project.

A Walk Through Heritage was a part of the celebration where Art and Craft exhibition was held for four days in Alwarpet, Chennai, highlighting the heritage of the three towns – Walajapet, Arcot, and Ranipet. Children exhibited paintings, sketches, and models of eight sites from the three towns – Artifacts at Arcot Museum, Walajah Town plan, Gudimallur Bhumeeshwar temple, Walajah Railway Station, Naw lakh Bagh, Delhi gate, Green Stone Mosque, and Kanchangiri hills. Articles about the Art and Craft exhibition were published in various dailies.

Another event of the celebration was the three-day conference held in the campus in the month of June 2018. The sole purpose of the event was to promote social and cultural diversity through education. Eminent personalities facilitated sessions providing insights into different approaches on learning and “change”, a need in Education.

An Alumni get together was organized on 13th January 2019. Around 400 Alumni and 50 ex-staff took part in the event. The silver jubilee celebration and achievements of the school were projected which ignited the students to come back and render some kind of service to the school and community.

Sports play a vital role in shaping the children for the future. This year, children took part in district and national level inter-school games and events and bagged 1st and 2nd places in Chess, Football, Javelin throw, Kabaddi, and Badminton. This added credit to the school’s achievement.

The school always caters to Joy of Doing in Lower Primary, Activity-Oriented Learning in Upper Primary, and Learning by Doing in Middle School. The school brings in new programmes every year and has started Online supplementary programmes for Math, Science and English that caters to the interests of children who excel in academics. These programmes kindle the academic skills in children. The middle and higher secondary children are exposed to self-learning. Children have fairly done well in their Board Exams. Out of 79 children in class X, 18 have obtained a cumulative grade of 10/10. A total of 39 children have obtained a cumulative grade point 9 and above. One child in class XII has scored centum in Business Maths.

The school is always eager to bring in the best in children, to prepare them for the future and make them responsible citizens with good values.

Please visit our website www.vedavallividyalaya.org





Thirumalai Charity Trust

Ranipet

New Dialysis Unit commissioned



376 sessions for 13 patients in Dialysis Unit : service commenced on 4th December after installation, training of staff.

“Social responsibility of business is not optional, but obligatory”

This belief was the foundation for Thirumalai Charity Trust (TCT) in 1970. In its journey of nearly 5 decades, the TCT has implemented many projects and pioneered many initiatives in Health, Education, Women Empowerment, Disability, Veterinary Care, De-addiction and many more, mainly in Ranipet and the villages around it.

The Thirumalai Mission Hospital (TMH) was founded in Ranipet, in April 2010 on a not-for-profit basis. The basic thrust of the hospital is to provide excellent and affordable health care in General Medicine, Emergency, Intensive Medical Care, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, E.N.T., and Dentistry. The hospital has very good laboratory, radiology & physiotherapy facilities. In addition, the hospital has been running a successful De-addiction and Rehabilitation programme for alcoholics. TMH has the potential to grow to be a premier medical institution with an added emphasis on education and research. Currently operating with 40 beds, it is poised to become a 100-bed facility. The hospital has NABH accreditation.

With a deeply entrenched network in 315 villages, directly serving 35,000 families and 160,000 people, the hospital has pioneered community-based care and management programs for a gamut of non-communicable diseases such as diabetes, hypertension, osteoporosis, obesity, alcoholism, tobacco use and common cancers, and has built an impressive record. Patients enrolled in these long-term care programmes show significant improvement having control of their conditions. The model has received recognition from good healthcare institutions.

With the support of UPL, the hospital has recently set up a dialysis centre with two units. This service has the potential to grow over the next few years. The unit functioning from 4th December 2018 is currently serving 13 patients on a regular basis.

At the hospital, we have treated 28,250 out-patients and 920 in-patients. Nearly 12,000 patients were served in our community medical camps and outreach programmes.

We have thus far treated nearly 350 alcoholics, and among those who have completed more than one year of treatment, 66% have abstained from alcohol and are showing good signs of recovery.

The floor above the emergency block is nearing completion.

We are fortunate to have the support of your company and many other donors who recognize the value of our services. We invite you to join us on our Mission.

Kindly visit us at:

<http://thirumalaimissionhospital.org/>&<http://thirumalaicharitytrust.org/>