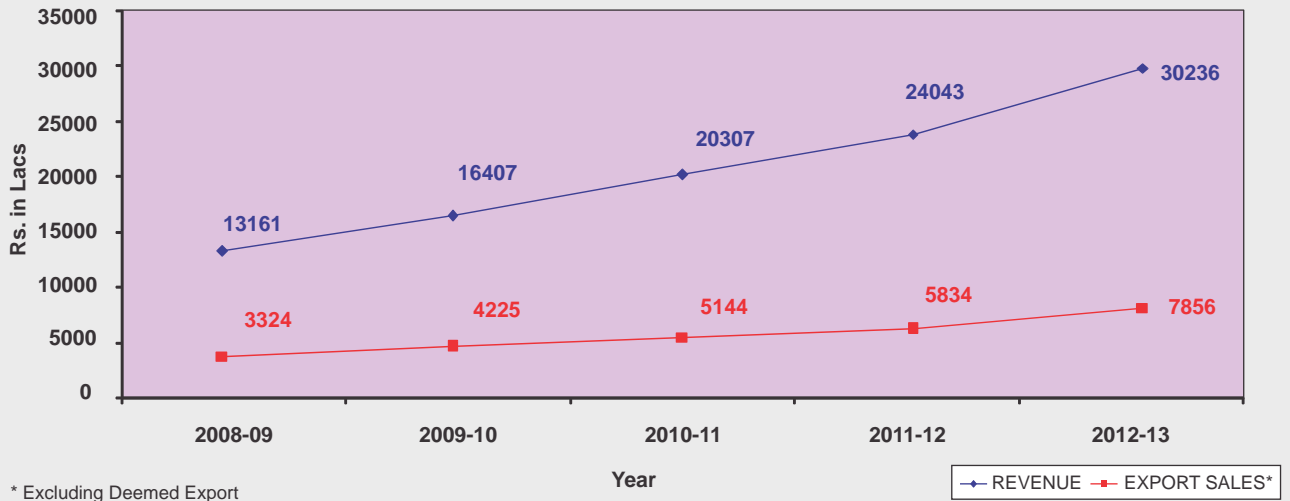




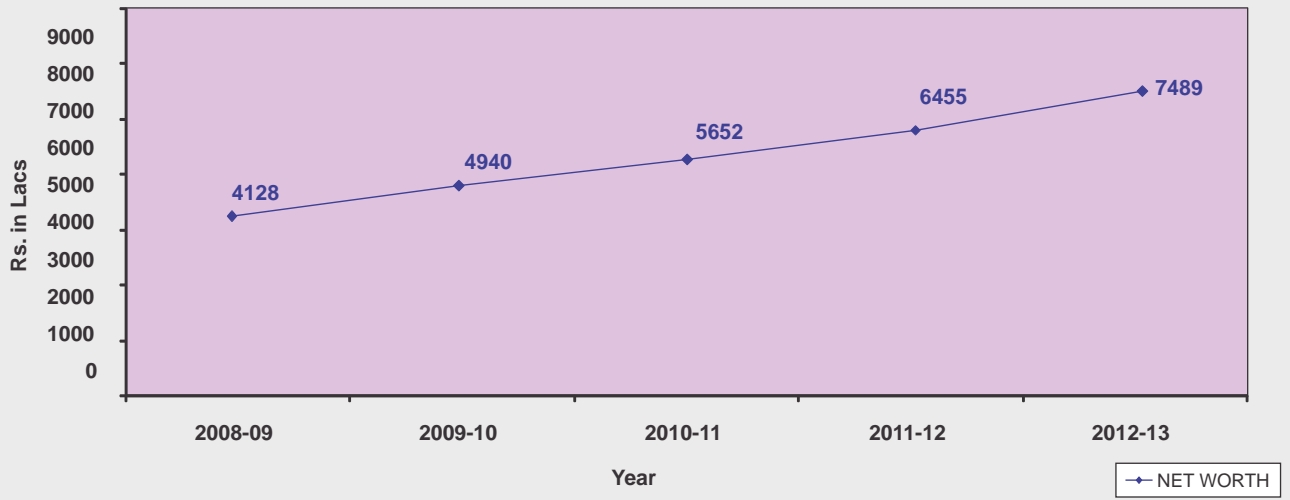
PODDAR
PIGMENTS

ANNUAL REPORT
2012-2013

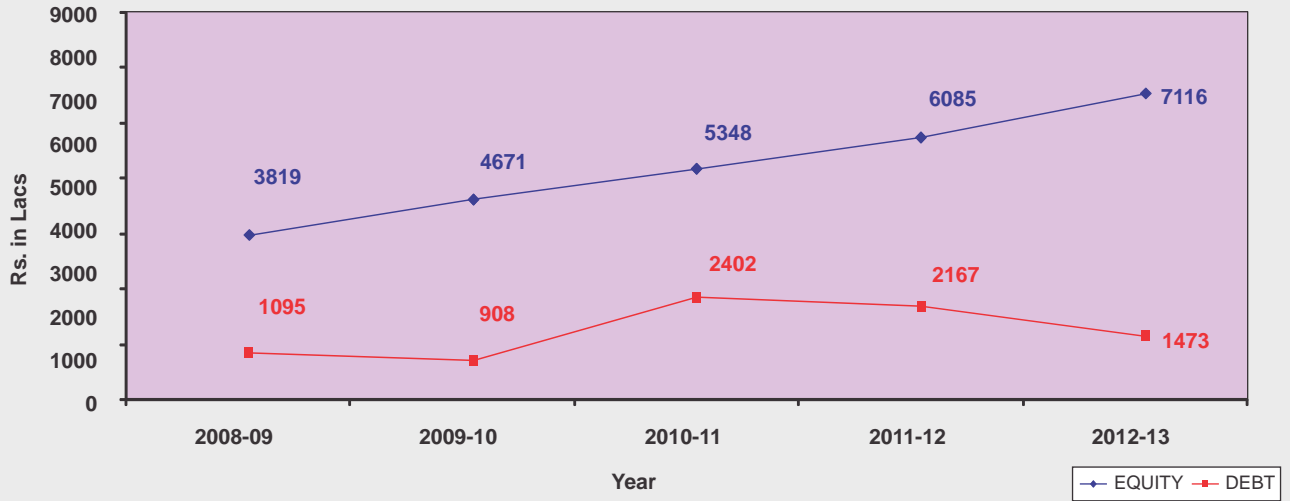
REVENUE RECEIPTS & EXPORT



NET WORTH



DEBT EQUITY





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

AUDITORS

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

BANKERS

State Bank of India
Punjab National Bank
State Bank of Bikaner & Jaipur

REGISTERED OFFICE & WORKS

RIICO Industrial Area
Sitapura, Jaipur-302 022
(Rajasthan)

CORPORATE OFFICE

302, Nanak Chambers,
3rd Floor, (Opp. Fun Republic),
New Link Road,
Andheri (W), Mumbai-400 053

**CONTENTS****PAGES**

Notice	3
Directors' Report	7
Management Discussion and Analysis	12
Report on Corporate Governance	14
Auditors' Certificate on Corporate Governance	20
Auditors' Report	21
Balance Sheet	24
Statement of Profit & Loss	25
Cash Flow Statement	26
Notes to the Accounts	27



NOTICE

NOTICE is hereby given that the **TWENTY SECOND 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 Tuesday, the 17th September, 2013 AT 11.30 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, 2013 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To declare a Dividend for the year 2012-13 on Equity Share.
3. To appoint a Director in place of Smt. Mahima P. Agarwal, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint the Auditors to hold office 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 Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (The Act) and subject to statutory approvals, if any, consent be and is hereby accorded for payment of revised remuneration for remaining term of appointment i.e. from 01.04.2013 to 30.09.2013 and for re-appointment of Shri S. S. Poddar, as Managing Director of the Company for a period of 3 years from 1st October, 2013 to 30th September, 2016 on the following terms and conditions:

The remuneration to the Managing Director, on account of Basic Salary & perquisites and additional remuneration are mentioned below:

1. (i) Basic Salary : Rs. 275000/- Per Month
(ii) Perquisites : In addition to the salary, the following perquisites will be allowed:

The perquisites are classified into three categories 'A', 'B' and 'C' as below:

CATEGORY - A

- (a) Rent Free Accommodation (furnished or otherwise) or House Rent Allowance up to a maximum of 60% of Basic Salary
- (b) Expenditure incurred on gas, electricity and water shall be paid / reimbursed by the company
- (c) Medical Expenses incurred for self and family
- (d) Leave Travel Concession for self & family once in a year to any destination in India or Abroad
- (e) Fee of Clubs (subject to maximum 2 nos)

- (f) Premium for Personal Accident Insurance
- (g) Premium for Personal Life Insurance
- (h) Any other perquisites as per Company's Rules within the ceiling perquisites of Rs. 75000/- Per Month

Note: All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s); Or the ceiling of perquisites may be reduced by corresponding increase in Basic Salary.

CATEGORY - B

The following perquisites shall also be paid to the Managing Director and these will not be included in the computation of the ceiling on perquisites mentioned above:

- (a) Company's contribution to Provident Fund & Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity not exceeding half a month's salary for each completed year of service.
- (c) Encashment of leave in accordance with the Company's Rules.

CATEGORY - C

- (a) Provision of car with driver for use on Company's business (not considered as a perquisite). The use of car for private purpose shall be billed by the Company to the Managing Director.
- (b) Provision of telephone at the residence of the Managing Director at Company's cost (not considered as a perquisite). Personal long distance calls shall be billed by the Company to the Managing Director.

2. Other Terms for additional remuneration:

In addition to the Salary and Perquisites, as specified above, the Managing Director shall be entitled to receive additional remuneration as Special Allowance of Rs. 800000/- per quarter and Commission at such percentage of the Net Profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956 based on certain performance criteria to be laid down by the Remuneration Committee and the Board of Directors.

However, the total remuneration payable to him shall not exceed 5% of the Net Profits of the Company for the year and 10% of the Net Profits of the Company, computed in terms of the companies act, 1956, payable to all the Managerial Personnel taken together. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Managing Director.

Where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of Schedule XIII to the Companies Act, 1956 and such approvals as may be required.



The Board of Directors of the Company be and is hereby authorized to alter, vary and modify the terms and conditions of appointment of Shri S. S. Poddar from time to time during the tenure of his appointment as Managing Director of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Section 198, 309 and all other applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company be and is hereby authorized to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without

being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.

In the event of any amendment in Schedule XIII of the Companies Act, 1956 the limit as specified in revised schedule shall be applicable".

Registered Office:
E-10,11 & F-14 to 16
RIICO Industrial Area, Sitapura,
Jaipur- 302 022

By order of the Board

NAVIN JAIN
COMPANY SECRETARY

DATE: 6th August, 2013

NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxies, in order to be effective, must reach to the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 11.09.2013 to 17.09.2013 (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 (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 01.10.2013 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 of the close of business hours on 10.09.2013;
 - 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 10.09.2013.
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 Second 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 25, 2012 (date of last Annual General Meeting) on the website of the Company (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.



ANNEXURE TO NOTICE

Explanatory Statement (Pursuant to section 173 (2) of the Companies Act, 1956)

Item No. 5

The present tenure of appointment of Shri S. S. Poddar, Managing Director expires on 30.09.2013 and the Remuneration Committee of the Board, at its meeting held on 23.07.2013, recommended the payment of revised remuneration for remaining term of appointment i.e. from 01.04.2013 to 30.09.2013 and for re-appointment of Shri S. S. Poddar as Managing Director for a further period of Three Years from 01.10.2013 to 30.09.2016.

Permission of the members is required under Schedule XIII of the Companies Act, 1956. The Directors, therefore, recommend this resolution for members' approval.

As required under Para (B) of Section-II of Part-II of the amended Schedule XIII to the Companies Act, 1956, the relevant details to be sent alongwith the notice calling the General Meeting are as under:

I GENERAL INFORMATION

- Nature of Industry** : Masterbatch and Engineering Plastic Compounds.
- Date or expected date of commencement of commercial production** : The Company has already commenced commercial production from 1st March, 1995.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Not Applicable
- Financial performance based on given indicators :**

Particulars for the financial year ended 31.03.2013	Rs. in lacs
Revenue Receipts including other Income	30236
Operating Profit (before finance cost, Depreciation and Tax)	2194
Profit Before Tax	1753

- Export Performance and net foreign exchange earning and collaborations** : The earning in Foreign Exchange by Exports & others for the year ended 31.03.2013 was Rs. 7655 lacs.
- Foreign investment of collaborators, if any :**
Not Applicable

II INFORMATION ABOUT THE MANAGING DIRECTOR

1. Background, recognition and award details:

Shri S.S. Poddar, a graduate Engineer, aged 64 years is the Managing Director of Company since 01.07.1994. He has wide industrial experience spanning over 41 years. The company has progressed substantially under his leadership.

2. Past Remuneration :

The last remuneration of Shri S.S. Poddar approved by the Members of the company at their Annual General Meeting held on 21.08.2010 is as under :

- | | |
|----------------------|---|
| A. Basic Salary | : Rs. 2,25,000/- P.M. |
| B. Special Allowance | : Subject to Maximum of Rs. 10,00,000/- per annum |
| C. Commission | : at such percentage of Net Profit as calculated under section 309(5) of the Companies Act, 1956. |
| D. Perquisites | : Rs. 75,000/- P.M. |

3. Job Profile and his suitability :

Shri S. S. Poddar, Managing Director of the Company is responsible for overall management of the Company. He is vested with substantial power of Management under the supervision, control and direction of the Board of Directors. He has been instrumental in deciding Company's policy planning, long term vision and is responsible to evolve strategies to combat competition and to attain targets of the Company besides Corporate Governance and ensuring co-ordination among Board.

4. Remuneration Proposed :

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 23.07.2013 and 06.08.2013 approved the terms of remuneration for remaining period of present appointment i.e. 01.04.2013 to 30.09.2013 and the re-appointment for a 3 years tenure of Shri S. S. Poddar commencing from 1st October, 2013 as under :

- | | |
|----------------------|---|
| A. Basic Salary | : Rs. 275000/- P.M. |
| B. Special Allowance | : Subject to Maximum of Rs. 800000/- per quarter |
| C. Commission | : at such percentage of Net Profit as calculated under section 309(5) of the Companies Act, 1956. |
| D. Perquisites | : Rs. 75000/- P.M. |

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :

The executive' remuneration in the industry had risen substantially over past few years. Appreciating this, the Central Government had raised the ceiling specified in Schedule XIII dealing with the remuneration of managerial person. The "Remuneration Committee" constituted by the Board in terms of the said Schedule perused the remuneration of managerial persons in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri S. S. Poddar before



approving the remuneration as proposed herein before.

6. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Besides the remuneration proposed, Shri S. S. Poddar does not have any pecuniary relationship with the company. Smt. Mahima P. Agarwal, Director of the Company is daughter of Shri S. S. Poddar.

III OTHER INFORMATION

1. Reasons of loss or inadequate profits :

The Masterbatch Industry is high-tech in nature and requires continuous R&D, both on the existing product lines as well as on new product development to not just maintain, but also to expand its market share. Increased competition in the industry, coupled with the increase in cost of imported raw-materials and other inputs is creating pressure on margins. During the coming year, the Company may have inadequate profits in terms of Section 349 & 350 of the Companies Act, 1956.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :

With a view to improve overall profitability and the financial health of the company, major steps have been taken, which inter-alia include reduction in interest costs, major marketing re-structuring for exports, reduction in production cost through implementation of energy saving measures, sourcing of cheaper raw materials, increase in productivity through better combination of product mix, increase in the product range to cater to the requirements of different segments

and strengthening of the R&D division on continuous basis. The direct exports of the Company have increased by 35.86% in the year 2012-13 over the previous year. In current financial year, the company expects further increase in turnover and profits.

The proposed remuneration of Shri S. S. Poddar has been approved by the Remuneration Committee in terms of Schedule XIII to the Companies Act at its meeting held on 23.07.2013. The Company has not made any default in payment of any of its debts specified or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person. The Company has no deposit / outstanding deposit. The specified information required to be given to the shareholders alongwith the Notice is given herewith in the preceding paragraphs. The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as a Special Resolution.

The Resolution and Explanatory Statement are to be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors, except Shri S. S. Poddar, being the Managing Director and Smt. Mahima P. Agarwal being relative of Shri S. S. Poddar is concerned or interested in this resolution.

Registered Office:
E-10,11 & F-14 to 16
RIICO Industrial Area, Sitapura,
Jaipur- 302 022

By order of the Board

NAVIN JAIN
COMPANY SECRETARY

DATE: 6th August, 2013



DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors are pleased to present the Twenty Second Annual Report on the business and operations of the Company, together with the Audited Financial Statement for the year ended 31st March, 2013.

FINANCIAL RESULTS

[Rs. in Lacs]

Particulars	2012-2013	2011-2012
Revenue Receipts	30043	23930
Other Income	193	113
Total Revenue Receipts including other income	30236	24043
Operating Profit before Finance Cost, Depreciation & Tax	2194	2085
Loss on sale of Investments	(7)	(194)
Less : Finance Cost	169	179
Depreciation	265	270
Profit before tax	1753	1442
Less : – Current Tax	471	393
– Tax in respect of earlier years	(1)	-
– Deferred Tax	4	65
Profit after tax	1279	984
Balance brought forward from previous year	500	397
Profit available for appropriations	1779	1381
APPROPRIATIONS		
Proposed Dividend on Equity Shares	212	212
Tax on Dividend	36	35
General Reserve	955	634
Balance Carried to Balance Sheet	576	500

OPERATIONS

The global economy in the Financial Year 2012-13 improved slowly, but was short of expectations. Several European economies experienced recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth. Deceleration in industrial output and exports weakened India's economic growth significantly.

The economic environment in 2012-13 has been tough and the growth in India moderated for one more year. There were various internal and external factors that played a role. The effect of the uncertainty and recessionary trends in the global economies was compounded by the complexity in the domestic environment.

During the year under review the 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. The Company has maintained its leadership, due to continuous thrust on Research,

Development and Technology up-gradation 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, the Company has achieved a turnover of Rs. 30043 lacs as against Rs. 23930 lacs in the previous year, registering an increase of 25.54% over the previous year. The growth in sales volume in spite of subdued economical scenario was made possible with more focus on value added products.

EXPORT

Your Company has also improved its performance in Exports and achieved direct export turnover of Rs. 7580 lacs as against Rs. 5580 lacs in previous year, registering an increase of 35.84%. Your Company Exports to more than 25 countries around the Globe.

DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend a dividend of Rs. 2/- per share for the year 2012-13, subject to the members' approval. The dividend on the Equity Shares, if approved by the members, would involve a cash outflow of Rs. 248.26 Lacs including dividend tax for the year 2012-13.

MARKETING

Through consistent efforts in maintaining and improving the international quality standards, your Company has found satisfactory demand for its products. This has helped in facing price competition in both domestic and international markets and also achieved increased sales. 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 testing equipments. These equipments are used to test dispersion, filterability, mechanical, rheological, thermal, optical & colorist properties of incoming raw materials and outgoing finished products. Tests are carried out conforming to internationally accepted test methods.

QUALITY INITIATIVES

Your Company is committed to produce and deliver zero-defect Masterbatches. It also endeavors to achieve consistent customer satisfaction by implementing and meeting the ISO 9001:2008 QMS requirements. Constant Interaction with Customers, Optimum utilization of resources and Training & Education of Employees are carried out in order to ensure that your company attains its goals.

STAR EXPORT HOUSE STATUS AND CRISIL RATING

Sustained growth in exports has enabled the 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 strong degree of safety regarding timely payment.

DIRECTORS

Smt. Mahima P. Agarwal, retires by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 1956 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 all been included in the Annual 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 224(1-B) of the Companies Act, 1956 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 (Registration No. 000024) 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, 2013.

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

Your Company is continuously on the lookout for new ways to preserve the environment and to manage resources responsibly. Your company adopts clean technologies and processes that combine both economic progress and environment sustainability. The company has taken a number of green initiatives including waste optimization, water conservation and compliance with applicable laws and regulations.

Your Company has Safety Committee, which regularly monitor compliance with the Company's Health & Safety policy. Additional steps have been taken to install equipments, such as additional fire extinguishers of different classes, fume extraction system, de-dusting stations etc. Your company attaches utmost importance to safety. The only acceptable standard of safety performance for your company is "zero accidents". Safety education and training is imparted to everyone on a regular basis.

Several initiatives were continued as part of 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, Government of India, through its Circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send the Annual Reports and other official documents to their shareholders electronically as part of its green initiatives, provided that the email addresses of the shareholders are obtained by the Company from the shareholders. This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.

Keeping the above in view, your Company proposes to send



documents such as the Notice of the Annual General Meeting and Annual Reports henceforth to the shareholders by electronic means, to the e-mail address provided by them and/or made available to the Company by the Depositories. In 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.

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.

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

RISK AND INTERNAL ADEQUACY

Your Company has a low debt-equity ratio and is well placed to take care of its borrowings. Foreign Exchange transactions are largely covered to the extent of exposure otherwise not covered by natural hedging. Your Company is progressively moving towards a "net foreign-exchange earner" status.

The Company's internal control systems are adequate considering the size of the Company and are routinely tested and certified by our statutory as well as internal auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

DIRECTORS RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the Annual Accounts, the

applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) 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, 2013 and of the profit of the Company for the period ended on that date;
- (iii) 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;
- (iv) 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 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 : MUMBAI R. K. Sureka S. S. Poddar
DATE : 22nd MAY, 2013 DIRECTOR & CEO MANAGING DIRECTOR

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel's of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

FOR PODDAR PIGMENTS LIMITED

Date : 22nd MAY, 2013

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



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:

	Current Year	Previous Year
	ended on 31.03.2013	ended on 31.03.2012

Electricity

(a) Purchased:		
Units (Nos.)	7155180	6883635
Total Amount (Rs.)	43619061	35948710
Rate/Unit (Rs.)	6.10	5.22
(b) Own generation:		
Through Diesel		
Units (Nos.)	267412	287364
Units per Ltr of Diesel	3.16	3.19
Cost/ Unit (Rs.)	12.21	11.83

(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, Antimicrobials, Bio-degradable, Easy dyeable and other functional properties to meet the fibre and plastics related end use requirements of the industry
 - iii Development of Masterbatches to improve performance and reduce costs 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.
 - 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.

3. Future plan of action
 - iv Better productivity, optimized cost, improved quality and reduction in environmental pollution by offering alternatives for dyed yarns & textiles.
 - i To continue efforts towards the development of a new range of end-use specific functional, customer and environment friendly masterbatch solutions conforming to the quality and standard norms of the industry.
 - ii To offer one-stop service to customers right from masterbatch development to final product to market in color, additive and functional areas.
 - 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. 4.15 lacs
(b) Recurring	Rs. 277.54 lacs
(c) Total	Rs. 281.69 lacs
(d) Total R&D expenditure as a percentage of revenue receipt	0.938%

III TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
 - (a) Improvement and bench marking 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 master batch 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]

	2012-13	2011-12
1. Foreign Exchange Earned	7655.36	5669.58
2. Foreign Exchange Outgo	11508.93	9817.87

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, 2013

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	6738835/-	B.E. (Civil)	64	41	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 : Mumbai
DATED : 22nd May, 2013

R.K. Sureka
DIRECTOR & CEO

S.S. Poddar
MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Operational Performance

Your company delivered better financial performance, with improvements on key parameters and registered an overall growth in domestic and export sales.

Your company has achieved a turnover of Rs.30043 Lacs in the year ended 31.03.13 as against Rs.23930 Lacs in the previous year - a 25.54% increase.

The plant operated smoothly and on schedule during the year. Your company operated the plant at near full capacity, producing 11650 MT as against the installed capacity of 12000 MT, thus demonstrating a year-on-year 9% production growth.

Operating margins were under pressure due to sharp depreciation of the rupee. This led to a substantial increase in input costs.

Achievement of ISO 9001:2008 standards reflects your company's continuous commitment towards quality and customer satisfaction.

Segment-wise/ Product-wise Performance

Since direct export operations contributed more than 10% of the company's total revenue, this segment has been considered as a primary segment.

Domestic sales contributed Rs.22188 Lacs this year, as against Rs.18096 Lacs in the previous year, showing an increase of 22.61%.

Export sales (excluding export benefits) contributed Rs.7580 Lacs, as against Rs.5580 Lacs in the previous year, showing an increase of 35.84%.

Industry Structure and Developments

Textile and plastic products are a part of every aspect of human life, and have contributed significantly to everyone's day-to-day requirements through breakthrough innovations. The textile and plastics industries are thus critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

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.

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.

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, polyester will account for over 68% of global demand. India is poised to strengthen its global foothold, with production rising to 10% of global volume from the current 8%.

Polyester fibre and yarn continued to be the major contributors to the growth of the fibre industry. Present Global capacity of Polyester fibre and yarn is 41.31 MMT which is expected to increase to 44 MMT. Demand largely increased in Asian countries with China contributing 9% growth.

CARE Research estimates the domestic consumption of man-made fibres (MMF) to grow at a CAGR of 5.2% during the period FY12-16. The per capita MMF consumption in India stood at 1.7kg per annum in FY13 against the global average of 10kg per annum. The low per capita MMF consumption in India reflects the high growth potential for the domestic MMF industry. CARE Research expects the per capita MMF consumption to reach a level of 2.1kg per annum by the end of FY16.

Polyester is the most dominant MMF in India, constituting over 83% of total MMF production. Polyester filament yarn (PFY) constitutes over 53% of the total MMF production and polyester staple fibre (PSF) constitute another 30%. The total estimated demand of polyester yarn in India is 8 MMT. Your company is a major producer of masterbatches for this segment in India, and hence, expects to see substantial growth from this segment.

India's per capita plastic consumption 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. The manufacturing capacity of polymer products is estimated to reach 12 MMTPA in 2017, from 8.3 MMTPA in 2012.

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 the low per capita polymer and polyester products consumption of around 5-6 kg, this segment is likely to experience demand increase in India. 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:

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 also changes in the demand-supply environment may increase the pressure on margins.

With continuous improvements and upgradations 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.

Risks and concerns: The major risks which prevail in this industry are the high fluctuation in the prices of raw materials, technology obsolescence, competition from global players and further aberration in the customs duties in the coming years under general 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.

Internal Control Systems and Their Adequacy

Your Company has internal control procedures commensurate with the Company's size and nature of business. These controls ensure that all the assets are safeguarded and protected against loss from unauthorized use and disposition and that transactions are authorized, recorded and reported diligently. There are well established policies and procedures in place across your Company. The objective of these procedures is to ensure 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 contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

Human Resources

The talent base of your company during the year 2012-13 was approximately 400. 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 focus is on maintaining high levels of motivation and leadership development.

The employee relations during the year under review were peaceful. Contribution and co-operation from all level of employees was excellent and the same has been appreciated & supported well by the management through its continuous & systematic training programmes.

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.

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 : Mumbai
DATED : 22nd May, 2013

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:

Your Company's activities are carried out in accordance with good corporate practices and the company is constantly striving to better them and adopt best practices that would ensure efficient conduct of the affairs of the company to achieve its goals and maximize value for all its stakeholders.

We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. The Company is prompt in discharging its statutory obligations and duties and places due emphasis on business sustainability and keeping ecological balances.

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 2012-13, four Board meetings were held on 14.05.2012, 07.08.2012, 30.10.12 and 29.01.13.

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 25.09.2012	No. of other Directorship as on 31.03.2013	No. of other committees in which Chairman/Member as on 31.03.2013	
						Member	Chairman
(i)	SH. S. S. PODDAR, MANAGING DIRECTOR	\$	4	NO	4	-	-
(ii)	SH. R. K. SUREKA, DIRECTOR & CEO	#	3	YES	2	-	-
(iii)	SH. N. GOPALASWAMY	&	1	NO	8	-	-
(iv)	SH. M.K. SONTHALIA	&	-	NO	8	-	-
(v)	SMT. MAHIMAP. AGARWAL	*	1	NO	-	-	-
(vi)	SHRI KISHORE RUNGTA	&	2	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 31.03.13 are as follows:

Particulars	Sh. S.S. Poddar, Managing Director	Sh. R. K. Sureka, Director & CEO
Salary and Allowances	3700000	3450000
Contribution to Provident Fund	324000	360000
Other perquisites value as per Income Tax Rules	836284	1065000
Commission on Profit to the Managing Director	1878551	-
Total (Rs.)	6738835	4875000

2.4 Terms of Contract:

Name of Director	Date of appointment	Expiry of contract	Severance fees	Notice Period
Shri S. S. Poddar	01.10.2010	30.09.2013	-	-
Shri R. K. Sureka	01.10.2012	30.09.2015	-	-

2.5 Remuneration to Non-Executive Directors :

No remuneration except sitting fee of Rs. 10000/- was paid to the Non-Executive Directors for meetings attended by them during the year ended 31.03.13.

2.6 Shareholding of the Non-Executive Directors in the Company as on 31.03.13:

None of the Non-Executive Directors; other than Smt. Mahima P. Agarwal holding 555000 Shares; hold 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 31.03.13, meetings of the Audit Committee were held on 11.05.12, 31.07.12, 13.10.12 and 10.01.13. 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	-
Sh. M. K. Sonthalia	Member - Non Executive & Independent Director	4
Sh. N. Gopalswamy	Member - Non Executive & Independent Director	4

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 attend 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.



g) 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 Shareholders.

Details of Pending Complaints :-

Complaint Received from	No. of Complaints Received	No. of Complaints pending
SEBI	NIL	NIL
Stock Exchange	NIL	NIL
Investors	29	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
2009-2010	Regd. Office at RIICO Industrial Area, Sitapura, JAIPUR	21.08.2010	11.00 A.M.	For Revision of remuneration and Re-appointment of Managing Director
2010-2011	Do	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

No Special Resolution was passed through Postal Ballot during the FY 2012-13. 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. 35 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. The Quarterly Financial Results of the Company are available on the Website of The Stock Exchange, Mumbai www.bseindia.com and also on the website of SEBI 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.

No presentation was made to the Institutional Investors or to the analysts during the year ended 31.03.13.

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

9 General Shareholders Information:

9.1 AGM : Date, Time and Venue

17th September, 2013 at 11.30 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, 2013 to 31st March, 2014

Results for the quarter ending:

June 30, 2013	-	Second week of August, 2013
September 30, 2013	-	Second week of November, 2013
December 31, 2013	-	Second week of February, 2014
March 31, 2014	-	Fourth week of May, 2014

9.3 Date of Book Closure

11.09.2013 to 17.09.2013

9.4 Dividend Payment Date

01.10.2013

9.5 Listing on Stock Exchanges and their Code

Name of Stock Exchange	Code
The Equity Shares of the Company has been Delisted from Jaipur Stock Exchange Limited vide letter dated 13.05.13.	
The Stock Exchange, Mumbai	524570

The listing fee for the F.Y. 2013-14 has already been paid to The Bombay Stock Exchange Ltd.

9.6 Market Price Data : High, Low during each month in Financial Year 2012-2013

Period	High (Rs.)	Low (Rs.)
April, 2012	43.00	34.00
May, 2012	40.25	28.00
June, 2012	38.45	32.10
July, 2012	40.55	34.25
August, 2012	43.00	36.20
September, 2012	46.40	39.50
October, 2012	54.00	40.00
November, 2012	59.95	50.00
December, 2012	55.00	50.00
January, 2013	60.00	50.05
February, 2013	58.85	40.55
March, 2013	56.90	42.10



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

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 31.03.13:

No of equity shares held	No of shareholders	% of Shareholders	No of Shares	% of Shareholding
1-500	7729	91.24	1291454	12.17
501-1000	371	4.38	313620	2.96
1001-2000	135	1.59	206297	1.94
2001-3000	90	1.06	232780	2.19
3001-4000	23	0.27	82854	0.78
4001-5000	48	0.57	228358	2.15
5001-10000	32	0.38	238166	2.25
10001 & above	43	0.51	8016471	75.56
Grand Total	8471	100.00	10610000	100.00

Shareholding Pattern:

Particulars	No of shareholders	% of Shareholders	No of Shares	% of Shareholding
Domestic Companies (Promoters)	4	0.05	4280223	40.34
Resident Individuals (Promoters)	5	0.06	2078800	19.59
Resident Individuals (other than Promoters)	8307	98.06	3254866	30.68
Domestic Companies (other than Promoters)	116	1.37	923460	8.70
Non Resident Indians	21	0.25	11026	0.11
Mutual Funds/ FIs	4	0.05	56100	0.53
Others	14	0.16	5525	0.05
Total	8471	100.00	10610000	100.00



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 dividends for the following year, 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.

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, 2013	Due for transfer on
2010-11	Interim	10.11.2010	Rs. 11,40,747/-	16.12.2017
2010-11	Final	27.08.2011	Rs. 6,08,887/-	03.09.2018
2011-12	Final	25.09.2012	Rs. 15,99,084/-	02.10.2019

9.14 Dematerialisation of Shares & liquidity

As on 31st March, 2013, 89.01% 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 12 years experience in the fields 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 : Mumbai
DATED : 22nd May, 2013

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, 2013, 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 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
FRN 304153E**

**PLACE : Mumbai (Camp)
DATED : 22nd May, 2013**

**(B.R. GOYAL)
PARTNER
Membership No. 12172**



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PODDAR PIGMENTS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statement of **PODDAR PIGMENTS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 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. 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 judgment, 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. 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 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, 2013;
 - (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 Act;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 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
FRN 304153E

(B.R. GOYAL)
PARTNER
M. NO.12172

PLACE : Mumbai (Camp)
DATED : 22nd May, 2013



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 of our report of even date to the members of Poddar Pigments Limited on the Financial Statements for the year ended 31st March, 2013)

- 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.
 - (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 relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the book of accounts.
- 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 was no transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs.
- 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 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 record with a view of determine whether they are accurate or complete.
- ix)
 - (a) According to the informations and explanations given to us and records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, Income Tax, Sales-Tax, Service Tax, 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, 2013 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	Sales Tax on sale of fixed assets, on discount allowed & Entry tax on HDPE bags	8,56,493	2003-04, 2007-08 and 2008-09	Deputy Commissioner (Appeals)
Income Tax Act	Disallowance of expenses	13,21,598	AY 2008-09 A.Y. 2009-10 & A.Y. 2010-11	Commissioner of Income Tax (Appeals)
Service Tax Act	Show Cause notice in respect of wrongly availed of Cenvat Credit	3,12,482	2011-12	Assistant Commissioner of Central Excise Division-I

- x) There are no accumulated losses of the Company as on 31st March, 2013. 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 others 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 & explanation 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 the information and 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
FRN 304153E

(B.R. GOYAL)
PARTNER
M. NO.12172

PLACE : Mumbai (Camp)
DATED : 22nd May, 2013



BALANCE SHEET AS AT 31st MARCH, 2013

(Rs. In lacs)

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
1 SHAREHOLDER'S FUND			
(a) Share Capital	2	1,061.00	1,061.00
(b) Reserves & Surplus	3	6,055.24	5,024.36
		<u>7,116.24</u>	<u>6,085.36</u>
2 NON-CURRENT LIABILITIES			
(a) Long - term borrowings	4	-	455.30
(b) Deferred tax liabilities (Net)	5	373.24	369.50
(c) Other Long - term liabilities	6	58.84	57.90
3 CURRENT LIABILITIES			
(a) Short - term borrowings	7	1,089.68	989.75
(b) Trade payables	8	1,492.68	959.59
(c) Other Current liabilities	9	950.81	1,116.02
(d) Short - term Provisions	10	324.74	304.78
TOTAL		<u>11,406.23</u>	<u>10,338.20</u>
ASSETS			
1 NON - CURRENT ASSETS			
(a) FIXED ASSETS			
(i) Tangible assets	11	3,032.81	3,174.61
(ii) Capital work- in -progress	-	1.20	-
(b) Non - current Investments	12	343.13	397.60
(c) Long - Term loans & advances	13	84.99	67.42
(d) Other non - current assets	14	73.03	92.48
2 CURRENT ASSETS			
(a) Current Investments	15	16.00	10.00
(b) Inventories	16	3,527.88	3,004.09
(c) Trade Receivables	17	3,905.90	2,884.67
(d) Cash & Bank Balances	18	75.82	249.29
(e) Short - Term loans & advances	19	345.47	458.04
TOTAL		<u>11,406.23</u>	<u>10,338.20</u>
Statement of significant accounting policies	1		

The accompanying notes (Note no. 1 to 39) 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 : Mumbai (Camp)
DATED : 22nd May, 2013

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

S.S. PODDAR
MANAGING DIRECTOR



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

		(Rs. In lacs)	
	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue from operations (gross)	20	30,043.45	23,929.65
Less: Excise Duty		2,488.18	1,738.07
Revenue from operations (net)		27,555.27	22,191.58
Other Income	21	192.74	112.97
Total Revenue		27,748.01	22,304.55
EXPENSES			
Cost of materials consumed	22	22,215.64	17,730.53
Other Manufacturing expenses	23	822.54	733.01
Change in inventories of finished goods & stock-in-process	24	(97.67)	(440.93)
Employee Benefits expense	25	1,057.20	892.09
Finance Cost	26	168.91	179.29
Depreciation	11	265.23	269.93
Other Expenses	27	1,555.88	1,304.04
Total		25,987.73	20,667.96
Profit before exceptional items and tax		1,760.28	1,636.59
Exceptional Items	28	7.69	194.01
Profit before Tax		1,752.59	1,442.58
Tax Expenses			
Current tax		471.05	393.00
Tax in respect of earlier years		(1.34)	-
Deferred Tax		3.74	65.18
Profit for the year		1,279.14	984.40
Basic & Diluted Earnings Per Share (Refer Note No.33)		12.06	9.28

Statement of significant accounting policies

1

The accompanying notes (Note no. 1 to 39) 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 : Mumbai (Camp)
DATED : 22nd May, 2013

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

S.S. PODDAR
MANAGING DIRECTOR



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

DESCRIPTION	2012-13	2011-12
(Rs. In lacs)		
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	1,752.59	1,442.58
Adjustments for :		
- Depreciation	265.23	269.93
- Finance cost	168.91	179.29
- Excess Provision written back	(15.48)	(10.57)
- Loss on Sale of non-current Investments	7.69	194.01
- Speculation (Profit) / Loss	(0.02)	-
- Loss on sale of Fixed Assets- Net	1.86	2.80
- Unrealized (Gain) / Loss on Exchange - Net	(6.01)	(19.29)
- Interest Income (on loans)	(20.54)	(27.27)
- Income from current investments (non trade) Dividend	(3.48)	(3.68)
Operating Profit Before Working Capital Changes	<u>2,150.75</u>	<u>2,027.80</u>
Adjustments for-		
- (Increase) / decrease in Trade and Other Receivables	(911.28)	(229.61)
- (Increase) / decrease in Inventories	(523.79)	(45.97)
- (Increase) / Decrease in trade and other payables	735.48	537.01
CASH FROM OPERATING ACTIVITIES (A)	<u>1,451.16</u>	<u>2,289.23</u>
Less : Direct tax paid	<u>474.80</u>	<u>417.84</u>
NET CASH FROM OPERATING ACTIVITIES (A)	<u>976.36</u>	<u>1,871.38</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchases / Additions in Fixed Assets (including CWIP)	(137.84)	(360.09)
- Sale of Fixed Assets	12.99	15.39
- (Purchase) / Sale of current & non-current Investments (Net)	40.78	66.31
- Interest Received (on Loans)	19.53	27.27
- Dividend Received	3.48	3.68
- Speculation Profit / (Loss)	0.02	-
- Movement in other cash balance	(15.74)	(5.68)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(76.78)</u>	<u>(253.12)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Proceeds from / (Repayment of) Long Term Borrowings	(455.30)	(279.26)
- Proceeds from / (Repayment of) Short Term Borrowings	(231.00)	(794.42)
- Dividend & Dividend tax paid	(230.88)	(246.62)
- Interest Paid	(171.61)	(179.30)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	<u>(1,088.79)</u>	<u>(1,499.60)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(189.21)</u>	<u>118.67</u>
CASH AND CASH EQUIVALENTS :		
- At the Beginning of the year	231.54	112.87
- At the End of the Year	42.33	231.54
	<u>(189.21)</u>	<u>118.67</u>
NOTES :		
(i) CASH AND CASH EQUIVALENTS COMPRISES :		
- Cash in Hand	-	-
- On Current Accounts	42.33	231.54
Total	<u>42.33</u>	<u>231.54</u>
(ii) 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.		

In terms of our report of even date
For K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
ICAI'S FRN 304153E
B.R. GOYAL
PARTNER
Membership No. 12172
PLACE : Mumbai (Camp)
DATED : 22nd May, 2013

NAVIN JAIN
COMPANY SECRETARY

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

R.K. SUREKA
DIRECTOR & CEO

S.S. PODDAR
MANAGING DIRECTOR

For and on behalf of the Board of Directors



Notes to the Financial Statements for the year ended 31st March, 2013

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, 2013 (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 scheme and Employee State Insurance Scheme made to appropriate authorities which are defined contribution schemes, are charged to 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 on utilisation of advance licences as a prudent accounting policy.

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, 2013 (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 Statement of 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, 2013 (contd.)

Rs. In lacs)

	As at 31st March, 2013	As at 31st March, 2012
Note No. 2 : SHARE CAPITAL		
AUTHORISED		
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>
ISSUED, SUBSCRIBED AND PAID UP		
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, 2013 & 31st March, 2012 is set out below:**

Names of the shareholders	As at 31 March, 2013		As at 31 March, 2012	
	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	883,800	8.33	835,000	7.87
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, 2013 (contd.)

Note No. 3 : RESERVES AND SURPLUS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Capital Reserve		
Opening balance	15.00	15.00
Add : Addition during the year	-	-
Closing Balance	<u>15.00</u>	<u>15.00</u>
Capital Redemption Reserve		
Opening balance	159.00	159.00
Add : Addition during the year	-	-
Closing Balance	<u>159.00</u>	<u>159.00</u>
General Reserve		
Opening balance	4,350.10	3,715.90
Add : Amount transferred from surplus	954.90	634.20
Closing Balance	<u>5,305.00</u>	<u>4,350.10</u>
Surplus		
Opening balance	500.26	396.69
Add : Profit for the year	1,279.14	984.40
Amount available for appropriations	1,779.40	1,381.09
Less : Appropriations		
- Proposed Dividend	(212.20)	(212.20)
- Tax on Dividend	(36.06)	(34.43)
- Transferred to General Reserve	(954.90)	(634.20)
Net surplus in the Statement of Profit and Loss	<u>576.24</u>	<u>500.26</u>
Total Reserve & Surplus	<u>6,055.24</u>	<u>5,024.36</u>

Foot Note :

3.1 - The Board of Directors has recommended dividend on the equity shares @ Rs. 2/- per share (Previous year Rs. 2/- Per share), totalling to Rs. 248.26 lacs (Previous year Rs 246.63 lacs) including dividend tax.



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No 4 : LONG-TERM BORROWINGS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Secured		
Bank		
Foreign Currency Term Loan	-	72.20
Unsecured		
Deferred Sales tax (Interest Free)	-	383.10
Total	<u>-</u>	<u>455.30</u>

Nature of security

- 4.1. Term loan was secured by (i) first charge on assets created out of Term Loan (ii) Hypothecation on Second pari-passu charge on entire current assets. (iii) Extension on bank's share of second pari passu charge on fixed assets of the company (excluding assets created by Term Loan which are primary security for term loan and Chennai property). The Term loan has been fully paid and charge has since been satisfied.

Terms of repayment

- 4.2. Deferred Sales Tax is repayable in 24 equal monthly installment commencing from April '12 and the balance is now transferred to current liabilities as the same is repayable by 31st March, 2014. (refer note no. 9)

Note No. 5 : DEFERRED TAX LIABILITIES (NET)

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liabilities on account of :		
Accelerated Depreciation on :		
- Fixed Assets	261.63	232.28
- Research & Development Equipments	115.67	137.22
Deferred tax assets on account of :		
- Amount disallowed u/s 43B	(4.06)	-
Closing Balance	<u>373.24</u>	<u>369.50</u>

Note No. 6 : OTHER LONG-TERM LIABILITIES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Security deposits	51.06	50.12
Employees benefits payable	7.78	7.78
	<u>58.84</u>	<u>57.90</u>



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 7 : SHORT-TERM BORROWINGS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Loan repayable on demand from Bank:		
Working Capital Borrowings (Secured)	744.87	899.48
Buyers credit in Foreign Currency (unsecured)	344.81	90.27
	<u>1,089.68</u>	<u>989.75</u>

Nature of security

7.1. Working capital loan is secured by (i) Hypothecation of charge on entire current assets including stocks, Receivables on first pari passu basis. (ii) and charge on fixed assets on second pari passu basis.

Terms of repayment

7.2. Buyers credit in foreign currency are repayable, as per the terms of agreement, within 12 months.

Note No. 8 : TRADE PAYABLES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Acceptances	814.54	542.84
Trade Payables	678.14	416.75
	<u>1,492.68</u>	<u>959.59</u>

8.1. For MSME refer note no.-31

Note No. 9 : OTHER CURRENT LIABILITIES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long-term debt (Refer Note No. 4)		
- Secured	-	400.00
- Unsecured	383.11	319.39
Interest accrued and due on borrowings	-	2.70
Unpaid Dividends (Refer foot note no 9.1)	33.49	17.75
Trade Advances	56.27	45.01
Accrued Salaries & Benefits Payable	20.05	20.60
Statutory dues	57.20	18.80
Other Payables	400.69	291.77
	<u>950.81</u>	<u>1,116.02</u>

Foot note : 9.1. There are no outstanding dues to be deposited into the Investor Education and Protection Fund as the stipulated period is not over.

Note No. 10 : SHORT-TERM PROVISIONS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Wealth Tax	0.20	0.14
Dividend & dividend distribution tax	248.26	246.63
Excise Duty on Stocks	76.28	58.01
	<u>324.74</u>	<u>304.78</u>

Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 11 : FIXED ASSETS

(Rs. in lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Balance as at 1st April 2012	Additions	Disposals/ Deletions	Balance as at 31st March, 2013	Balance as at 1st April 2012	For the year	Deductions	Balance as at 31st March, 2013	Balance as at 31st March, 2012
Tangible Assets									
Land (Leasehold)	44.24	-	-	44.24	-	-	-	-	44.24
Buildings	1,380.06	-	-	1,380.06	191.98	30.55	-	222.53	1,188.09
Plant & Machineries	4,874.07	117.86	23.75	4,968.18	3,145.61	210.78	17.44	3,338.95	1,728.45
Furniture & Fixtures	134.06	0.50	0.11	134.45	49.22	7.32	0.01	56.53	84.84
Vehicles	83.99	12.90	10.22	86.67	17.67	8.46	5.07	21.06	66.32
Office Equipments	147.48	7.02	25.66	128.84	84.81	8.12	22.37	70.56	62.67
TOTAL	6,663.90	138.28	59.74	6,742.44	3,489.29	265.23	44.89	3,709.63	3,032.81
Previous year total	6,318.24	375.01	29.34	6,663.91	3,230.51	269.93	11.15	3,489.30	3,174.61

Note 11.1. Plant & machinery of Rs.29.56 lacs (previous year Rs.80.93 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 11.2. Plant & Machinery includes Rs.1022.67 lacs being R & D Equipments out of which Rs.4.15 lacs was purchased during the year.



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 12 : NON-CURRENT INVESTMENTS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Non-Trade Investment (at cost)		
Investment in equity instruments (Quoted)		
200000 Nos. (Previous year 231753 Nos.) Equity Shares of Rs.2/- each of Dalmia Bharat Enterprises Ltd.	343.13	397.60
	<u>343.13</u>	<u>397.60</u>
Aggregate market value of Quoted investment	296.70	333.56
Aggregate amount of Quoted investment (at cost)	343.13	397.60

Note No. 12.1. In addition to above, the company is holding 1,83,100 equity shares 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. 13 : LONG-TERM LOANS & ADVANCES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Unsecured Considered good:		
Capital Advances	3.95	5.59
Security deposits	65.89	51.70
Advance to suppliers	1.31	0.56
Advance to employees	4.74	4.81
Others	9.10	4.76
	<u>84.99</u>	<u>67.42</u>

Note No. 14 : OTHER NON-CURRENT ASSETS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good		
Insurance claims receivables (Refer Note No.32)	73.03	92.48
	<u>73.03</u>	<u>92.48</u>

Note No. 15 : CURRENT INVESTMENTS

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Non Trade Investment (Valued at cost or NAV whichever is lower)		
Investments in Mutual Fund (Unquoted)		
3738.445 Units (Previous year 2389.373 Units) Mutual Funds of HDFC Prudence Fund Growth	8.00	5.00
3008.431 Units (Previous year 1887.952 Units) Mutual Funds of HDFC Equity Fund Growth	8.00	5.00
	<u>16.00</u>	<u>10.00</u>
Aggregate NAV of Unquoted investment	16.56	10.09
Aggregate amount of Unquoted investment (at cost)	16.00	10.00



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No 16 : INVENTORIES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	2,384.58	2,000.11
Stock-in-Process	144.93	213.29
Finished Goods	693.45	527.42
Consumable Stores	304.92	263.27
	<u>3,527.88</u>	<u>3,004.09</u>

For mode of valuation refer note no 1 (E) of significant accounting policies

Additional disclosures regarding inventories

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Note No. 16.1. Details of Raw Materials		
- Polymer resins	423.78	471.02
- Pigments	1,561.20	1,291.83
- Waxes	211.50	108.20
- Others	188.10	129.06
	<u>2,384.58</u>	<u>2,000.11</u>
Note No. 16.2. Details of stock-in progress		
- Semi finished master batches	137.96	202.58
- Others	6.97	10.71
	<u>144.93</u>	<u>213.29</u>
Note No. 16.3. Details of finished goods		
- Specialty Masterbatches	684.96	517.85
- Others	8.49	9.57
	<u>693.45</u>	<u>527.42</u>

Note No. 17 : TRADE RECEIVABLES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Outstanding for a period exceeding six months from the date when they are due for payment		
- Secured considered good	1.18	2.32
- Unsecured considered good	18.20	12.83
Other receivable		
- Secured considered good	1,271.82	873.24
- Unsecured considered good	2,614.70	1,996.28
	<u>3,905.90</u>	<u>2,884.67</u>



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 18 : CASH AND BANK BALANCES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
Cash and cash equivalents		
Balance with bank		
- Current Accounts	42.33	231.54
Other bank balances		
- Unpaid Dividend Accounts	33.49	17.75
Total	<u>75.82</u>	<u>249.29</u>

Note No. 19 : SHORT-TERM LOANS & ADVANCES

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
(Unsecured-Considered good)		
Advances recoverable in cash or kind or for value to be received	104.79	267.13
Security deposits	23.95	23.20
Balances with Government Authorities	198.26	154.70
Income Tax refundable	7.55	7.18
Advance payment of Income Tax Including TDS (net)	10.92	5.83
	<u>345.47</u>	<u>458.04</u>

Note No. 20 : REVENUE FROM OPERATIONS

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from Operations		
Sale of products	29,761.80	23,668.14
Others Operating revenue		
Export Benefits	277.95	258.52
Others	3.70	2.99
	<u>281.65</u>	<u>261.51</u>
Revenue from Operations (Gross)	<u>30,043.45</u>	<u>23,929.65</u>
Less: Excise duty	2,488.18	1,738.07
Revenue from operations (net)	<u>27,555.27</u>	<u>22,191.58</u>
Note No. 20.1. Detail of sale of products (Gross):		
Specialty Masterbatches	29,698.61	23,612.49
Others	63.19	55.65
	<u>29,761.80</u>	<u>23,668.14</u>



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 21 : OTHER INCOME

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income on short term loan & others	20.54	27.27
Income from Non Trade Investment - Dividend	3.48	3.68
Foreign exchange fluctuation gain	114.68	42.47
Liabilities / provisions no longer required written back	15.48	10.57
Insurance Claims	11.81	6.54
Other non-operating income (including Scrap Sales)	26.75	22.44
	<u>192.74</u>	<u>112.97</u>

Note No. 22 : COST OF MATERIAL CONSUMED

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Raw Material consumed	<u>22,215.64</u>	<u>17,730.53</u>

Note No. 22.1 : Details of Raw material consumed :

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Polymer resins	6,922.65	6,152.52
Pigments	13,865.33	10,718.40
Waxes	963.35	635.48
Others	464.31	224.13
	<u>22,215.64</u>	<u>17,730.53</u>

	(Rs. In lacs)			
	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Amount	%	Amount	%
Note No. 22.2 : Details of Imported & indigenous Raw Material consumed :				
Imported	11,794.03	53.09	10,262.53	57.88
Indigenous	10,421.61	46.91	7,468.00	42.12
Total	<u>22,215.64</u>	<u>100.00</u>	<u>17,730.53</u>	<u>100.00</u>



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 23 : OTHER MANUFACTURING EXPENSES

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Power and fuel	441.25	371.54
Water Charges	2.29	0.45
Consumption of stores and spares	147.97	129.19
Packing material consumed	151.78	131.96
Repairs and maintenance - Machinery	23.18	20.13
Repairs and maintenance - Buildings	33.75	31.51
Excise duty *	18.26	44.78
Carriage inward on others	4.06	3.45
	<u>822.54</u>	<u>733.01</u>

* Excise duty under manufacturing expenses denotes provision on stock differential

Note No 23.1 Details of imported, indigenous store & spares Consumed :

	(Rs. In lacs)			
	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Amount	%	Amount	%
Imported Consumables	77.63	52.46	47.44	36.72
Indigenous Consumables	70.34	47.54	81.75	63.28
	<u>147.97</u>	<u>100.00</u>	<u>129.19</u>	<u>100.00</u>

Note No. 24 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Inventories at the beginning of the year :		
Finished goods	527.42	141.72
Stock-in-process	213.29	158.06
Inventories at the end of the year:		
Finished goods	693.45	527.42
Stock-in-process	144.93	213.29
Net (Increase)/ Decrease in stock	<u>(97.67)</u>	<u>(440.93)</u>

Note No 25 : EMPLOYEE BENEFITS EXPENSE

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries, wages, bonus etc. (including contract labour)	953.62	800.75
Contribution to provident and other funds	57.29	50.98
Staff welfare expenses	46.29	40.36
	<u>1,057.20</u>	<u>892.09</u>



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 26 : FINANCE COST

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest		
to Banks	119.55	108.43
Others borrowing cost		
to Others	19.15	35.18
Bank Charges on borrowings	30.21	35.68
	168.91	179.29

Note No. 27 : OTHER EXPENSES

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Rent (including lease rentals)	18.92	16.20
Rates and taxes	8.60	6.49
Insurance	40.28	40.57
Advertisement & publicity	3.92	2.40
Travelling & conveyance	189.90	174.98
Printing & stationary	14.09	11.49
Communication expenses	28.32	25.65
Repair & maintenance others	19.64	13.03
Vehicle running & maintenance	14.34	13.40
Payments to auditors :		
- As Audit fees	1.60	1.35
- for Tax Audit fees	0.35	0.30
- for certification	0.30	0.05
- for out of pocket expenses	0.70	0.22
Legal & Professional & Technical consultancy charges	182.42	121.70
Donations	10.00	10.00
Sales Promotion Expenses	12.24	14.64
Discount & Commission on sales	244.23	200.50
Freight and forwarding	268.58	231.07
Bank Charges	36.80	34.07
R & D Expenses (refer note 27.1)	277.54	229.59
Loss on sale of Fixed Assets (Net)	1.86	2.80
Miscellaneous expenses	181.25	153.54
	1,555.88	1,304.04
Note No. 27.1 Research & Development Expenses :		
- Material consumed	63.57	48.03
- Salary, Wages, Bonus etc	147.81	106.85
- Professional fee	16.20	17.04
- power & fuel expenses	32.21	24.89
- Others (net of sales realisation)	17.75	32.78
	277.54	229.59



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 28 : EXCEPTIONAL ITEMS

	(Rs. In lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Loss on Sale of Long Term Non Trade Investments	7.69	194.01
	<u>7.69</u>	<u>194.01</u>

Note No. 29 : COMMITMENTS

(A) Capital commitment

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 14.04 lacs (2011-12 Rs. 44.27 lacs) and advance given Rs. 3.95 lacs (previous year Rs. 5.59 lacs)

(B) Other Commitment - NIL

Note No. 30 : CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR IN RESPECT OF:

	(Rs. In lacs)	
	As at 31st March, 2013	As at 31st March, 2012
(A) Claim against company not acknowledged as debts:-		
(i) Income Tax matters in appeals	13.22	7.80
(ii) Sales Tax demands not admitted by the company and for which appeals have been filed with appropriate authorities.	4.79	9.27
(iii) Service Tax demand not admitted by the company and for which appeals have been filed with appropriate authorities.	3.12	-
(B) Guarantees:-		
(i) Bank Guarantees	0.76	1.90
(ii) Letter of Credit against purchase of raw material	1,354.10	847.60
(iii) Bonds Executed with Customs & Excise Authorities	30.00	30.00
(C) Other Contingent Liabilities:-		
(i) Bill discounting with banks (since realised Rs. 223.34 lacs) [2011-12 Rs. 40.84 lacs]	244.21	40.84

Note No. 31 : 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. 32 : The Insurance claim filed with Insurance Company / IOC on account of damages/ loss Caused due to fire in IOC Depot adjacent to our Sitapura Factory at Jaipur in Oct, 2009 is under process of settlement, part of which was already settled and received. The Management is hopeful of realization of the claim amount in full.



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 33 : EARNINGS PER SHARE CALCULATION

	As at 31st March, 2013	As at 31st March, 2012
Net Profit after Tax adjustments for prior years - used as numerator in calculating Basic and Diluted Earnings per share (Rs. in lacs)	1,279.14	984.40
Weighted average number of Equity Shares Outstanding (Nos.)	10,610,000	10,610,000
Earnings per share (Basic and Diluted) (Rs.)	12.06	9.28

Note No. 34 : 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:-

	(Rs. In lacs)					
	As at 31st March, 2013			As at 31st March, 2012		
	Within India	Out side India	Total	Within India	Out side India	Total
(I) Segment Revenue						
Sales (including export benefits)	22,187.78	7,855.67	30,043.45	18,096.05	5,833.60	23,929.65
Less: Excise Duty	2,488.18	-	2,488.18	1,738.07	-	1,738.07
Net Sales (including export benefits)	19,699.60	7,855.67	27,555.27	16,357.98	5,833.60	22,191.58
Other Income (unallocable) (net of interest income)	-	-	57.52	-	-	43.23
Total Revenue (net of excise duty)	19,699.60	7,855.67	27,612.79	16,357.98	5,833.60	22,234.81
(II) Segment Results						
Profit before Interest, Tax & Unallocable Exp.	1,804.75	361.81	2,166.56	1,600.79	343.59	1,944.38
Less: Interest (net) (unallocable)	-	-	148.37	-	-	116.33
Other Unallocable Expenses (Net of unallocable income)	-	-	265.60	-	-	385.47
Profit before tax	-	-	1,752.59	-	-	1,442.58
Provision for taxation (net)	-	-	474.79	-	-	458.18
Add: Tax adjustment of prior year	-	-	1.34	-	-	-
Profit after tax	-	-	1,279.14	-	-	984.40
(III) Capital Employed						
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, 2013 (contd.)

Note No. 35 : RELATED PARTY DISCLOSURES

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**

M/s.Trustline Capital Finance Pvt Ltd., Pluto Trade links Ltd., GKS Logistics Pvt Ltd. and 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 - Ex-Director of the company and wife of Managing Director.

Smt. Sushma Sureka - Wife of Director & CEO

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

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

		(Rs. In lacs)	
		As at 31st March, 2013	As at 31st March, 2012
(i) Related Parties / Parties Holding Significant Influence			
a) Rent Paid (net of recovery of Rs. 5.22 lacs Previous year Rs. 2.70 lacs) to Smt. Sushma Sureka		10.50	8.10
b) Rent Paid [net of recovery of Rs.NIL (Previous year Rs. NIL)] to M/s G K S Holdings Limited		-	2.10
c) Rent received from M/s G K S Holdings Limited		0.06	-

(ii) Key Management Personnel

(To Managing Director & Whole time Director)

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)	
Particulars	As at 31st March, 2013		As at 31st March, 2012		
	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	37.00	34.50	37.00	18.00	
Contribution to Provident Fund	3.24	3.60	3.24	2.16	
Others- perquisites value	8.36	10.65	9.00	8.25	
Commission on Profit to the Managing Director	18.79	-	17.38	-	
Total (Rs. in lacs)	67.39	48.75	66.62	28.41	

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, 2013 (contd.)

Note No. 36 : 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 Profit and Loss Account:

	As at 31st March, 2013	As at 31st March, 2012
Employers Contribution to Provident Fund	38.57	31.15
B) State Plans		
a) Employee State Insurance		
b) Employee's Pension Scheme 1995		
Employers Contribution to Employee State Insurance	6.69	7.49
Employers Contribution to Pension Scheme	13.75	11.29
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 :

	As at 31st March, 2013		As at 31st March, 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of obligation as at period closing 31st March, 2012	148.59	51.86	123.95	47.07
Current service cost	13.42	4.08	12.00	3.63
Interest cost	11.39	4.02	9.42	3.64
Actuarial (gain) / loss	39.45	5.78	4.87	(0.92)
Benefit paid	(0.32)	(0.26)	(1.65)	(1.56)
Present value of obligation as at period ended 31st March, 2013	212.53	65.48	148.59	51.86

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

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at period ended 31st March, 2013	212.53	65.48	148.59	51.86
Fair value of plan assets at period end	226.76	70.50	160.23	56.00
Funded status excess of Actual over estimated.	-	-	-	-
Assets / (Liabilities) recognized in the Balance Sheet	(14.23)	(5.02)	(11.64)	(4.14)

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

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	13.42	4.08	12.00	3.63
Interest cost	11.39	4.02	9.42	3.64
Expected return on plan assets	(14.23)	(5.02)	(11.64)	(4.14)
Actuarial (gain) / loss	39.45	5.78	4.87	(0.92)
Net cost recognised for the period	50.03	8.86	14.65	2.21



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 37 : 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, 2013		As at 31st March, 2012	
		F/C	(Rs.)	F/C	(Rs.)
(i) Amount receivable in foreign currency on account of the following:					
Export of Goods	USD	21.72	1,179.59	21.86	1,112.07
	Euro	10.79	751.29	5.30	359.82
(ii) Amount payable in foreign currency on account of the following					
Import of goods	USD	15.72	853.90	9.67	492.14
	Euro	4.55	316.71	2.77	140.92

- (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, 2013			As at 31st March, 2012		
	No. of contracts	F/C	Amount	No. of contracts	F/C	Amount
USD	-	-	-	-	-	-
EURO	-	-	-	1.00	1.20	81.55



Notes to the Financial Statements for the year ended 31st March, 2013 (contd.)

Note No. 38 : ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(Rs. In lacs)		
	As at 31st March, 2013	As at 31st March, 2012
A Imports (CIF Value)		
Raw Materials	11,180.25	9,266.32
Stores & Spares	90.85	91.70
Capital Goods	5.12	184.58
B Expenditure in Foreign Currency		
Travelling Expenses	60.29	59.24
Technical Consultancy	63.97	27.52
Commission (on remittance basis)	76.40	124.52
Interest on Buyers credit & Foreign currency Term Loan	31.14	62.90
Others	0.91	1.09
C Earnings in Foreign Currency		
From Export of Goods (on FOB) (Including Rs. 637.60 lacs received in INR through special rupee Vastro Account)	7,488.32	5,462.52
Others	167.04	207.06

Note No. 39 : Previous year figures have been regrouped/rearranged wherever considered necessary to conform to this year in view of the schedule VI and paises have been rounded off to the nearest rupee.

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

B.R. GOYAL
PARTNER
Membership No. 12172

PLACE : Mumbai (Camp)
DATED : 22nd May, 2013

For and on behalf of the Board of Directors

NAVIN JAIN
COMPANY SECRETARY

R.K. SUREKA
DIRECTOR & CEO

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

S.S. PODDAR
MANAGING DIRECTOR



FORM OF PROXY

PODDAR PIGMENTS LIMITED

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

Regd. Folio No. D.P. Id No. Client Id No.

I/We of in the District of being a member of the above named Company, hereby appoint of in the District of or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Tuesday, the 17th September, 2013 or at any adjournment thereof.

Signature

Affix
Revenue
Stamp

Signed this day of 2013

Note: The proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

PODDAR PIGMENTS LIMITED

ATTENDANCE SLIP

TWENTY SECOND ANNUAL GENERAL MEETING- 17TH SEPTEMBER, 2013

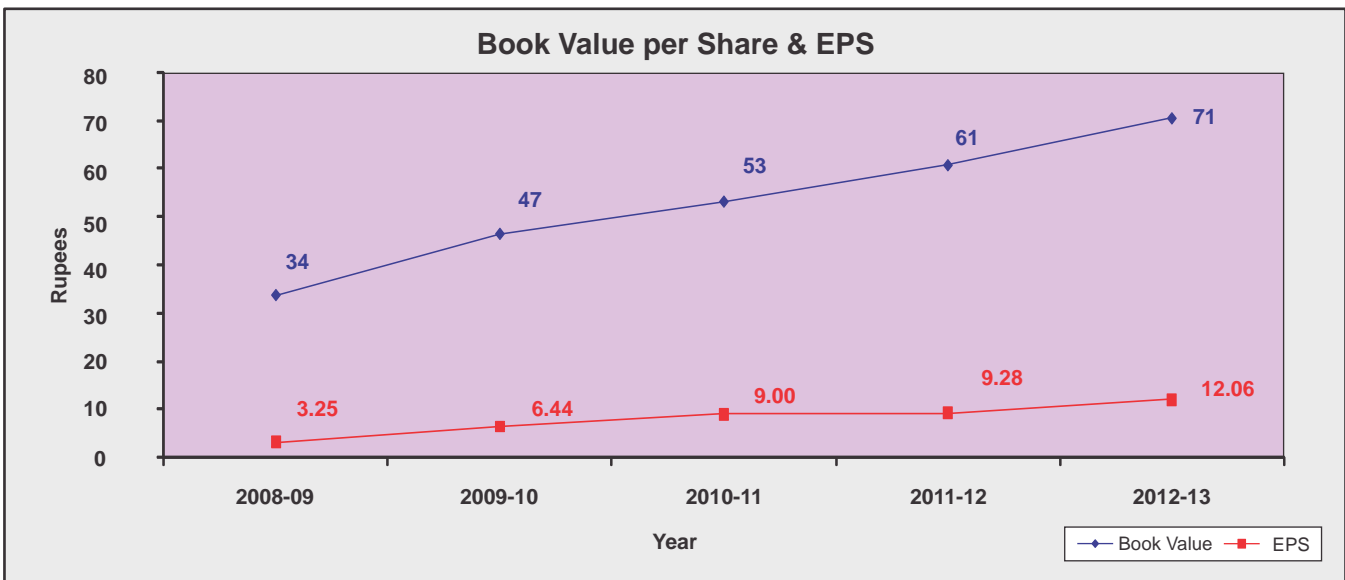
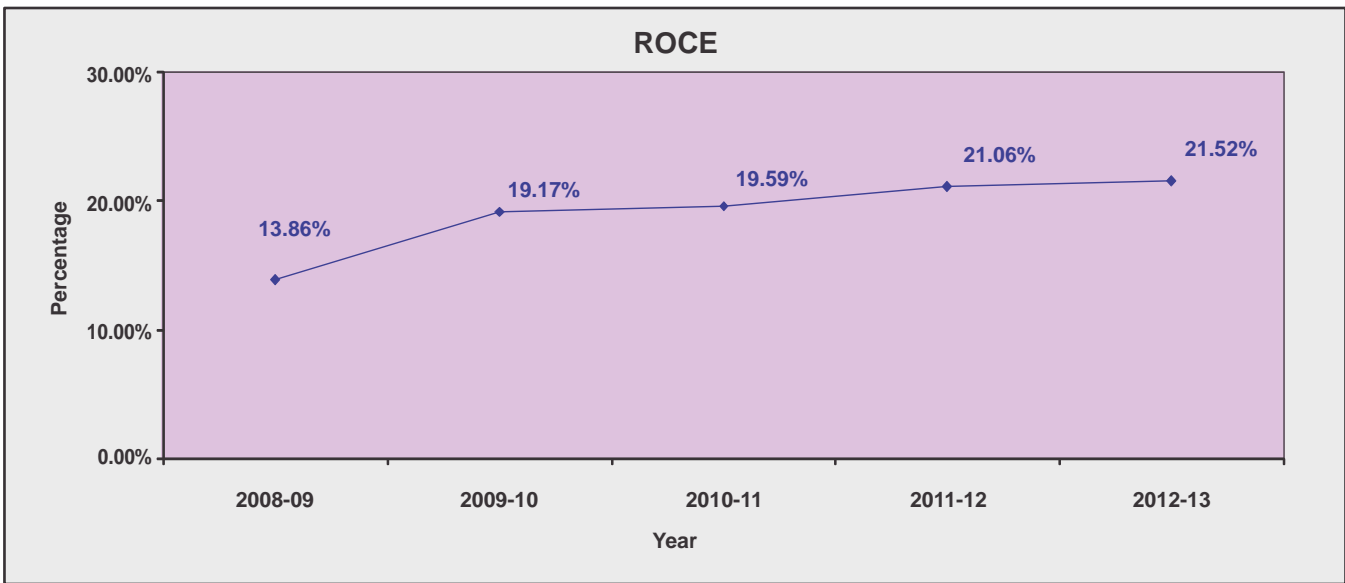
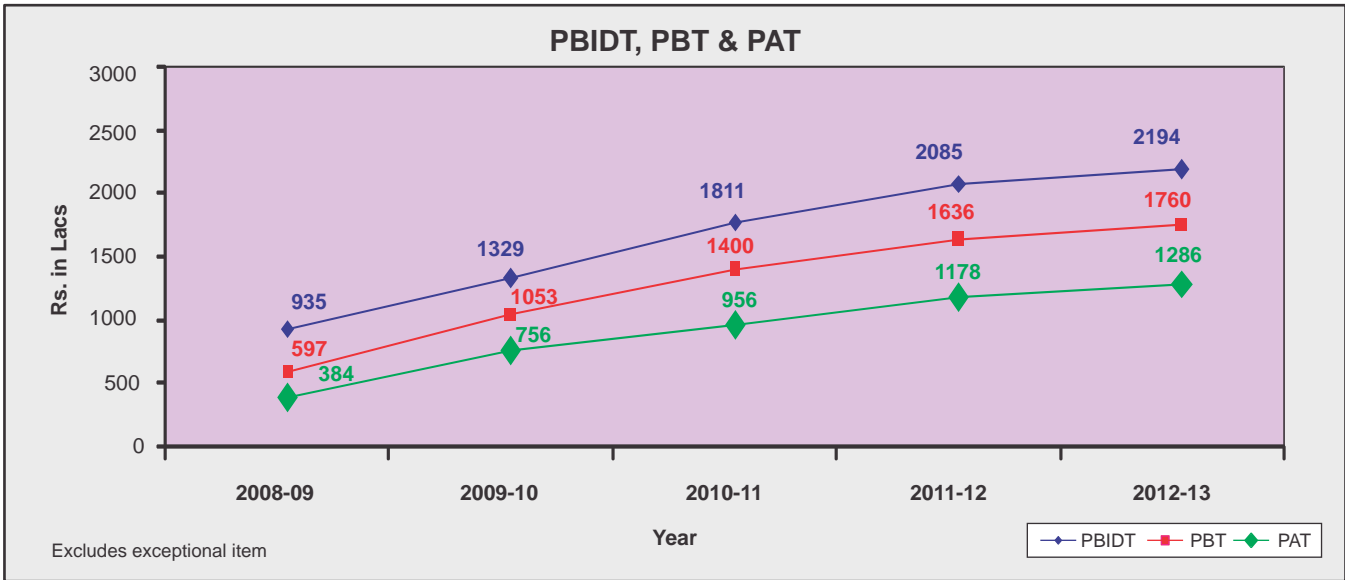
Regd. Folio No. D.P. Id No. Client Id No.

I Certify that I am registered shareholder/proxy for the registered shareholder(s) of the Company .

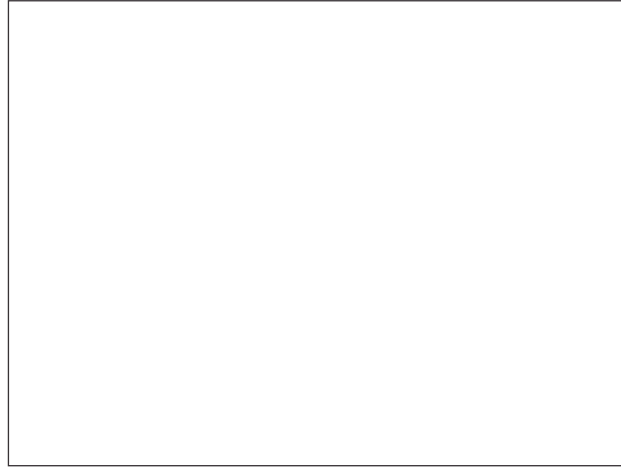
I hereby record my presence at the Twenty Second Annual General Meeting of the Company at Regd. Office E-10,11 & F-14 To 16, RIICO Industrial Area, Sitapura, Jaipur-302 022 (Rajasthan) on Tuesday, the 17th September, 2013 at 11.30 A.M.

Member/ Proxy- Name in Block Letters:

Member/ Proxy- Signature:



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.
Rajasthan, India.



AN ISO 9001 : 2008 COMPANY

Corporate Office :

No. 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 Offices :

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



PODDAR PIGMENTS LIMITED

Regd. Office : E-10-11, F-14 to 16, RIICO Industrial Area, Sitapura, Jaipur - 302 022 (Raj.) INDIA
Tel. : 2770202 / 203 / 287 Fax : +91(O)141-2771922 E-mail : jaipur@poddarpigments.com



FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	Poddar Pigments Ltd.
2	Annual financial statement for the year ended	31 st March, 2013
3	Type of Audit observation	Not qualified
4	Frequency of observation	NIL
5	Signed by – <ul style="list-style-type: none">• Sri R. K. Sureka Director & CEO• Sri B. K. Bohra Sr. GM (Legal & Comm.)• Sri B. R. Goyal (Partner) K. N. Gutgutia & Company, Chartered Accountants, (Auditor of the Company)• Sri Kishore Rungta Director (Audit Committee Chairman)	