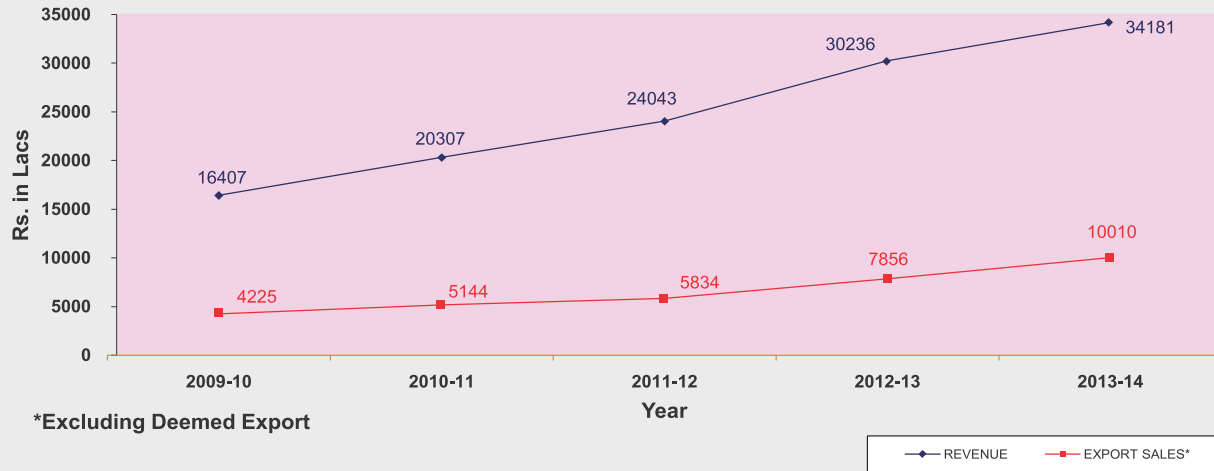




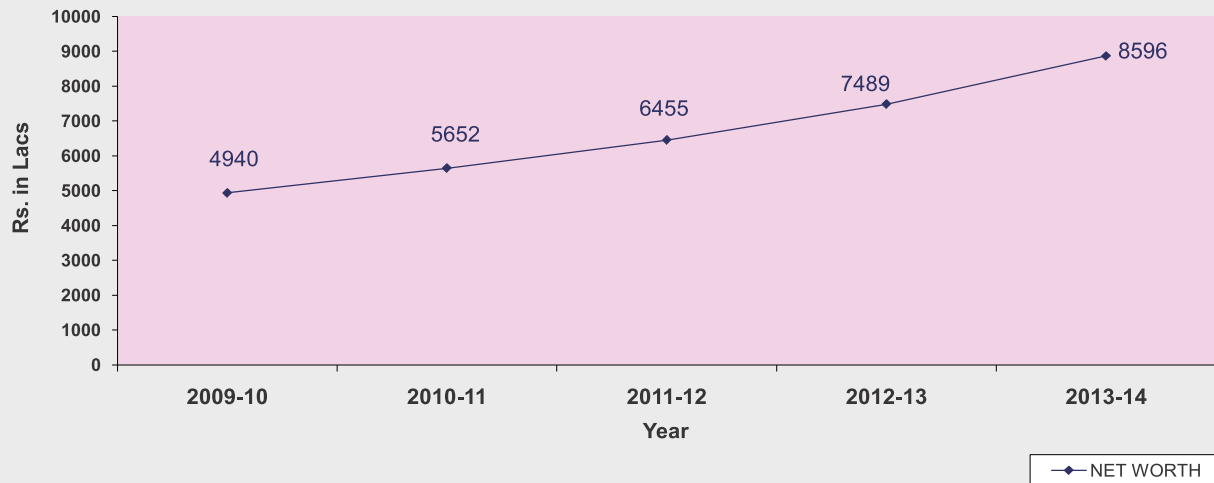
**PODDAR**  
PIGMENTS LTD.

Annual Report 2013-14

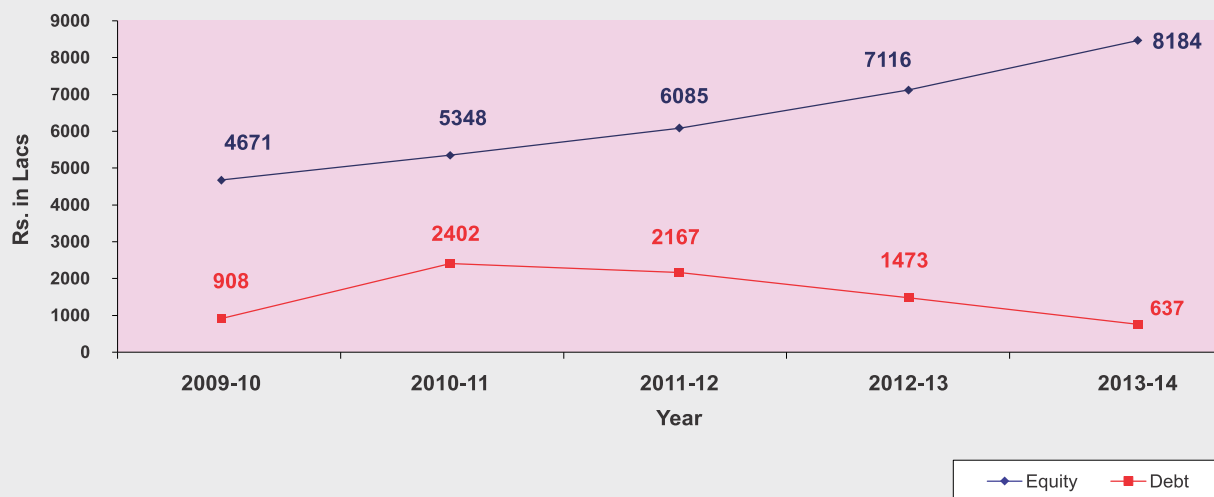
## REVENUE RECEIPTS & EXPORT



## NET WORTH



## DEBT EQUITY





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## **BOARD OF DIRECTORS**

Shri Kishore Rungta  
Smt. Mahima P. Agarwal  
Shri M.K. Sonthalia  
Shri N. Gopaldaswamy  
Shri R.K. Sureka, CEO  
Shri S.S. Poddar, Managing Director

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## **AUDITORS**

M/s. K.N. Gutgutia & Company  
Chartered Accountants  
New Delhi

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## **BANKERS**

State Bank of India  
Punjab National Bank

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## **REGISTERED OFFICE & WORKS**

E-10-11 & F-14 to 16, RIICO Industrial Area  
Sitapura, Jaipur-302 022 (Rajasthan)  
CIN : L24117RJ1991PLC006307  
Telephone Number : 0141-2770202- 203  
Fax Number : 0141-2771922  
Email : jaipur@poddarpigments.com  
Website : www.poddarpigments.com

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## **CORPORATE OFFICE**

302, Nanak Chambers,  
3rd Floor, (Opp. Fun Republic),  
New Link Road,  
Andheri (W), Mumbai-400053



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## NOTICE

**NOTICE** is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Company will be held at the Registered Office of the Company at **E-10,11 & F-14 TO 16, RIICO INDUSTRIAL AREA, SITAPURA, JAIPUR-302022 (RAJASTHAN) on Saturday, the 23rd August, 2014 AT 11.00 A. M.** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To declare a Dividend for the year 2013-14 on Equity Shares.
3. To appoint a Director in place of Smt. Mahima P. Agarwal (DIN: 03588809), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration. M/s. K. N. Gutgutia & Co., the retiring Auditors are eligible for re-appointment.

### SPECIAL BUSINESS

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

**"RESOLVED THAT**, pursuant to the provision of Section 148 of the companies Act, 2013 and subject to such guidelines and approval as may be required in the matter for the re-appointment of M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur, as Cost Auditors to audit the cost records maintained by the Company in respect of manufacturing of Masterbatches for the Financial Year 2014-15 on a remuneration of Rs.50,000/- (Rupees fifty thousand only) plus Service Tax as applicable, be and is hereby ratified."

6. To appoint Shri Kishore Rungta (DIN: 00681634) as an Independent Director 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Kishore Rungta (DIN: 00681634), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to

hold office for 5 (five) consecutive years for a term upto 31st March, 2019".

7. To appoint Shri M. K. Sonthalia (DIN: 00021297) as an Independent Director 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri M. K. Sonthalia (DIN: 00021297), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019".

8. To appoint Shri N. Gopaldaswamy (DIN: 00017659) as an Independent Director 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri N. Gopaldaswamy (DIN: 00017659), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019".

### Registered Office:

E-10,11 & F-14 to 16  
RIICO Industrial Area, Sitapura,  
Jaipur- 302 022  
Tel: 91 0141-2770202/203  
Fax : 91 0141-2771922  
E-mail: jaipur@poddarpigments.com  
Website : www.poddarpigments.com  
CIN : L24117RJ1991PLC006307

**DATE: 12th July, 2014**

### By order of the Board

**NAVIN JAIN**  
Company Secretary



## NOTES:

1. Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a Member holding more than 10 % of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 16.08.2014 to 23.08.2014 (both days inclusive).
4. Details of Smt. Mahima P. Agarwal, required to be provided pursuant to Clause 49 of Listing Agreement, are furnished in the Corporate Governance Report published elsewhere in the Annual Report.
5. Members are requested:
  - a. to bring their copy of the Annual Report at the Meeting.
  - b. to notify any change in their address to M/s Link Intime India Private limited (R&T) / Company.
6. If the Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 06.09.2014 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 15.08.2014;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 15.08.2014.
7. In case of transfer of physical shares, the instrument of Share Transfer complete in all respect, should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to the closure of the Register of Members as stated above.
8. The copies of relevant documents can be inspected at the Registered Office of the company on any working day between 10.30 A.M. to 12.30 P.M., till the date of Twenty Third Annual General Meeting.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September, 17, 2013 (date of last Annual General Meeting) on the website of the Company ([www.poddarpigments.com](http://www.poddarpigments.com)), as also on the Ministry of Corporate Affairs website.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Link Intime India Pvt. Ltd.
12. **E-VOTING**

The Company is pleased to offer e-Voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

  - (i) The e-voting period begins on 17.08.2014 (9.00 a.m. IST) and ends on 19.08.2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.07.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
    - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (iii) Click on "Shareholders" tab.
    - (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
    - (v) 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.
    - (vi) Next enter the Image Verification as displayed and Click on Login.
    - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form.

**PAN\*** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

      - Members who have not updated their PAN with the Company/Depository Participant are requested to use the



first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

**DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

#### **Dividend Bank Details**

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for institutional Shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Other Instructions :**

- a. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.07.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- b. Sh. Babu Lal Patni, Practicing Company Secretary (Membership No. 2304), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of AGM.
- d. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company as on 18.07.2014.
- e. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.poddarpigments.com](http://www.poddarpigments.com) and on the website of CDSL within two days of the passing of the resolutions at the 23rd Annual General Meeting of the Company on 23.08.2014, and communicated to the BSE Ltd.





## ANNEXURE TO NOTICE

Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)

### Item No. 5

On the basis of recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors for 2014-15 on a remuneration of Rs. 50,000/- (Rupees fifty thousand only) plus Service Tax as applicable.

Certificate dated 14.04.14 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 10.30 A.M. to 12.30 P.M. on all working days and shall also be available at the meeting.

As per Section 148 of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration, payable to the Cost Auditors is to be ratified by the Shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

### Item No. 6, 7 & 8

Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy are Independent Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term up to 31st March, 2019.

Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy for the office of Director of the Company.

The Company has also received declarations from Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy, fulfill the conditions for appointment as independent Directors as specified in the Act and the Listing Agreement. Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy are independent of the management.

Brief resume of Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given on page no. 7.

Copy of the respective draft letters for appointment of Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy as independent Director setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy are interested in the resolutions set out respectively at item Nos. 6, 7 and 8 of the Notice with regard to their respective appointments.

The relatives of Shri Kishore Rungta, Shri M. K. Sonthalia and Shri N. Gopalaswamy may be deemed to be interested in the resolutions set out respectively at item Nos. 6, 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at item Nos. 6, 7 and 8 of the Notice for approval by the shareholders.





**Brief resume of Independent Directors are as under :-**

<b>Particulars</b>	<b>Shri Kishore Rungta</b>	<b>Shri M. K. Sonthalia</b>	<b>Shri N. Gopaldaswamy</b>
Date of Birth	24th September, 1951	16th September, 1957	6th February, 1932
Date of Appointment	25th July, 2011	28th February, 1994	1st July, 1994
Qualifications	B. Com.	B. Com.	B. Sc./ B. E.
Expertise in specific functional area	He is an industrialist having vast experience.	He is an industrialist having vast experience.	He is senior member of the Institute of Industrial Engineers, U.S.A. and also the fellow of Institute of Engineers India. He is having about 5 decades of experience.
Directorships held in other public companies (excluding foreign companies and section 25 Companies Act, 1956)	<ol style="list-style-type: none"> <li>1. MAN Structural Private Ltd.</li> <li>2. Indoman Structurals Pvt. Ltd.</li> <li>3. Astha Prime Commodite Pvt. Ltd.</li> <li>4. Pukhraj Enterprises Pvt. Ltd.</li> <li>5. Tirupati Build Projects Pvt.Ltd.</li> <li>6. Mohit Tower Private Limited</li> <li>7. Tirupati Prime Commodite Private Limited</li> <li>8. Sapphire Telecom Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Siddharth Media Holdings Private Limited</li> <li>2. Express Publications (Madurai) Limited</li> <li>3. Dinamani Publications Limited</li> <li>4. Express Publications (Chennai) Limited</li> <li>5. Express News Services Private Limited</li> <li>6. Ambattur Enterprises Limited</li> <li>7. Kannada Prabha Publications Limited</li> <li>8. Claris Global Solutions (India) Pvt. Ltd.</li> <li>9. Sterling Newspapers Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Dalmia Bharat Limited</li> <li>2. Shri Najaraj Ceramic &amp; Chemical Industries Limited</li> <li>3. Sri Shanmugha Mines &amp; Minerals Limited</li> <li>4. Sri Swaminatha Mines &amp; Minerals Limited</li> <li>5. Sri Subramanya Mines &amp; Minerals Limited</li> <li>6. Integrated Enterprises (India) Ltd.</li> <li>7. DCB Power Ventures Limited</li> <li>8. Dalmia Cement (Bharat) Limited</li> </ol>
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil
Relationship between directors	No	No	No

**Registered Office:**

E-10,11 & F-14 to 16  
 RIICO Industrial Area, Sitapura,  
 Jaipur- 302 022  
 Tel : 91 0141-2770202/203  
 Fax : 91 0141-2771922  
 E-mail : jaipur@poddarpigments.com  
 Website : www.poddarpigments.com  
 CIN : L24117RJ1991PLC006307

**By order of the Board**

**NAVIN JAIN**  
 Company Secretary

**DATE : 12th July, 2014**



## DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors are pleased to present the Twenty Third Annual Report and the Audited Financial Statements for the year ended 31st March, 2014.

### FINANCIAL RESULTS (Summary of key data) [Rs.In Lacs]

Particulars	2013-2014	2012-2013
Revenue Receipts	34007	30043
Other Income	174	193
Total Revenue Receipts including other income	34181	30236
Operating Profit before Finance Cost,	2388	2194
Depreciation & Tax		
Loss on sale of Investments	(97)	(7)
Less: Finance Cost	121	169
Depreciation	260	265
<b>Profit before tax</b>	<b>1910</b>	1753
Less: - Current Tax	525	471
- Tax in respect of earlier years	-	(1)
- Deferred Tax	38	4
<b>Profit after tax</b>	<b>1347</b>	1279
Balance brought forward from previous year	576	500
Profit available for appropriations	1923	1779
<b>APPROPRIATION</b>		
Proposed Dividend on Equity Shares	239	212
Tax on Dividend	40	36
General Reserve	1061	955
Balance Carried to Balance Sheet	583	576

### REVIEW OF OPERATIONS

During the year under review, your Company performed well in all areas of its operations, with impressive top line growth and consistent earnings, reflecting the effective corporate strategy of creating multiple drivers of growth. Your Company has maintained its leadership, due to continuous thrust on Research, Development and Technology up-gradation innovative products and is expected to further improve its performance in forthcoming years.

Your Company has scaled new heights in overall performance and has set new benchmarks in terms of turnover (including export benefit). During the year, your Company has achieved a turnover of Rs. 34007 lacs as against Rs. 30043 lacs in the previous year, registering an increase of 13.19 % over the previous year. The growth in sales volume, despite a subdued economical scenario, was made possible due to a focus on value added products.

### EXPORT

Your Company has also improved its performance in Exports and achieved a direct export turnover of Rs. 9650 lacs as against

Rs. 7580 lacs in previous year, registering an increase of 27.31%. Despite stiff competition from other countries, international buyers show preference to your company's product due to its quality. The international market is expected to grow further.

### DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend a dividend of Rs. 2.25 per share for the year 2013-14, subject to the members' approval. The dividend on the Equity Shares, if approved by the members, would involve a cash outflow of Rs. 279.30 Lacs, including dividend distribution tax.

### MARKETING

Through consistent efforts in maintaining and improving the international quality standards, your Company has noticed that there is good demand for its products. This has helped in facing price competition in both domestic and international markets and also achieved increased volume. With sustained efforts, we expect further improvements in our performance in the current year. Your Company will continue to seek new markets while consolidating its hold over the existing customers.

### RESEARCH AND DEVELOPMENT

Your company continues to benefit from the strong foundation and long tradition of Research and Development (R&D), which differentiate us from many others.

In an increasingly competitive business environment, your Company recognizes the importance of Research & Development (R&D) to maintain its leadership position. Your Company has, over the years, invested significantly in its Research & Development (R&D) facility, as a key source of sustainable competitive advantage.

The R & D division of your Company, located at its plant (recognized by the Department of Science and Industrial Research (DSIR), Government of India, as an In-House R&D Unit), constantly endeavors to innovate and change the product-mix/process, to create higher value items at lower costs and to widen its range of new generation masterbatches. Its R&D efforts aim at ensuring cost optimization and environment protection. It strives to leverage modern advances in science and technology and blend the same with classical concepts of product development.

The R&D division of your company is equipped with state-of-the-art equipments. These equipments are used to test dispersion, filterability, mechanical, rheological, thermal & colorist properties of products that are being developed for customer specific requirements. Tests are carried out conforming to internationally accepted test standards.

### QUALITY INITIATIVES

Your Company has established various quality initiatives to meet or exceed the expectations of its customers. It has invested in various pilot plants and state-of-the-art testing equipment in order to carry out all relevant tests for masterbatches, which support the smooth running of its customers' production process well.



Close interaction with your Company's customers and independent laboratories ensures continuous feedback, which we take on board for the continued optimisation of products and processes.

#### **STAR EXPORT HOUSE STATUS AND CRISIL RATING**

Sustained growth in exports has enabled your Company to maintain its Star Export House Status under the Foreign Trade Policy 2009-2014.

The Company's Credit Rating is A/Stable/A1, assigned by CRISIL for its working capital borrowings, which signifies a strong degree of safety with regards to timely payments.

#### **DIRECTORS**

Smt. Mahima P. Agarwal retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent applicable and Articles of Association of the Company and, being eligible, offers herself for re-appointment.

#### **CORPORATE GOVERNANCE**

Your Company has been actively practicing the principles of good corporate governance over the years. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

The report on Corporate Governance (in accordance with Clause 49 of the Listing Agreements with the Stock Exchanges), the Auditors' certificate on compliance by the Company and the Management Discussion & Analysis have been included in the Annual Report. A corporate governance compliance certificate obtained from the auditors of the company is part of the Report.

#### **COMPLIANCE WITH THE CODE OF CONDUCT**

The Director and Senior Management Personnel have reaffirmed their compliance with the code of conduct.

#### **DEPOSITS**

The company has neither accepted any deposits during the year under review nor does it have any fixed deposits outstanding at the year-end.

#### **EMPLOYEES**

The information required under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975, is given in the statement annexed hereto forming a part of the Report.

#### **AUDITORS**

M/s K. N. Gutgutia & Co, Chartered Accountants, the present Statutory Auditors of the Company, hold office till the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and have confirmed their eligibility and willingness to accept office, if re-appointed.

#### **COST AUDITORS**

Complying with the provisions of Section 233B of the Companies

Act, 1956 and the MCA General Circular No. 15/2011 dated April 11, 2011, (as amended vide General Circular No. 36/2012 dated 6th November, 2012) subject to the approval of the Central Government, the Audit Committee has recommended and the Board of Directors had appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur being eligible and having sought appointment, as Cost Auditors of the Company to carry out the Cost Audit of all the products manufactured by the Company for the year ended March, 2014.

#### **ENVIRONMENT, SAFETY, ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company accords high priority to health, safety and environment. Your Company emphasizes maintaining a healthy and safe environment in and around its facilities. Safety awareness is inculcated through regular Safety awareness programs, basic fire safety training, mock drills etc. As a part of safety management system, a comprehensive Safety manual has been developed for use by operating and safety personnel. There haven't been any incidence of accidents reported during the year under review.

Several initiatives, initiated earlier, were further continued as part of our energy saving measures. The drive for energy conservation is always a key priority and your Company continuously strives to achieve this through process improvements and through the enhancement of equipment capabilities.

Particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 217(1)(e) of the Companies Act 1956, are enclosed as a part of this report.

#### **GO GREEN INITIATIVE**

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send their Annual Report in electronic mode to Members who have registered their e-mail addresses for this purpose. In the absence of any communication from the shareholders, the email id in the records of depositories shall be considered as the registered email id of the respective shareholder. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request. All the shareholders who hold their shares in physical form and whose e-mail address are not available with the Company, may, if they wish to receive the Annual Report in electronic form, please send their email id to [njain@poddarpigments.com](mailto:njain@poddarpigments.com).

The Company solicits active cooperation of shareholders in helping the Company to implement the e-governance initiatives of the Government.



## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm:

- (a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) that the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2014 and of the profit of the Company for the period ended on that date;
- (c) that the directors have taken proper and sufficient care to ensure the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) That the directors have prepared the Annual Accounts on a 'going concern' basis.

## ACKNOWLEDGEMENT

The Management is grateful to the various Government and Semi-Government Authorities, Bankers, Investors, Marketing Dealers, Vendors and Customers for their valued support and co-operation.

The Directors also wish to place on record their appreciation for the dedication and excellent contribution of the employees in realizing and achieving the objectives of the Company. The enthusiasm of the employees has enabled the company to remain at a constant growth path.

**For and on behalf of the Board of Directors**

PLACE : JAIPUR  
DATE : 15th May, 2014

R. K. Sureka  
DIRECTOR & CEO

S. S. Poddar  
MANAGING DIRECTOR

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company had framed a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange to strengthen corporate governance practices in the Company. They have affirmed their compliance with the said code.

**FOR PODDAR PIGMENTS LIMITED**

**R.K. SUREKA  
DIRECTOR & CEO**

**Date : 15th MAY, 2014**



## ANNEXURE TO THE DIRECTORS' REPORT

### I ENERGY CONSERVATION

The Company continues to accord high priority to the conservation of energy on an ongoing basis.

#### Particulars with respect to conservation of energy:

(A) Power & Fuel consumption	Current Year ended on 31.03.2014	Previous Year ended on 31.03.2013
------------------------------	--	---

#### Electricity

<b>(a) Purchased:</b>		
Units (Nos.)	6804168	7155180
Total Amount (Rs.)	39691255	43619061
Rate/Unit(Rs.)	5.83	6.10
<b>(b) Own generation:</b>		
Through Diesel		
Units (Nos.)	67962	267412
Units per Ltr. of Diesel	3.23	3.16
Cost/ Unit (Rs.)	14.55	12.21

#### (B) Consumption per unit of Production

The company manufactures various products and the consumption per unit of production is dependent on the product mix, which varies each year. It is therefore, not feasible to furnish the information with respect to per unit consumption of production.

### II RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D was carried out by the Company.
  - i Development of various color and additive masterbatches for different end users as per the requirements of the fiber & plastic industries.
  - ii Development of various functional masterbatches such as Flame Retardants, Process aid and Chain Extender masterbatches for PES fiber application and other functional properties to meet the fibre and plastics related end use requirements of the industry.
  - iii Development of Masterbatches to improve performance, productivity and economical to meet the customers changing requirements.
  - iv Development for product quality improvement, process optimization, safe environment and pollution control.
2. Benefits derived as a result of the above R&D.
  - i Development of new products have generated additional business and increasing the customer base.
  - ii Development of a new range of application masterbatches currently not manufactured in the country, thus saving foreign exchange.
  - iii Offering process flexibility and cost effective solutions.
  - iv Productivity enhancement,

optimized cost, improved quality and reduction in environmental pollution by offering alternatives for dyed yarns & textiles.

3. Future plan of action
  - i To continue efforts towards the development of various colors and additive masterbatch and also new range of functional masterbatches, conforming to the customer requirements.  
Also, to develop versatile product range of masterbatches to meet newer market requirements.
  - ii To provide customer-valued solutions with the best products and services to make your company the first choice for masterbatches.
  - iii Continuous updating of technology, R & D and monitoring facilities reckoning with latest development in the field of masterbatches, compounding and other such related areas.
4. Expenditure on R&D
 

(a) Capital	Rs. 49.78 lacs
(b) Recurring	Rs. 362.15 lacs
(c) Total	Rs. 411.93 lacs
(d) Total R&D expenditure as a percentage of revenue receipt	1.205%

### III TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
  - (a) Improvement and benchmarking of existing products to match international standards.
  - (b) Adoption of state-of-the-art technology practices to meet the stringent industry requirements & quality norms.
  - (c) Indigenization of products hitherto being imported in the industry.
  - (d) New mixing & improved masterbatch preparation techniques to help improve environment, productivity & quality.
  - (e) Continuous efforts to update, optimize, review and adopt the latest technologies and process improvement techniques.
2. Benefits derived as a result of the above efforts.
  - (a) Achievement of superior quality & cost effective production resulting in improved realization of finished goods.
  - (b) Introduction of new functional products.
  - (c) Leadership position in the market.
  - (d) Technology upgradation.



3. Technology imported during last five years. NIL  
(i) Technology Imported for manufacture N.A.  
(ii) Year of Import N.A.  
(iii) Has technology been fully absorbed. N.A.

#### IV FOREIGN EXCHANGE EARNED AND OUTGO

	[Rs. In Lacs]	
	2013-14	2012-13
1. Foreign Exchange Earned	7711.32	7011.52
2. Foreign Exchange Outgo	12333.57	11508.93

#### V INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ ALONGWITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

A Employed throughout the Financial Year and in receipt of remuneration aggregating not less than Rs. 60 lacs per annum.

Name	Designation	Remuneration	Qualification	Age (Years)	Experience (Years)	Date of joining	Previous Employment
Shri S. S. Poddar	Managing Director	9933895/-	B.E. (Civil)	65	42	1.7.1994	Whole Time Director in Rajasthan Petro Synthetics Ltd.

B Employed for the part of the year under review and in receipt of remuneration aggregating not less than Rs. 60 lacs per annum. **None.**

For and on behalf of the Board of Directors

PLACE : JAIPUR  
DATED : 15th May, 2014

R.K. Sureka  
DIRECTOR & CEO

S.S. Poddar  
MANAGING DIRECTOR





## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial and Operational Performance

Your Company, registered a growth of 13.19% in sales for the year ended 31.03.14 over the previous year. For the same period, it achieved a sales turnover of Rs. 34007 lacs as against Rs. 30043 Lacs in the previous year. The plant operated smoothly and on schedule during the year. Your company operated the plant at near-full capacity, producing 12037 MT, as against 11650 MT the previous year. Your Company achieved ISO 9001:2008 standards, reflecting its commitment towards quality and customer satisfaction. Operating margins were under pressure due to sharp depreciation of the rupee. This led to a substantial increase in input costs.

### Segment-wise/ Product-wise Performance

Domestic sales saw 8.15% growth this year, contributing Rs. 23997 Lacs, as against Rs. 22188 Lacs in the previous year. Export sales (excluding export benefits) saw 27.31% growth this year, contributing Rs. 9650 Lacs, as against Rs. 7580 Lacs in the previous year. Since direct export operations contributed more than 10% of the company's total revenue, we consider this geographic segment to be a primary segment.

### Industry Structure and Developments

Plastics and textiles find their place in countless facets of the modern life. From health and well-being, nutrition, shelter and transportation to safety and security, communication, leisure activities, etc, they are present everywhere. Plastics and textiles improve our lives, bring us joy, convenience, efficiency and connection to others. In some forms, these materials can even prove to be life savers. In short, the versatility and adaptability of these materials make them an indispensable part of an increasingly complex world. Hence, it is rational to expect the demand for these products to only increase in the future, as they are amongst the largest manufacturing industries in the world.

Your Company manufactures color & additive Masterbatches for the dope dyeing of man-made fibres (MMF), various plastic applications and engineering plastics & compounds. These are essential products required for textile and plastic products. Masterbatch consumption in India is estimated to be 400 KT in 2016-17 from 255 KT during the year 2012-13.

India's exports of man-made fibres (MMF) have shown some growth this quarter after seven consecutive quarters of decline. MMF exports for the 9 months period, April to December 2013, touched US \$ 4.2 billion against US \$3.8 billion in the previous year.

With the increasing costs of natural and blended textiles, the demand for synthetic textiles is bound to increase. As per Technopak, a retail consultancy, the total textile and apparel market size (domestic and export), estimated at \$89 billion in 2011, is projected to grow at a 9% CAGR to reach \$223 billion by 2021. The domestic textile and apparel market size, estimated at \$58 billion in 2011, is projected to grow to \$141 billion by 2021. The key growth segment is technical textiles, which is likely to see a 10% CAGR, followed by 9% in apparels and 8% in home textiles.

Polymer consumption in India is poised to grow multifold, with the help of new developments in packaging applications, infrastructure growth, modernization of agricultural sector, improved healthcare facilities, improved lifestyles and disposable incomes, automobiles demand and rural penetration. The key growth drivers for this sector are food and processed food items, FMCG and cosmetics. Polymer demand in India is likely to touch 16.5 MMT in 2016-17 from 11 MMT in 2012-13.

The Indian plastics industry is growing at close to 15% p.a. As the consumption of masterbatches is linked to the consumption of polymers and synthetic dope dyed fibers, the domestic market is also expected to grow at the rate of 15% p.a. for the next few years.

The global textile fibre industry is expected to grow from 81MMT to 105 MMT by 2020. Of this, the growth of polyester will account for over 68%. India is poised to strengthen its global foothold, with its production rising from the current 8% to 10% of the global volume. Polyester fibre and yarn continue to be the major contributors to the growth of the fibre industry. The global capacity polyester fibre and yarn is expected to reach 44MMT by 2015, as compared to 41.31 MMT in 2012. Demand has largely been led by the Asian countries, with China contributing 9% growth.

India's domestic textile front is also in a very strong position. While the global per capita consumption of man-made fibre is around 12 kg per annum, it is merely 3.5 kg in India, hence providing significant scope for the increase in domestic consumption.

Polyester is the primary MMF in all the major product segments, and accounts for 54% of the global textile consumption, owing to its versatility. We have witnessed an increase in the share of MMF amongst all fibres, particularly in China. This trend is likely to favor the overall polyester consumption. The domestic market is expected to have a healthy filament demand growth, owing to import substitution and new application areas in FDY (Fully Drawn Yarn). Domestic polyester demand grew by 6% during the year led by Fully Drawn Yarn (FDY) and PET. FDY witnessed the highest growth rate of 17%, owing to increased applications and newer areas of consumption.

India's per capita consumption of plastic is at 6.6kg, far behind that of the US (67.3Kg), China (36.7Kg) and Brazil (24.6Kg). However, the polymer industry is growing at 2.5 times India's GDP growth. Besides, the subcontinent's surging industrialization and increasingly powerful economy holds immense untapped growth potential.

Your company has made in-roads into some of the world's largest masterbatch markets. The growth from export sales is expected to be around 15% per annum for the next few years. Your company's thrust on the continuous development of new and innovative products will enable it to stay ahead of the competition. With the growing demand of masterbatches, it can optimistically be stated that in the coming years, your company is headed towards excellent growth and better all-round performance.





## Opportunities and Threats

### **Key Opportunity:**

Due to India's low per capita polymer and polyester consumption, this segment is likely to experience an increase in demand. Your Company is a pioneer in the manufacture of masterbatches for the synthetic fiber industry, based on Polyesters, Nylons and Polypropylenes, for specialty and general purpose applications such as automotives, carpets, home-furnishings, apparels, non-woven fabrics, technical fibers, etc. It is expected that the demand for your Company's products will grow manifold with the increased requirements of the polyester fiber industry.

### **Key Threats & Risk:**

**Demand Risk:** Recession in the user industries may affect demand for the products. Product changes, high fluctuation in the prices of raw materials, competition from domestic and global players and changes in the demand-supply environment may increase the pressure on margins. With continuous improvements and upgrades in technology, new product developments and cost effective measures, your company is confident that it will successfully meet these challenges.

**Foreign Exchange Risk:** Fluctuations in foreign currencies also play a major role in the profitability of the Company. Your Company suitably hedges the differential short-term exposure between export and import to appropriately manage the currency risk.

**Competitor Risk:** The market is highly competitive with no fiscal barriers and no barrier to entry for new players. To address this risk, your Company deploys multi-pronged plans for continuous improvements in the area of cost, quality, customer service and brand equity.

The major risks prevalent in this industry are the high fluctuation in the prices of raw materials, technology obsolescence, competition from global players and further aberration in the custom duties in the coming years under WTO obligations. These can create pressures on the margins and thereby affect the performance of your Company. Furthermore, low economic growth can affect sales and margins. Your company is taking due care against the prevailing risks in the industry by adopting new technologies, introducing innovative Masterbatches through its regular R&D, reduction in material costs, re-engineering business and manufacturing processes and much more. Foreseeable risks to the Company's assets are adequately covered by comprehensive insurance policies. The Company has well designed strategies to identify and mitigate operational, financial, reporting and legal compliances.

## Internal Control Systems and Their Adequacy

Your Company has internal control procedures commensurate with the Company's size and nature of business. Your Company has an in house team that carries out internal audits and ensures that all transactions are appropriately authorised, recorded and reported. Exercises for safeguarding assets and protection against unauthorised use are undertaken from time to time. There are well-established policies and procedures in place across your company. The objective of these procedures is to ensure the efficient use and protection of your Company's resources, accuracy in financial reporting and due compliance of statutes and Company procedures. The Internal Audit reports, the progress in implementation of recommendations and actions taken contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings. The same are also examined by the Statutory Auditors in course of their Audit procedures.

## Human Resources

The talent base of your company during the year 2013-14 was approximately 410. The Board of Directors expresses its appreciation for the sincere efforts made by the employees of your Company at all levels during the year.

Your directors believe and affirm the importance of developing human resources, which is the most valuable asset of your company and the key element in bringing all round improvements and achieving growth. The human resource philosophy and strategy of your Company has been designed to attract and retain the best talent on offer. In practice, it creates and nurtures workplace challenges that keep employees engaged, motivated and innovative. Employee relations during the year under review were peaceful. The contribution and co-operation received from employees across all levels was excellent and the same has been appreciated & supported well by the management through its continuous & systematic training programmes.

## Corporate Social Responsibility

The management of your company is of the opinion that the company's contribution to the society should be of its own volition and not out of compulsion. Hence, even before it was mandated by law, the company had initiated measures over the past several years, to help the poor and downtrodden sections of the society. Amongst other philanthropic activities, Your Company contributes to The Akshaya Patra Foundation, that is involved in mid-day meal schemes across the country.

## Forward-looking Statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, products development, market position, expenditures and financial results, are forward looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. Your Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statement. Your Company assumes no responsibility to publicly modify or revise any such statements on the basis of subsequent developments, information or events.

For and on behalf of Management Team

PLACE : JAIPUR  
DATED : 15th May, 2014

S.S. Poddar  
MANAGING DIRECTOR



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

The Board of Directors of the Company has consistently endeavored to maintain high standard of good Corporate Governance over the years. Given below is the report on Corporate Governance:

### 1 Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under clause 49 of the listing agreement

### 2 Board of Directors:

#### 2.1 Composition of the Board:

The composition of Board, with reference to number of Executive, Non-Executive and Independent Directors, meets the requirement of Code of Corporate Governance.

The Board has adequate representation of Professionals, Qualified, Non-Executive and Independent Directors.

The present strength of Board is six (6) Directors. The Board comprises of two (2) executive and Four (4) non-executive Directors representing the optimum combination of professionalism, knowledge and business experience.

In the Year 2013-14, four Board meetings were held on 22.05.2013, 06.08.2013, 01.11.13 and 11.02.14.

Details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other directorship and committee membership are given below:

Sl. No.	Name of the Director	Category of Directorship @	No. of Board meeting attended out of 4 held	Attendance at last AGM held on 17.09.2013	No. of other Directorship as on 31.03.2014	No. of other committees in which Chairman/Member as on 31.03.2014	
						Member	Chairman
(i)	SH. S. S. PODDAR, MANAGING DIRECTOR	\$	4	YES	4	-	-
(ii)	SH. R. K. SUREKA, DIRECTOR & CEO	#	1	YES	2	-	-
(iii)	SH. N. GOPALASWAMY	&	-	NO	8	-	-
(iv)	SH. M.K. SONTHALIA	&	3	NO	8	-	-
(v)	SMT. MAHIMA P. AGARWAL	*	3	YES	-	-	-
(vi)	SH. KISHORE RUNGTA	&	1	YES	5	-	-

@ Category of Directors:

\$ Executive Promoter Director

# Executive Director

\* Non Executive Director and daughter of Sh. S. S. Poddar, Managing Director

& Non Executive Independent Director

#### 2.2 Composition of Remuneration Committee:

The remuneration committee consists of Shri Kishore Rungta, Shri N. Gopalaswamy and Shri M. K. Sonthalia.

#### 2.3 Remuneration to Executive Directors:

The remuneration of Executive Directors are being determined by the "Remuneration Committee" subject to the approval of the Company in General Meeting and such other authority as may be necessary.



The details of remuneration paid to Executive Directors during the year ended 31.03.14 are as follows:

Particulars	Sh. S.S. Poddar, Managing Director	Sh. R. K. Sureka, Director & CEO
Salary and Allowances	6500000	3450000
Contribution to Provident Fund	396000	360000
Other perquisites value as per Income Tax Rules	899783	1065000
Commission on Profit to the Managing Director	2138112	–
<b>Total (Rs.)</b>	<b>9933895</b>	<b>4875000</b>

#### 2.4 Terms of Contract:

Name of Director	Date of appointment	Expiry of contract	Severance fees	Notice Period
Shri S. S. Poddar	01.10.2013	30.09.2016	-	-
Shri R. K. Sureka	01.10.2012	30.09.2015	-	-

#### 2.5 Remuneration to Non-Executive Directors :

No remuneration except sitting fee of Rs. 17500/- was paid to the Non-Executive Directors for meetings attended by them during the year ended 31.03.14.

#### 2.6 Shareholding of the Non-Executive Directors in the Company as on 31.03.14:

None of the Non-Executive Directors; other than Smt. Mahima P. Agarwal holding 555000 Shares; holds any share in the Company.

#### 2.7 Information placed before the Board of Directors :

The Company places before the Board all the information as required vide Annexure 1 to Clause 49 of the Listing Agreement.

### 3 Audit Committee:

During the year ended 31.03.14, meetings of the Audit Committee were held on 13.05.13, 05.08.13, 22.10.13 and 24.01.14. The details of the attendance of the members at Audit Committee and constituents of the Committee are as follows :-

Name of Members	Designation	No. of Meetings Attended
Sh. Kishore Rungta	Chairman - Non Executive & Independent Director	1
Sh. M. K. Sonthalia	Member - Non Executive & Independent Director	4
Sh. N. Gopaldaswamy	Member - Non Executive & Independent Director	3

The Heads of Finance Function and Internal Audit are permanent invitees to the Meeting. The Statutory Auditors are also invited to attend the meetings and the partner of the Statutory Auditors attends the meetings.

Minutes of each Audit Committee Meeting are placed before and are noted in the subsequent Board Meeting.

The terms of reference of the Committee are in line with the requirements of the code. The brief terms of reference of the Audit Committee include:

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of internal control and internal audit systems.
- Discussion with Internal Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.
- Reviewing the Quarterly and Annual Financial Statements before submission to the Board.
- Recommending the appointment and removal of Statutory Auditors, audit fee and payment for any other services.



#### 4. Share Transfer cum Investors' Grievances Committee:

The 'Share Transfer-cum-Investors' Grievance Committee' comprises of two Executive Director namely, Sh. S. S. Poddar, Sh. R. K. Sureka and three Non -Executive Directors namely Sh. Kishore Rungta, Sh. N. Gopaldaswamy and Smt. Mahima P. Agarwal. Shri Kishore Rungta is the Chairman of the committee.

The Committee, in addition to considering share transfer matters, also oversees redressal of shareholders' and investors' complaints/grievances and recommends measures to improve the level of investor services, besides discharging such other related functions which may be referred to it by the Board from time to time. Your company is making all attempts to ensure that correspondences are expeditiously attended to the full satisfaction of the Shareholder.

##### Detail of Pending Complaints :-

Complaint Received from	No. of Complaints Received	No. of Complaints pending
SEBI	NIL	NIL
Stock Exchange	1	NIL
Investors	36	NIL
Govt. Authorities	NIL	NIL

No Share is pending for transfer for more than 15 days.

##### Compliance Officer:

Sh. Navin Jain, Company Secretary and Sh. Dharmendra Kumar, Manager(Legal & Secretarial)

#### 5 CEO & Sr. GM ( Legal & Comm. ) Certification:

Necessary certificate, pursuant to clause 49 of the listing agreement has been obtained and placed before the Board.

#### 6 General Body Meetings:

##### Annual General Meetings

Venue and time for last three Annual General Meetings:

Financial Year	Venue	Date	Time	Details of Special Resolution Passed
2010-2011	Regd. Office at RIICO Industrial Area, Sitapura, JAIPUR	27.08.2011	11.00 A.M.	-
2011-2012	Do	25.09.2012	11.00 A.M.	For Revision of remuneration and Re-appointment of Director & CEO
2012-2013	Do	17.09.2013	11.30 A.M.	For Revision of remuneration and Re-appointment of Managing Director

No Special Resolution was passed through Postal Ballot during the FY 2013-14. None of the businesses proposed to be transacted in the ensuing AGM require passing a special resolution through Postal Ballot.

#### 7 Disclosures:

##### a) Disclosure regarding materially significant related party transactions :

Materially significant related-party transactions have been given in Note No. 34 to the Financial Statement of Notes on Accounts. Adequate care was taken to ensure that the potential conflict of interest did not harm the interest of the company at large.

##### b) Disclosure regarding certain non-compliance:

There was no instance of non-compliance or penalty, 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.



## 8. Communication to Share Holders :

Effective communication of information is an essential component of Corporate Governance.

Half Yearly reports are not sent to shareholders. The Company sends out the Annual Report regularly.

The quarterly, half yearly and Annual results of the Company are published in a leading English National Newspaper namely, The Business Standard (all editions) and in Hindi Local Newspaper namely, Daily News (Jaipur edition). The Results are also sent to Stock Exchanges as per requirement of Listing Agreement.

The Company has its own Website i.e. [www.poddarpigments.com](http://www.poddarpigments.com). The Quarterly Financial Results of the Company are available on the Website of The Stock Exchange, Mumbai [www.bseindia.com](http://www.bseindia.com) and also on the website of SEBI [www.sebi.gov.in](http://www.sebi.gov.in).

As per the requirements of Clause 52 of the Listing Agreement, all the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc., are uploaded on [www.corpfiling.co.in](http://www.corpfiling.co.in).

No presentation was made to the Institutional Investors or to the analysts during the year ended 31.03.14.

Management Discussions and Analysis Report form a part of this Annual Report.

## 9 General Shareholders Information:

### 9.1 AGM : Date, Time and Venue

23rd August, 2014 at 11.00 A.M. at Regd. Office, E-10, 11, F-14 to 16, RIICO Industrial Area, Sitapura, Jaipur-302 022

### 9.2 Financial Calendar (Tentative)

Financial Year: 1st April, 2014 to 31st March, 2015

Results for the quarter ending:

June 30, 2014 - Second week of August, 2014

September 30, 2014 - Second week of November, 2014

December 31, 2014 - Second week of February, 2015

March 31, 2015 - Fourth week of May, 2015

### 9.3 Date of Book Closure

16.08.2014 to 23.08.2014

### 9.4 Dividend Payment Date

06.09.2014

### 9.5 Listing on Stock Exchanges and their Code

Name of Stock Exchange	Code
The Stock Exchange, Mumbai	524570

The listing fee for the F.Y. 2014-15 has already been paid to The Bombay Stock Exchange Ltd.

### 9.6 Market Price Data : High, Low during each month in Financial Year 2013-2014

Period	High (Rs.)	Low (Rs.)
April, 2013	49.00	43.00
May, 2013	49.95	42.00
June, 2013	50.85	40.05
July, 2013	45.00	39.55
August, 2013	43.05	37.00
September, 2013	39.35	35.55
October, 2013	40.50	37.00
November, 2013	43.95	38.65
December, 2013	49.00	41.35
January, 2014	53.00	43.75
February, 2014	48.20	42.75
March, 2014	48.50	43.00



**9.7** Performance in comparison to Broad based indices such as BSE, Sensex, CRISIL Index etc.

Not linked to Sensex/Index

**9.8** Registrar and Transfer Agents

M/S Link Intime India Private Ltd.  
C-13 Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West, Mumbai-400 078  
Phone No. : 022- 25946970  
Fax No. : 022- 25946969  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**9.9** Shares Transfer System

Share Transfer request(s) received in physical form are registered within 15 days from the date of receipt if the transfer documents are in order. The Share Transfer and Share holders'/ Investors' Grievance Committee considers & approves such transfer request(s).

All request for dematerialisation of shares, which are found to be in order, are generally processed within twenty one days.

**9.10** Reconciliation of Share Capital Audit

As directed by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital audit is being carried out at the specified period, by the practicing Company Secretary. The findings of the Reconciliation of Share Capital audit was entirely satisfactory.

**9.11** Distribution of Shareholding as on 31.03.14:-

No of equity shares held	No of shareholders	% of Shareholders	No of Shares	% of Shareholding
1-500	7613	91.38	1264688	11.92
501-1000	349	4.19	295185	2.78
1001-2000	140	1.68	213581	2.01
2001-3000	86	1.03	221080	2.09
3001-4000	19	0.23	67655	0.64
4001-5000	49	0.59	232711	2.19
5001-10000	33	0.40	249435	2.35
10001 & above	42	0.50	8065665	76.02
<b>Grand Total</b>	<b>8331</b>	<b>100.00</b>	<b>10610000</b>	<b>100.00</b>

Shareholding Pattern:

Particulars	No of shareholders	% of Shareholders	No of Shares	% of Shareholding
Domestic Companies (Promoters)	5	0.06	2094274	19.74
Resident Individuals (Promoters)	4	0.05	4293292	40.46
Resident Individuals (other than Promoters)	8180	98.19	3258960	30.72
Domestic Companies (other than Promoters)	102	1.22	901287	8.49
Non Resident Indians	22	0.26	12705	0.12
Mutual Funds/ FIs	2	0.02	11600	0.11
Others	16	0.19	37882	0.36
<b>Total</b>	<b>8331</b>	<b>100.00</b>	<b>10610000</b>	<b>100.00</b>



9.12 Nomination Facility

Shareholders holding physical shares may, if they so desire, send their nominations in prescribed Form 2B of the Companies (Central Governments) General Rules and Forms, Rules, 1956 to the Registrars & Transfer Agents of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

9.13 Unclaimed Dividend

The dividend for the following years, which remain unclaimed for seven years will be transferred to Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956 (Now Section 124 of the Companies Act, 2013).

Shareholders who have not claimed their dividend for the said period till date, may approach us or our registrar for issue of duplicate warrants / demand drafts in lieu of the dividend warrants.

Year	Type of dividend	Date of declaration	Amount outstanding as on 31st March, 2014	Due for transfer on
2010-11	Interim	10.11.2010	11,35,047	16.12.2017
2010-11	Final	27.08.2011	6,04,424	03.09.2018
2011-12	Final	25.09.2012	15,66,634	02.10.2019
2012-13	Final	17.09.2013	12,96,998	24.09.2020

9.14 Dematerialisation of Shares & liquidity

As on 31st March, 2014, 89.34% shares have been dematerialized.

9.15 Outstanding GDR/ADR/Warrants or any Convertible Instruments, Conversion date and likely impact on equity.

Nil

9.16 Brief Resume of Director being re-appointed

Smt. Mahima P. Agarwal, daughter of Sh. S. S. Poddar, Managing Director of the Company, has 13 years experience in the field of Administrative, Foreign Trade, Taxation & Accounting.

9.17 Plant Location and Address for Correspondence

E-10,11, F-14 to 16, RIICO Industrial Area, Sitapura, Jaipur – 302 022.

Telephone : (0141) 2770202, 2770203

Fax No. : (0141) 2771922

Email : jaipur@poddarpigments.com

njain@poddarpigments.com

**For and on behalf of the Board of Directors**

PLACE : JAIPUR  
DATED : 15th May, 2014

**R.K. Sureka**  
DIRECTOR & CEO

**S.S. Poddar**  
MANAGING DIRECTOR





## **AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE**

### **TO THE MEMBERS OF PODDAR PIGMENTS LIMITED**

We have examined the Compliance of conditions of Corporate Governance by **Poddar Pigments Limited** for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, on Corporate Governance and was limited to procedure and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**FOR K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS**

**(B.R. GOYAL)  
PARTNER**

**Membership No. 12172  
ICAI'S FRN NO. 304153E**

**Place : JAIPUR (Camp)  
Dated : 15th May, 2014**



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PODDAR PIGMENTS LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Poddar Pigments Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design implementation and maintenance of internal control 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.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. 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:-
  - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
  - (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (the Act), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227 (3) of the Act, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**FOR K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS**

**(B.R. GOYAL)  
PARTNER**

**Membership No. 12172  
ICAI'S FRN NO. 304153E**

**Place : JAIPUR (Camp)  
Dated : 15th May, 2014**



## ANNEXURE TO THE AUDITORS' REPORT

**(Referred to in paragraph 7 of our report of even date to the members of Poddar Pigments Limited ("the Company") on the financial statements for the year ended March 31, 2014)**

- i)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per the information and explanation given to us physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given no material discrepancies were noticed on such verification.
  - (c) During the year the Company has not disposed off any substantial/major part of fixed assets.
- ii)
  - (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relating to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information explanations given, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) The Company had not taken/granted any loan from / to any Company covered in the register maintained under Section 301 of the Companies Act 1956. Accordingly, paragraph 4 (iii) of the order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls systems.
- v)
  - (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, there were transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs in each case and the same were, prima facie at comparable rates as available.
- vi) In our opinion and according to the information and explanations given to us the company has not accepted any deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits from the public.
- vii) In our opinion, as explained to us the company has an in house internal audit system commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a details examination of the records with a view of determine whether they are accurate or complete.
- ix)
  - (a) According to the information's and explanations given to us and records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company, the dues of Sales Tax, Income-Tax, Customs, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:-



Name of the Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Rajasthan Sales Tax Act & The Rajasthan Tax on Entry of Goods into local Area Act, 1999	Entry tax on HDPE bags	5,55,021	2007-08 and 2008-09	Deputy Commissioner (Appeals)
Income Tax Act	Disallowance of expenses	16,35,908	A.Y. 2008-09 A.Y. 2009-10 A.Y. 2010-11 & A.Y. 2011-12	Commissioner of Income Tax (Appeals)
Service Tax Act	Disallowance of refund of service tax paid for services in connection with export	4,17,309	2007-08 and 2008-09	Custom Excise & Service Tax, Appellant Tribunal

- x) There are no accumulated losses of the Company as on 31st March, 2014. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institution or banks.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit/nidhi/mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. However whenever shares, as investments, are purchased or sold, records for the same are properly maintained.
- xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by other from bank or financial institutions.
- xvi) According to the information and explanations given to us, no term loans has been raised by the Company during the year.
- xvii) According to the information & explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and to the best of our information and according to the explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS**

**(B.R. GOYAL)  
PARTNER**

**Membership No. 12172  
ICAI'S FRN NO. 304153E**

**Place : JAIPUR (Camp)  
Dated : 15th May, 2014**



## BALANCE SHEET AS AT 31st MARCH, 2014

(Rs. In lacs)

	Note No.	As at 31st March, 2014	As at 31st March, 2013	
<b>EQUITY AND LIABILITIES</b>				
1	<b>SHAREHOLDER'S FUND</b>			
(a)	Share Capital	2	1,061.00	1,061.00
(b)	Reserves & Surplus	3	7,122.77	6,055.24
			<u>8,183.77</u>	<u>7,116.24</u>
2	<b>NON-CURRENT LIABILITIES</b>			
(a)	Deferred tax liabilities (Net)	4	411.74	373.24
(b)	Other Long-Term liabilities	5	54.64	58.84
3	<b>CURRENT LIABILITIES</b>			
(a)	Short-Term borrowings	6	637.23	1,089.68
(b)	Trade payables	7	1,907.24	1,492.68
(c)	Other Current liabilities	8	532.47	950.81
(d)	Short-Term Provisions	9	343.44	324.74
	<b>TOTAL</b>		<u>12,070.53</u>	<u>11,406.23</u>
<b>ASSETS</b>				
1	<b>NON - CURRENT ASSETS</b>			
(a)	<b>FIXED ASSETS</b>			
(i)	Tangible assets	10	2,815.16	3,032.81
(ii)	Capital work- in -progress	-	-	1.20
(b)	Non-current Investments	11	-	343.13
(c)	Long-Term loans & advances	12	148.05	84.99
(d)	Other non-current assets	13	30.91	73.03
2	<b>CURRENT ASSETS</b>			
(a)	Current Investments	14	-	16.00
(b)	Inventories	15	3,782.73	3,527.88
(c)	Trade Receivables	16	4,245.73	3,905.90
(d)	Cash & Bank Balances	17	490.22	75.82
(e)	Short-Term loans & advances	18	557.73	345.47
	<b>TOTAL</b>		<u>12,070.53</u>	<u>11,406.23</u>
	Statement of significant accounting policies	1		

The accompanying notes (Note no. 1 to 38) are integral part of the financial statements.

As per our report of even date  
For K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 304153E

For and on behalf of the Board of Directors

B.R. GOYAL  
PARTNER  
Membership No. 12172

NAVIN JAIN  
COMPANY SECRETARY

R.K. SUREKA  
DIRECTOR & CEO

PLACE : JAIPUR (Camp)  
DATED : 15th May, 2014

B.K. BOHRA  
SR.GM (LEGAL & COMM.)

S.S. PODDAR  
MANAGING DIRECTOR



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Note No.	Year ended 31st March, 2014	(Rs. In lacs) Year ended 31st March, 2013
<b>INCOME</b>			
Revenue from operations ( Sales gross )	19	34,006.81	30,043.45
Less: Excise Duty		2,684.11	2,488.18
<b>Revenue from operations ( net)</b>		<b>31,322.70</b>	<b>27,555.27</b>
Other Income	20	174.47	192.74
<b>Total Revenue</b>		<b>31,497.17</b>	<b>27,748.01</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	25,150.46	22,215.64
Other Manufacturing Expenses	22	799.74	822.54
Changes in inventories of finished goods & stock-in-process	23	96.51	(97.67)
Employee Benefits Expenses	24	1,268.28	1,057.20
Finance Cost	25	120.96	168.91
Depreciation	10	259.85	265.23
Other Expenses	26	1,794.18	1,555.88
<b>Total</b>		<b>29,489.98</b>	<b>25,987.73</b>
<b>Profit before exceptional items and tax</b>		<b>2,007.19</b>	<b>1,760.28</b>
Exceptional Items	27	96.86	7.69
<b>Profit before Tax</b>		<b>1,910.33</b>	<b>1,752.59</b>
<b>Tax Expenses</b>			
Current tax		525.00	471.05
Tax in respect of earlier years		-	(1.34)
Deferred Tax		38.50	3.74
<b>Profit for the year</b>		<b>1,346.83</b>	<b>1,279.14</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	32	<b>12.69</b>	12.06
<b>Statement of significant accounting policies</b>	1		

The accompanying notes (Note no. 1 to 38) are integral part of the financial statements.

As per our report of even date  
For K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 304153E

For and on behalf of the Board of Directors

B.R. GOYAL  
PARTNER  
Membership No. 12172

NAVIN JAIN  
COMPANY SECRETARY

R.K. SUREKA  
DIRECTOR & CEO

PLACE : JAIPUR (Camp)  
DATED : 15th May, 2014

B.K. BOHRA  
SR.GM (LEGAL & COMM.)

S.S. PODDAR  
MANAGING DIRECTOR



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2014

DESCRIPTION	2013-14	2012-13
<b>(Rs. In lacs)</b>		
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit Before Tax	1,910.33	1,752.59
Adjustments for :		
- Depreciation	259.85	265.23
- Finance cost	120.96	168.91
- Excess Provision written back	(18.34)	(15.48)
- Loss on Sale of non current Investments	96.86	7.69
- Speculation (Profit) / Loss	-	(0.02)
- Loss / (Profit) on sale of Fixed Assets- Net	(17.64)	1.86
- Unrealized (Gain) / Loss on Exchange - Net	6.63	(6.01)
- Interest Income (on loans)	(37.79)	(20.54)
- Income from current investments (non trade) Dividend	(1.00)	(3.48)
	<u>409.53</u>	<u>398.16</u>
<b>Operating Profit Before Working Capital Changes</b>	<u>2,319.86</u>	<u>2,150.75</u>
Adjustments for-		
- (Increase) / Decrease in Trade and other Receivables	(600.62)	(911.28)
- (Increase) / Decrease in Inventories	(254.85)	(523.79)
- Increase / (Decrease) in Trade and other Payables	463.56	735.48
	<u>(391.91)</u>	<u>(699.59)</u>
<b>CASH FROM OPERATING ACTIVITIES (A)</b>	<u>1,927.95</u>	<u>1,451.16</u>
Less : Direct tax paid	<u>529.86</u>	<u>474.80</u>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<u>1,398.08</u>	<u>976.36</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchases / Additions in Fixed Assets (including CWIP)	(208.15)	(137.84)
- Sale of Fixed Assets	163.73	12.99
- (Purchase) / Sale of current & non-current Investments (Net)	262.26	40.78
- Interest Received (on Loans)	36.00	19.53
- Dividend Received	1.00	3.48
- Speculation Profit / (Loss)	-	0.02
- Movement in other cash balance	(12.54)	(15.74)
	<u>(12.54)</u>	<u>(15.74)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<u>242.30</u>	<u>(76.78)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Proceeds from / (Repayment of) Long Term Borrowings	-	(455.30)
- Proceeds from / (Repayment of) Short Term Borrowings	(835.56)	(231.00)
- Dividend & Dividend tax paid	(279.30)	(230.88)
- Interest paid	(123.66)	(171.61)
	<u>(1,238.52)</u>	<u>(1,088.79)</u>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<u>(1,238.52)</u>	<u>(1,088.79)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u>401.86</u>	<u>(189.21)</u>
<b>CASH AND CASH EQUIVALENTS :</b>		
- At the Beginning of the year	42.33	231.54
- At the End of the Year	<u>444.19</u>	<u>42.33</u>
	<u>401.86</u>	<u>(189.21)</u>
<b>NOTES :</b>		
<b>BALANCE WITH SCHEDULED BANKS :</b>		
- On Current Accounts	32.13	42.33
- On EEFC Accounts	<u>412.06</u>	-
<b>Total</b>	<u>444.19</u>	<u>42.33</u>

- (i) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute Of Chartered Accountants of India.
- (ii) Previous year figures have been regrouped / rearranged to make them comparable , wherever considered necessary, with the current year figures.

In terms of our report of even date attached  
For **K.N. GUTGUTIA & COMPANY**  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

**B.R. GOYAL**  
PARTNER  
Membership No. 12172  
ICAI'S FRN 304153E

**NAVIN JAIN**  
COMPANY SECRETARY

**R.K. SUREKA**  
DIRECTOR & CEO

PLACE : JAIPUR (Camp)  
DATED : 15th May, 2014

**B.K. BOHRA**  
SR.GM (LEGAL & COMM.)

**S.S. PODDAR**  
MANAGING DIRECTOR





## Notes to the Financial Statements for the year ended 31st March, 2014

### Note No.1: - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Corporate Information

Poddar Pigments Limited (the Company) is a public limited company domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company is a manufacturer of Color & Additive Master batches for dope dyeing of man-made fibers and various plastic applications.

#### A. Basis of preparation and presentation of financial statements

The financial statements are prepared on Historical Cost basis and on the principles of going concern. The accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles. All income and expenditure are being accounted for on accrual basis. The financial statements are presented in Indian rupees in lacs.

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 VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/noncurrent classification of assets and liabilities.

#### B. Use of Estimates

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which the same is determined.

#### C. Tangible Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and Cenvat benefit availed on capital goods. All expenses relating to acquisition or installation of fixed assets and pre-operative expenses till the date of commencement of commercial production are capitalized.

Foreign fluctuation exchange loss/(gain) on long term borrowings in foreign currency utilised for acquiring fixed assets is capitalized pursuant to para 46 & 46A of Accounting Standard 11 (AS-11) – "The Effects of Changes in Foreign Exchange Rates" notified by the Ministry Of Corporate Affairs on 29th December 2011.

#### D. Depreciation

Depreciation on fixed assets is provided on straight-line method (on shift basis) in accordance with the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Capitalized Exchange Fluctuation is depreciated over the remaining life of the assets.

No amortization of lease hold land is done, in view of long tenure of lease & which is generally renewed after the lease period.

#### E. Valuation of Inventories

Inventories are valued as under :-

Raw Materials	-	At Cost - net of cenvat credit (on weighted average basis). Custom duty on stocks lying in bonded warehouse at the year end is provided and considered for valuation of stocks.
Stores & Spares	-	At Cost - net of cenvat credit (on weighted average basis)
Stock in Process	-	At Cost (cost includes prime cost, appropriate portion of overheads etc.)
Finished Goods	-	At lower of weighted average cost (cost includes prime cost, appropriate portion of overheads etc.) or net realisable value. Excise duty on goods lying at plant at the year end is provided and considered for valuation of stocks.
Waste	-	At estimated realisable value

#### F. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as Non Current investments. Current investments are carried at cost or fair value, whichever is lower. Non Current investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### G. Provision for Current Tax & Deferred Tax

#### Current Tax

Provision for current tax expense is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961 and judicial interpretations thereof as at the Balance Sheet date and takes into consideration various deductions and exemptions to which the Company is entitled to as well as the reliance placed by the Company on the legal advices received by it.

#### Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### H. Foreign Currency Conversions / Transactions

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payments or realisations as the case may be. Current assets and liabilities denominated in foreign currency as on Balance Sheet date are converted at the exchange rates prevailing on that date and Exchange differences arising out of such conversion are recognised in the Statement of Profit and Loss. Exchange differences on forward contracts are recognized in the Statement of Profit and Loss over the length of the contract. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expense as the case may be in the statement of Profit and Loss.

### I. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### J. Employee Benefits

Contribution to provident fund schemes and Employee State Insurance Scheme made to appropriate authorities which are defined contribution schemes, are charged to statement of profit & loss account on accrual basis. Gratuity and leave encashment which are defined benefit schemes, are funded with as per specified Fund Scheme administered by LIC or provided for on accrual basis based upon the actuarial valuation determined by LIC.

### K. Revenue Recognition

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is reasonably assured and the amount of revenue can be measured reliably. Sales are net of sales tax and sale returns but inclusive of excise duty.

Company continues to account for export benefits on accrual basis based upon the concept of accrual in the year of utilisation of advance licences.

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits and loans is recognized on time proportionate method.

### L. Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expenses in the year in which they are incurred. Borrowings cost incidental to arranging the loans is charged as and when incurred.

### M. Segment Reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. The Revenues & results have been identified to segments on the basis of their relationship to operating activities of the segments and internal management information systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. The Revenues & results, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Results", as the case may be.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### **N. Earning Per Share**

Basic Earning Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

### **O. Impairment of Assets**

The Company, in accordance with the Accounting Standard (AS) 28 "Impairment of Assets" issued by The Institute of Chartered Accountants of India, has adopted the practice of assessing at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, then the company provides for the loss for impairment of Assets after estimating the recoverable amount of the assets.

### **P. Research and Development**

Research and Development expenditure is charged to revenue in the year in which it is incurred. Capital Expenditure on Research and Development is shown as an addition to Fixed Assets.

### **Q. Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Lease payment in respect of such leases are recognized as an expenses in the Profit & Loss on a straight line basis over the lease term or extended term.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>Note No. 2 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,25,00,000 (Previous year 1,25,00,000) Equity Shares of Rs.10/- each	<u>1,250.00</u>	<u>1,250.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,06,10,000 (Previous year 1,06,10,000) Equity Shares of Rs.10/- each fully paid up	<u>1,061.00</u>	<u>1,061.00</u>

### Foot notes :

- 2.1. During the current year and in the previous year, there have been no movements in the number of equity share outstanding.
- 2.2. The Company has only one class of equity shares, having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding.
- 2.3. **The details of shareholders holding more than 5% as at 31st March, 2014 & 31st March, 13 is set out below:**

Names of the shareholders	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares held	% holding	No. of shares held	% holding
Pluto Trade Links Ltd	2,054,300	19.36	2,054,300	19.36
G.K.S. Holdings Ltd	1,088,820	10.26	1,088,820	10.26
Trustline Capital Finance Pvt Ltd	978,500	9.22	978,500	9.22
Kusum Poddar	884,766	8.34	883,800	8.33
Rochna Poddar	590,000	5.56	590,000	5.56
Mahima Poddar	555,000	5.23	555,000	5.23

- 2.4. The company has bought back 1590000 equity shares during the financial year 2009-10.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 3 : RESERVES AND SURPLUS

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Capital Reserve</b>		
Opening balance	15.00	15.00
Add : Addition during the year	-	-
Closing Balance	<u>15.00</u>	<u>15.00</u>
<b>Capital Redemption Reserve</b>		
Opening balance	159.00	159.00
Add : Addition during the year	-	-
Closing Balance	<u>159.00</u>	<u>159.00</u>
<b>General Reserve</b>		
Opening balance	5,305.00	4,350.10
Add : Amount transferred from surplus	1,061.00	954.90
Closing Balance	<u>6,366.00</u>	<u>5,305.00</u>
<b>Surplus</b>		
Opening balance	576.24	500.26
Add : Profit for the year	1,346.83	1,279.14
Amount available for appropriations	1,923.07	1,779.40
Less : Appropriations		
- Proposed Dividend	238.73	212.20
- Tax on Dividend	40.57	36.06
- Transferred to General Reserve	1,061.00	954.90
Net surplus	<u>582.77</u>	<u>576.24</u>
<b>Total Reserve &amp; Surplus</b>	<u>7,122.77</u>	<u>6,055.24</u>
<b>Foot Note :</b>		

- 3.1 The Board of Directors has recommended dividend on the equity shares @ Rs. 2.25 per share (Previous year Rs. 2.00 per share), totalling to Rs. 279.30 lacs (Previous year Rs. 248.26 lacs) including dividend distribution tax.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No 4 : DEFERRED TAX LIABILITIES ( NET)

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities on account of Accelerated Depreciation on		
- Fixed Assets	280.96	252.50
- Research & Development Equipments	135.06	124.80
Deferred tax assets on account of		
- Amount disallowed u/s 43B	(4.28)	(4.06)
Closing Balance	<u>411.74</u>	<u>373.24</u>

### Note No. 5 : OTHER LONG-TERM LIABILITIES

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
Security deposits	46.86	51.06
Employees benefits payable	7.78	7.78
	<u>54.64</u>	<u>58.84</u>

### Note No. 6 : SHORT-TERM BORROWINGS

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>Loans repayable on demand from Bank:</b>		
Working Capital Borrowings ( Secured)	637.23	744.87
Buyers credit in Foreign Currency (unsecured)	-	344.81
	<u>637.23</u>	<u>1,089.68</u>

#### Nature of security

6.1 Working capital borrowings are secured by (i) charge by way of hypothecation on entire current assets including stocks & receivables on first pari passu basis, and (ii) charge on fixed assets on second pari passu basis.

#### Terms of repayment

6.2. Buyers credit in foreign currency repayable as per the terms of agreement has been fully paid during the year.



## Note No. 7 : TRADE PAYABLES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Acceptances	1,401.47	814.54
Trade Payables	505.77	678.14
	<u>1,907.24</u>	<u>1,492.68</u>

7.1 For MSME refer note no. 30

## Note No. 8 : OTHER CURRENT LIABILITIES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Current maturities of long-term debts (Unsecured) (Refer foot note no.8.1 )	-	383.11
Unpaid Dividends (Refer foot note no. 8.2 )	46.03	33.49
Trade Advances	52.47	56.27
Accrued salaries & benefits payable	20.90	20.05
Statutory dues	40.47	57.20
Other payables	372.60	400.69
	<u>532.47</u>	<u>950.81</u>

### Foot note

- 8.1. Deferred Sales Tax repayable in 24 equal monthly installment ,commenced from April 2012, has been fully paid during the year.
- 8.2 There are no outstanding dues to be deposited into the investor Education and Protection Fund as the stipulated period is not yet over.

## Note No. 9 : SHORT-TERM PROVISIONS

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Wealth Tax	0.32	0.20
Dividend & dividend distribution tax	279.30	248.26
Excise Duty on Stocks	63.82	76.28
	<u>343.44</u>	<u>324.74</u>



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 10 : FIXED ASSETS

(Rs. In lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Balance as at 1st April, 2013	Additions	Disposals/ Deletions	Balance as at 31st March, 2014	Balance as at 1st April, 2013	For the year	Deductions	Balance as at 31st March, 2014	Balance as at 31st March, 2013
<b>Tangible Assets</b>									
Land (Leasehold)	44.24	-	-	44.24	-	-	-	44.24	44.24
Buildings	1,380.06	7.09	141.88	1,245.27	222.53	29.46	8.10	1,001.38	1,157.53
Plant & Machineries	4,968.18	128.35	11.35	5,085.18	3,338.95	205.57	9.68	1,550.34	1,629.23
Furniture & Fixtures	134.45	2.41	-	136.86	56.53	7.35	-	72.98	77.92
Vehicles	86.67	36.69	17.33	106.03	21.06	9.32	6.73	82.38	65.61
Office Equipments	128.84	13.75	0.06	142.53	70.56	8.15	0.02	63.84	58.28
<b>TOTAL</b>	<b>6,742.44</b>	<b>188.29</b>	<b>170.62</b>	<b>6,760.11</b>	<b>3,709.63</b>	<b>259.85</b>	<b>24.53</b>	<b>3,944.95</b>	<b>3,032.81</b>
<b>Previous year total</b>	6,663.90	138.28	59.74	6,742.44	3,489.29	265.23	44.89	3,709.63	3,032.81

**Note 10.1.** Plant & machinery of Rs. NIL (previous year Rs. 29.56 lacs ) has been capitalized on account of foreign exchange variation during the year following the notification of MCA dated 31.03.2009 ( as amended vide notification no. F. No.17/133/2008-CL.V dated 29.12.2011) relating to AS-11 on "The effect of changes in foreign exchange rates".

**Note 10.2.** Plant & Machinery includes Rs. 1,072.45 lacs being R & D Equipments, out of which Rs. 49.78 lacs was purchased during the year and is net of Rs. 8.30 lacs sold during the year.





## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 11 : NON-CURRENT INVESTMENTS

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Non-Trade Investment ( at cost )</b>		
<b>Investment in equity instruments (Quoted)</b>		
Nil (Previous year 200000 Nos. ) Equity Shares of Rs.2/- each of Dalmia Bharat Enterprises Ltd.	-	343.13
	<u>-</u>	<u>343.13</u>
Aggregate market value of Quoted investment	-	296.70
Aggregate amount of Quoted investment ( at cost )	-	343.13

### Note No. 12 : LONG-TERM LOANS & ADVANCES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured Considered good:</b>		
Capital Advances	25.01	3.95
Security deposits	108.20	65.89
Advance to suppliers	1.84	1.31
Advance to employees	4.75	4.74
Others	8.25	9.10
	<u>148.05</u>	<u>84.99</u>

### Note No. 13 : OTHER NON-CURRENT ASSETS

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured considered good</b>		
Insurance claims receivables (Refer Note No.31)	30.91	73.03
	<u>30.91</u>	<u>73.03</u>

### Note No. 14 : CURRENT INVESTMENTS

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Non Trade Investment (Valued at cost or NAV whichever is lower)</b>		
<b>Investments in Mutual Fund (Unquoted)</b>		
Nil units (Previous year 3738.445 Units) Mutual Funds of HDFC Prudence Fund Growth	-	8.00
Nil Units (Previous year 3008.431 Units) Mutual Funds HDFC Equity Fund Growth	-	8.00
	<u>-</u>	<u>16.00</u>
Aggregate NAV of Unquoted investment	-	16.56
Aggregate amount of Unquoted investment (at cost)	-	16.00



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No 15 : INVENTORIES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	2,718.91	2,384.58
Stock-in-Process	161.72	144.93
Finished Goods	580.15	693.45
Consumable Stores	321.95	304.92
	<u>3,782.73</u>	<u>3,527.88</u>
<b>For mode of valuation refer note no 1 (E) of significant accounting policies</b>		

	(Rs. In lacs)	
Additional disclosures regarding inventories	As at 31st March, 2014	As at 31st March, 2013
<b>Note No. 15.1. Details of Raw Materials</b>		
- Polymer resins	553.00	423.78
- Pigments	1,763.56	1,561.20
- Waxes	190.85	211.50
- Others	211.50	188.10
	<u>2,718.91</u>	<u>2,384.58</u>
<b>Note No. 15.2. Details of stock-in process</b>		
- Semi finished master batches	153.07	137.96
- Others	8.65	6.97
	<u>161.72</u>	<u>144.93</u>
<b>Note No. 15.3. Details of finished goods</b>		
- Specialty Masterbatches	580.10	684.96
- Others	0.05	8.49
	<u>580.15</u>	<u>693.45</u>

### Note No. 16 : TRADE RECEIVABLES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Outstanding for a period exceeding six months from the date when they are due for payment</b>		
- Secured considered good	-	1.18
- Unsecured considered good	41.22	18.20
<b>Other receivable</b>		
- Secured considered good	1,531.63	1,271.82
- Unsecured considered good	2,672.88	2,614.70
	<u>4,245.73</u>	<u>3,905.90</u>



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 17 : CASH AND BANK BALANCES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Cash and cash equivalents</b>		
<b>Balance with bank</b>		
- Current Accounts	32.13	42.33
- EEFC Accounts	412.06	-
<b>Other bank balances</b>		
- Unpaid Dividend Accounts	46.03	33.49
<b>Total</b>	<u>490.22</u>	<u>75.82</u>

### Note No. 18 : SHORT-TERM LOANS & ADVANCES

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>(Unsecured-Considered good)</b>		
Advances recoverable in cash or kind or for value to be received	150.09	104.79
Security deposits	-	23.95
Balances with Government Authorities	384.44	198.26
Income Tax refundable	7.42	7.55
Advance payment of Income Tax (Including TDS) (net)	15.78	10.92
	<u>557.73</u>	<u>345.47</u>

### Note No. 19 : REVENUE FROM OPERATIONS

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Revenue from Operations</b>		
Sale of products	<u>33,642.83</u>	<u>29,761.80</u>
<b>Others Operating revenue</b>		
Export Benefits	360.18	277.95
Others	3.80	3.70
	<u>363.98</u>	<u>281.65</u>
<b>Revenue from Operations ( Gross )</b>	<u>34,006.81</u>	<u>30,043.45</u>
Less: Excise duty	2,684.11	2,488.18
<b>Revenue from operations (net)</b>	<u>31,322.70</u>	<u>27,555.27</u>
<b>Note No. 19.1. Detail of sale of products (Gross):</b>		
Specialty Masterbatches	33,629.87	29,698.61
Others	12.96	63.19
	<u>33,642.83</u>	<u>29,761.80</u>



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 20 : OTHER INCOME

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Income on short term loan & others	37.79	20.54
Dividend Income from Non Trade Investment	1.00	3.48
Foreign exchange fluctuation gain	56.94	114.68
Surplus on sale of fixed assets (net)	17.64	-
Liabilities / provisions no longer required written back	18.34	15.48
Insurance Claims	1.10	11.81
Other non-operating income	41.66	26.75
	<u>174.47</u>	<u>192.74</u>

### Note No. 21 : COST OF MATERIAL CONSUMED

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Raw Material consumed	<u>25,150.46</u>	<u>22,215.64</u>

#### Note No. 21.1 : Details of Raw material consumed :

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Polymer resins	7,836.11	6,922.65
Pigments	15,778.50	13,865.33
Waxes	1041.36	963.35
Others	494.49	464.31
	<u>25,150.46</u>	<u>22,215.64</u>

	(Rs. In lacs)			
	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Amount	%	Amount	%
<b>Note No. 21.2 : Details of Imported &amp; indigenous Raw Material consumed :</b>				
Imported	12,359.84	49.14	11,794.03	53.09
Indigenous	12,790.62	50.86	10,421.61	46.91
Total	<u>25,150.46</u>	<u>100.00</u>	<u>22,215.64</u>	<u>100.00</u>



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 22 : OTHER MANUFACTURING EXPENSES

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Power and fuel	410.18	441.25
Water Charges	5.71	2.29
Consumption of stores and spares	181.38	147.97
Packing material consumed	170.01	151.78
Repairs and maintenance - Machinery	23.74	23.18
Repairs and maintenance - Buildings	16.65	33.75
Excise duty *	(12.46)	18.26
Others	4.53	4.06
	<u>799.74</u>	<u>822.54</u>

\*Excise duty under manufacturing expenses denotes provision on closing stock differential

#### Note No 22.1 Details of imported, indigenous store & spares Consumed :

	(Rs. In lacs)			
	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Amount	%	Amount	%
Imported Consumables	88.65	48.87	77.63	52.46
Indigenous Consumables	92.73	51.13	70.34	47.54
	<u>181.38</u>	<u>100.00</u>	<u>147.97</u>	<u>100.00</u>

### Note No. 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Inventories at the beginning of the year :</b>		
Finished goods	693.45	527.42
Stock-in-process	144.93	213.29
<b>Inventories at the end of the year:</b>		
Finished goods	580.15	693.45
Stock-in-process	161.72	144.93
<b>Net (Increase) / Decrease in stock</b>	<u>96.51</u>	<u>(97.67)</u>

### Note No 24 : EMPLOYEE BENEFITS EXPENSE

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries, wages, bonus etc. (including contract labour)	1,144.73	953.62
Contribution to provident and other funds	66.51	57.29
Staff welfare expenses	57.04	46.29
	<u>1,268.28</u>	<u>1,057.20</u>



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 25 : FINANCE COST

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
interest		
On Banks borrowings	71.62	110.79
Others borrowing cost		
to Others (Including buyers credit)	23.47	27.91
Bank Charges on borrowings	25.87	30.21
	<u>120.96</u>	<u>168.91</u>

### Note No. 26 : OTHER EXPENSES

	(Rs. In lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Rent (including lease rentals)	18.60	18.92
Rates and taxes	13.55	8.60
Insurance	44.38	40.28
Advertisement & publicity	2.64	3.92
Travelling & conveyance	194.45	189.90
Printing & stationary	14.42	14.09
Communication expenses	29.84	28.32
Repair & maintenance others	29.49	19.64
Vehicle running & maintenance	17.19	14.34
<b>Payments to auditors :</b>		
- As Audit fees	1.60	1.60
- for Tax Audit fees	0.35	0.35
- for certification	0.35	0.30
- for out of pocket expenses	0.46	0.70
Legal & Professional & Technical consultancy charges	122.94	182.42
Donations	20.41	10.00
Sales Promotion Expenses	16.21	12.24
Discount & Commission on sales	321.46	244.23
Freight and forwarding	351.08	268.58
Bank Charges	50.09	36.80
R & D Expenses (refer note 26.1)	362.15	277.54
Loss on sale of Fixed Assets (Net)	-	1.86
Miscellaneous expenses	182.52	181.25
	<u>1,794.18</u>	<u>1,555.88</u>
<b>Note No. 26.1 Research &amp; Development Expenses :</b>		
- Material Consumed	78.82	63.57
- Salary, Wages, Bonus etc.	206.90	158.11
- Power & Fuel Expenses	32.33	32.21
- Others (net of sales realisation )	44.10	23.65
	<u>362.15</u>	<u>277.54</u>





## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 27 : EXCEPTIONAL ITEMS

(Rs. In lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Loss on Sale of Long Term Non Trade Investments ( net) (Refer Note no. 27.1)	96.86	7.69
	<u>96.86</u>	<u>7.69</u>

**Note No. 27.1.** Loss of Rs. 96.86 lacs is net of profit of Rs. 14.25 lacs on sale of 1,83,100 equity shares held in the capital of Rajasthan Petro Synthetics Limited, the value of which was written off in the financial year 2005-06 in view of no intrinsic value of the investee company.

### Note No. 28 : COMMITMENTS

#### (A) Capital commitment

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 40.12 lacs (2012-13 Rs. 14.04 lacs), and advance given Rs. 25.01 lacs (previous year Rs. 3.95 lacs)

#### (B) Other Commitment - NIL

### Note No. 29 : CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR IN RESPECT OF:

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
<b>(A) Claim against company not acknowledged as debts:-</b>		
(i) Income Tax matters in appeals	16.36	13.22
(ii) Sales Tax demands not admitted by the company and for which appeals have been filed with appropriate authorities.	5.88	4.79
(iii) Service Tax demand not admitted by the company and for which appeals have been filed with appropriate authorities.	4.17	3.12
<b>(B) Guarantees:-</b>		
(i) Bank Guarantees		0.76
(ii) Letter of Credit against purchase of raw materials	1,237.91	1,354.10
(iii) Bonds Executed with Customs & Excise Authorities	30.00	30.00
<b>(C) Other Contingent Liabilities:-</b>		
(i) Bill discounting with banks (since realised Rs. 4.07 lacs (2012-13 Rs. 244.21 lacs)	4.07	244.21

#### Note No.29 A : Show Cause Notice in respect of refund of Excise duty on exports:-

The Company has been served certain Show Cause Notices from the taxation authorities in respect of refund of claim of duties paid on exports which are being contested and the company is confident that the said show Cause Notices shall be withdrawn as the basis on which such notices have been issued are not tenable in the eyes of the law based upon the various circulars/case laws.

**Note No. 30 :** Details of Suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006, and which have furnished the information regarding filing of necessary memorandum with appointed authority is as under:-

- (a) Amount outstanding at the year end - Rs. NIL (Previous Year Rs. NIL)
- (b) Interest payable on delayed payments - Rs. NIL (Previous Year Rs. NIL)

**Note No. 31 :** The Company had lodged claim with Insurance Company / IOC / RIICO on account of damages /loss caused due to fire in IOC Depot adjacent to Sitapura factory at Jaipur in October, 2009. Till date claim filed with Insurance Company has been settled & received. However, claim with RIICO is under legal process, as the appeal of the company is lying in the court of law. Claim filed with IOC is at advance stage of settlement and the company is hopeful of full recovery of the claim.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 32 : EARNINGS PER SHARE CALCULATION

	As at 31st March, 2014	As at 31st March, 2013
Net Profit after Tax adjustments for prior years - used as numerator in calculating Basic and Diluted Earnings per share (Rs. in lacs)	1,346.83	1,279.14
Weighted average number of Equity Shares Outstanding (Nos.)	10,610,000	10,610,000
Earnings per share (Basic and Diluted) (Rs.)	12.69	12.06

### Note No. 33 : SEGMENT REPORTING

#### A. Geographical Segment (Primary Segment)

Since the Export operations contribute more than 10 % of the company's total revenue, the Geographical Segment has been considered as primary segment and for that disclosure has been divided into sales within India (Sales to customers located within India and sales outside India (sales to customers located out side India ) as per accounting standard 17. The relevant information is as under:-

	As at 31st March, 2014			As at 31st March, 2013		
	Within India	Out side India	Total	Within India	Out side India	Total
<b>(I) Segment Revenue</b>						
Sales (including export benefits)	23,997.08	10,009.73	34,006.81	22,187.78	7,855.67	30,043.45
Less: Excise Duty	2,684.11	-	2,684.11	2,488.18	-	2,488.18
Net Sales (including export benefits)	21,312.97	10,009.73	31,322.70	19,699.60	7,855.67	27,555.27
Other Income (unallocable) (net of interest income)	-	-	79.74	-	-	57.52
Total Revenue (net of excise duty)	21,312.97	10,009.73	31,402.44	19,699.60	7,855.67	27,612.79
<b>(II) Segment Results</b>						
Profit before Interest, Tax & Unallocable Exp.	1,804.98	621.92	2,426.90	1,655.33	518.92	2,174.25
Less: Interest (net) (unallocable)	-	-	83.17	-	-	148.37
Other Unallocable Expenses (Net of unallocable income)	-	-	336.54	-	-	265.60
Profit before tax and Exceptional Items	-	-	2,007.19	-	-	1,760.28
Less-Exceptional Items	-	-	96.86	-	-	7.69
Profit before tax	-	-	1,910.33	-	-	1,752.59
Provision for taxation (net)	-	-	563.50	-	-	474.79
Add: Tax adjustment of prior year	-	-	-	-	-	1.34
Profit after tax	-	-	1,346.83	-	-	1,279.14
<b>(III) Capital Employed</b>						

Assets used in the Company's business are not capable of being specifically identified with any of the segments and it is not practicable to provide segmental disclosures in relation to total assets and liabilities with any reasonable degree of accuracy.

#### B. Business Segment (Secondary Segment)

The Company is in the business of manufacture of Masterbatches and Engineering Plastic Compounds. Since the operations of Engineering Plastic Compounds contributes less than 10 % of the company's total revenue/profits, the operations of Masterbatches is treated as one reportable business segment.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 34 : RELATED PARTY DISCLOSURES :- Pursuant to AS-18, following related parties have been identified

A. Names of the Related parties "Holding Significant Influence" and "Key Management Personnel" under the Accounting Standard (AS-18) are as under:-

i. **Parties holding significant influence**

(I) M/s.Trustline Capital Finance Pvt. Ltd. (II) Pluto Trade links Ltd. (III) G.K.S. Logistics Pvt. Ltd. (IV) G.K.S. Holdings Ltd.

ii. **Key Management Personnel**

Shri S. S. Poddar Managing Director

Shri R. K. Sureka Director & CEO

iii. **Relatives of the Key Management Personnel**

Smt. Kusum Poddar - Wife of Managing Director

Smt. Sushma Sureka - Wife of Director & CEO

Smt. Mahima P. Agarwal - Director of the Company and daughter of Managing Director

Ms. Rochna Poddar - Daughter of Managing Director

Shri Abhinav Sureka - Son of Director & CEO

B. The following transactions were carried out with the related parties during the year :-

		(Rs. In lacs)	
		As at 31st March, 2014	As at 31st March, 2013
<b>(i) Related Parties / Parties Holding Significant Influence</b>			
a)	Rent Paid (net of recovery of Rs. 5.22 lacs Previous year Rs. 5.22 lacs) to Smt. Sushma Sureka	10.50	10.50
b)	Rent received from M/s G K S Holdings Limited	0.06	0.06
c)	Remuneration paid to Shri Abhinav Sureka as Manager ( Operations and Business Development)	5.40	2.43
d)	Consultancy charges paid to M/s Brand New Day, Prop. Ms. Rochna Poddar	5.39	3.89
<b>(ii) Key Management Personnel</b>			
	<b>(To Managing Director &amp; Whole time Director)</b>		

There is no transaction other than managerial remuneration paid as per terms of appointment duly approved by the shareholders. Following are the details of such managerial remuneration:

		(Rs. In lacs)			
		As at 31st March, 2014		As at 31st March, 2013	
Particulars	Sh. S.S. Poddar, Managing Director	Sh.R.K. Sureka, Director & CEO	Sh. S.S. Poddar, Managing Director	Sh.R.K. Sureka, Director & CEO	
Salaries & Allowances	65.00	34.50	37.00	34.50	
Contribution to Provident Fund	3.96	3.60	3.24	3.60	
Others- perquisites value	9.00	10.65	8.36	10.65	
Commission on Profit to the Managing Director	21.38	-	18.79	-	
<b>Total (Rs. In lacs)</b>	<b>99.34</b>	<b>48.75</b>	67.39	48.75	

The above does not include Gratuity Provision as the same is on overall company basis.



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 35 : EMPLOYEE BENEFITS

The Company has calculated the various benefits provided to employees as under:-

A) Defined Contribution Plans

Provident Fund

During the year the Company has recognised the following amounts in the statement of Profit and Loss Account:

(Rs. In lacs)

	As at 31st March, 2014	As at 31st March, 2013
Employers Contribution to Provident Fund	47.09	38.57
B) State Plans		
a) Employee State Insurance		
b) Employee's Pension Scheme 1995		
Employers Contribution to Employee State Insurance	6.65	6.69
Employers Contribution to Pension Scheme	14.60	13.75

C) Defined Benefit Plans

a) Gratuity

b) Leave Encashment

The discount rate assumed is 8 % which is determined by reference to market yield at the Balance Sheet date on Government bonds. The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

(Rs. In lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of obligation as at period closing 31st March, 2013	212.53	65.48	148.59	51.86
Current service cost	18.74	5.59	13.42	4.08
Interest cost	16.51	5.11	11.39	4.02
Actuarial (gain) / loss	12.78	(14.48)	39.45	5.78
Benefit paid	(2.35)	(1.01)	(0.32)	(0.26)
Present value of obligation as at period ended 31st March, 2014	258.21	60.69	212.53	65.48

#### Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at period ended 31st March, 2014	258.21	60.69	212.53	65.48
Fair value of plan assets at period end	276.52	75.47	226.76	70.50
Funded status excess of Actual over estimated.	-	(8.81)	-	-
Assets / (Liabilities) recognized in the Balance Sheet	(18.31)	(5.97)	(14.23)	(5.02)

#### Cost recognized for the period (included under Salaries, Wages, Allowances, Bonus and Gratuity)

	As at 31st March, 2014		As at 31st March, 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	18.74	5.59	13.42	4.08
Interest cost	16.51	5.11	11.39	4.02
Expected return on plan assets	(18.31)	(5.97)	(14.23)	(5.02)
Actuarial (gain) / loss	12.78	(14.48)	39.45	5.78
Net cost recognised for the period	29.72	(9.75)	50.03	8.86



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 36 : FINANCIAL AND DERIVATIVE INSTRUMENTS

- (a) The year/ period end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below:

(Figure In lacs)

	Currency	As at 31st March, 2014		As at 31st March, 2013	
		F / C	(Rs.)	F / C	(Rs.)
(i) Amount receivable in foreign currency on account of the following:					
Export of Goods	USD	28.63	1,715.09	21.72	1,179.59
	Euro	4.42	363.42	10.79	751.29
(ii) Amount payable in foreign currency on account of the following:					
Import of goods	USD	19.76	1,183.78	15.72	853.90
	Euro	2.89	237.39	4.55	316.71

- (b) Derivative instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy, approved by the board of directors, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Currency	As at 31st March, 2014			As at 31st March, 2013		
	No. of contracts	F/C	Amount (Figure In lacs)	No. of contracts	F/C	Amount
USD	-	-	-	-	-	-
Euro	2	1.40	117.69	-	-	-



## Notes to the Financial Statements for the year ended 31st March, 2014 (contd.)

### Note No. 37 : ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

	(Rs. In lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>A Imports (CIF Value)</b>		
Raw Materials	11,839.31	11,180.25
Stores & Spares	86.02	90.85
Capital Goods	49.23	5.12
<b>B Expenditure in Foreign Currency</b>		
Travelling Expenses	46.17	60.29
Technical Consultancy	66.53	63.97
Commission (on remittance basis)	224.44	76.40
Interest on Buyers credit & Foreign currency Term Loan	5.16	31.14
Others	16.71	0.91
<b>C Earnings in Foreign Currency</b>		
From Export of Goods (on FOB) - Including Rs. 2,019.02 lacs (2012-13 Rs. 637.37 Lacs) received in INR through special rupee Vastro Account.	9,552.72	7,481.85
Others	177.62	167.04

**Note No. 38 :** Previous year figures have been regrouped/rearranged wherever considered necessary to conform current year classification.

As per our report of even date  
For K.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

B.R. GOYAL  
PARTNER  
Membership No. 12172  
ICAI'S FRN 304153E

NAVIN JAIN  
COMPANY SECRETARY

R.K. SUREKA  
DIRECTOR & CEO

PLACE : JAIPUR (Camp)  
DATED : 15th May, 2014

B.K. BOHRA  
SR.GM (LEGAL & COMM.)

S.S. PODDAR  
MANAGING DIRECTOR







## Form No. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

CIN : L24117RJ1991PLC006307  
 Name of the company : **PODDAR PIGMENTS LIMITED**  
 Registered office : E-10,11 & F-14 To 16, RIICO Industrial Area, Sitapura,  
 Jaipur-302 022 (Rajasthan)  
 Tel: 91 0141-2770202/203 Fax : 91 0141-2771922  
 E-mail: jaipur@poddarpigments.com  
 Website : www.poddarpigments.com

Name of the member (s) : .....

Registered address : .....

E-mail Id : .....

Folio No/ Client Id No. : ..... DP ID No. : .....

I/We, being the member (s) of..... shares of the above named company, hereby appoint

1. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or Failing him

2. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or Failing him

3. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Saturday, the 23<sup>rd</sup> day of August, 2014 At 11.00 a.m. at Registered Office, Jaipur and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
1	Consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.		
2	Declaration of Dividend for the year 2013-14 on Equity Shares.		
3	Re-appointment of Smt. Mahima P. Agarwal, who retires by rotation		
4	Appointment of Auditors and fixing their remuneration		
5	Approval of the remuneration of Cost Auditor		
6	Appointment of Shri Kishore Rungta as an Independent Director		
7	Appointment of Shri M. K. Sonthalia as an Independent Director		
8	Appointment of Shri N. Gopaldaswamy as an Independent Director		





Affix  
Revenue  
Stamp

Signed this.....day of .....2014

Signature of shareholder .....Signature of Proxy holder(s).....

Note: The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



### PODDAR PIGMENTS LIMITED

CIN: L24117RJ1991PLC006307

Registered office: E-10,11 & F-14 To 16, RIICO Industrial Area, Sitapura,  
Jaipur-302 022 (Rajasthan)

Tel: 91 0141-2770202/203 • Fax : 91 0141-2771922

E-mail: jaipur@poddarpigments.com

Website : www.poddarpigments.com

### ATTENDANCE SLIP

### TWENTY THIRD ANNUAL GENERAL MEETING- 23<sup>RD</sup> AUGUST, 2014

Please complete the attendance slip and hand over at the entrance of the meeting hall.

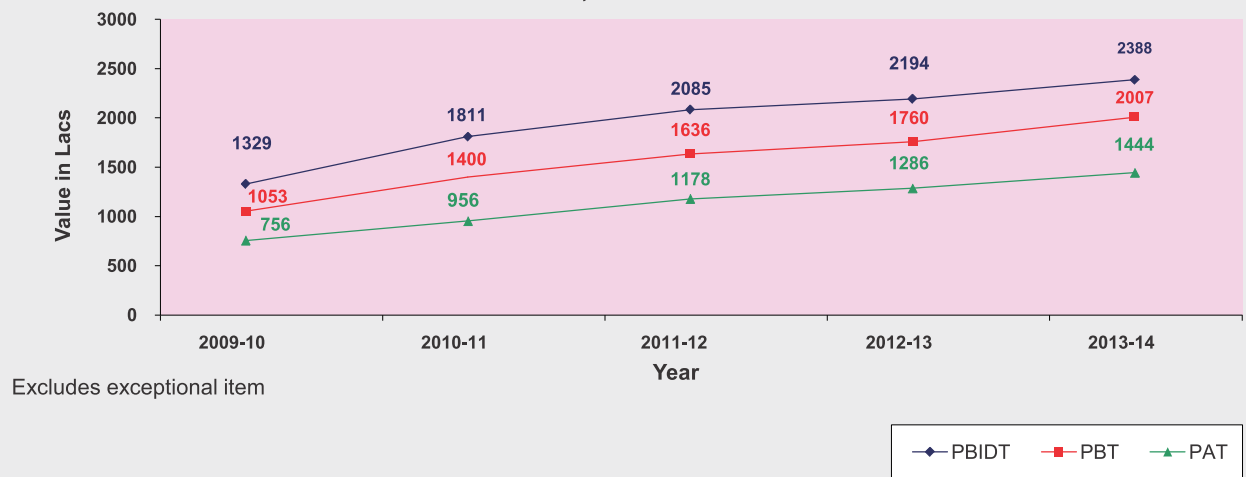
I /We hereby record my/ our presence at the Twenty Third Annual General Meeting of the Company held on Saturday, the 23<sup>rd</sup> August, 2014 at 11.00 A.M at Regd. Office E-10,11 & F-14 To 16, RIICO Industrial Area, Sitapura, Jaipur-302 022 (Rajasthan).

For Physical Holding	For Electronic Form (Demat) NSDL/ CDSL		No. of shares
LF No.	DP ID	CLIENT ID	

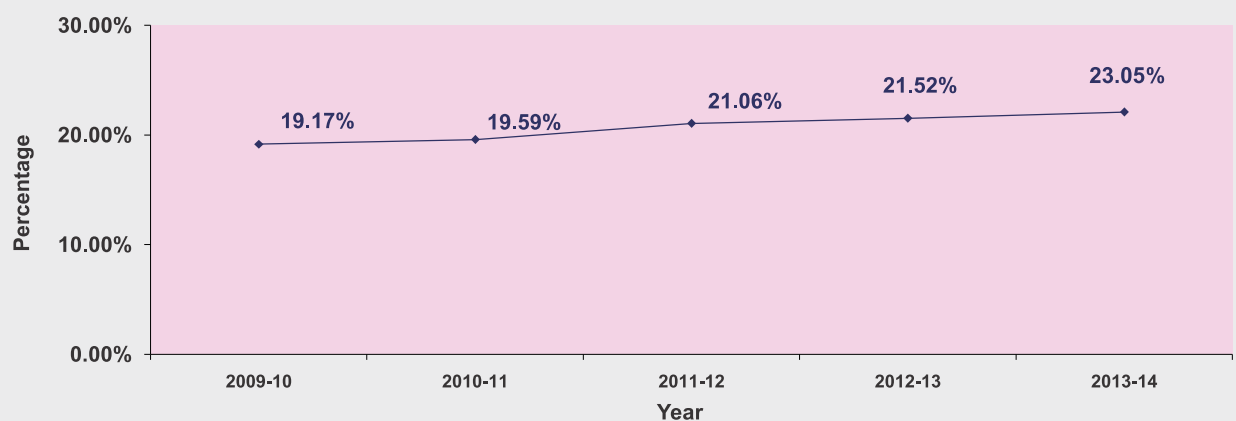
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):

Member/ Proxy- Signature:

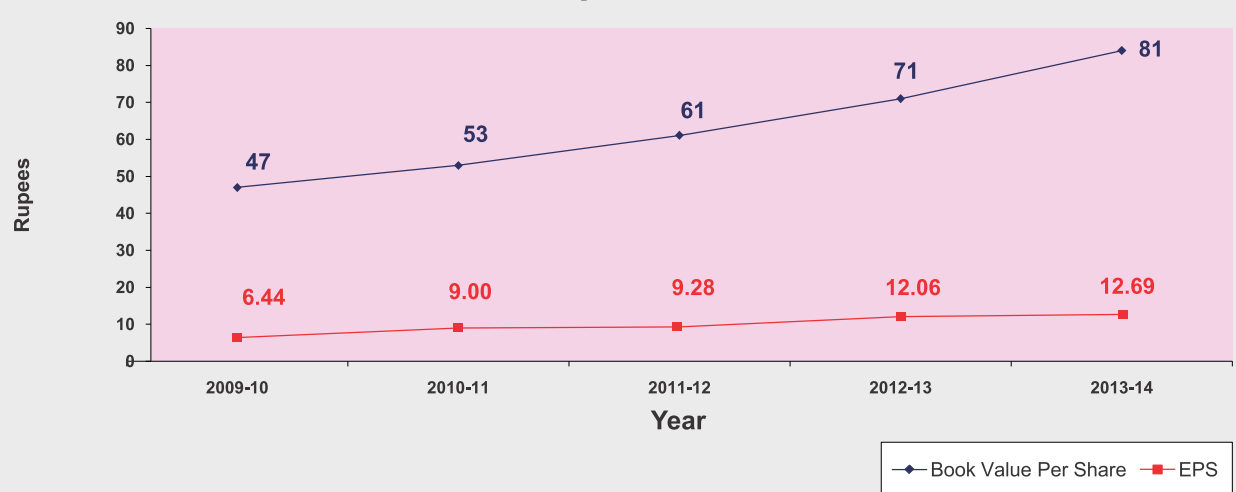
### PBIDT, PBT & PAT



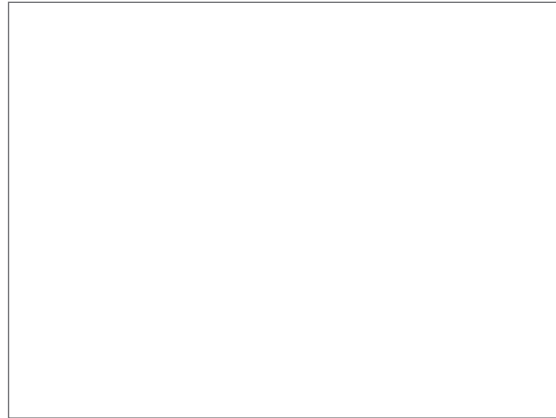
### ROCE



### Book Value per Share & EPS



BOOK POST



If undelivered, please return to:

Regd. Office & Works

**PODDAR PIGMENTS LTD.**

E-10, 11 & F-14 to 16,  
RIICO Industrial Area, Sitapura  
Jaipur 302 022 (Raj.)



**AN ISO 9001 : 2008 COMPANY**

**Corporate Office :**

302, Nanak Chambers, 3rd Floor, (Opp. Fun Republic) New Link Road  
Andheri (W), Mumbai 400 053  
Tel : (91) 22 - 26740582, 26735471 - Telefax : (91) 22 - 26732905  
E-mail : headoffice@poddarpigments.com

**Regional Office :**

**CHENNAI**

Rosy Tower, 3rd Floor, 8 M.G. Road, Chennai 600 034  
Tel : (91) 44 - 28269247, 28260929, Telefax : (91) 44 - 28253316

**KOLKATA**

Mangalam-B, 2nd Floor, 26, Hemanta Basu Sarani, Kolkata 700 001  
Tel : (91) 33 - 22318147/48, Telefax : (91) 33 - 22318290

**NEW DELHI**

A-283, Ground Floor, Okhla Industrial Area, Phase - I  
New Delhi 110 020  
Tel : (91) 11 - 26816368, Telefax : (91) 11 - 26816370