

PODDAR
PIGMENTS LTD.

Ref : PPLJPR/SECT/2016-17/

Date : 10.08.2016

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
MUMBAI - 400 001

Company Code : 524570

Sub : Annual Report 2015-16

Dear Sirs,

Pursuant to Regulation 34 of the Listing Regulations, 2015, please find enclosed herewith Annual Report 2015-16.

We hope you will find the above in order.

Thanking you,

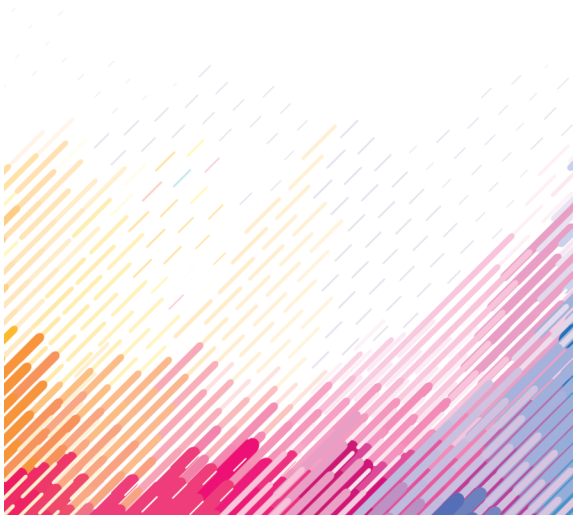
Yours faithfully
For **Poddar Pigments Limited**

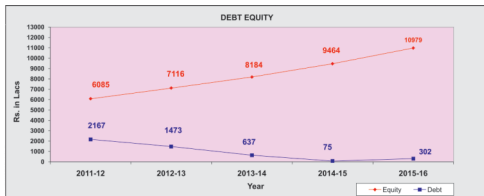
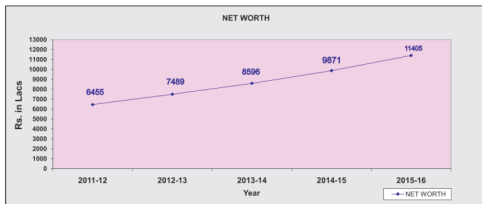
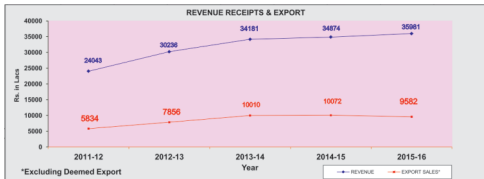

(Navin Jain)
Sr. GM (Legal) & Company Secretary
Encl: a/a

Poddar Pigments Ltd.
CIN - L24117RJ1991PLC006307
Regd. Office & Works :
E-10-11 & F-14 to 16
RIICO Industrial Area, Sitapura
Jaipur - 302 022 Rajasthan, India.
Tel.: +91-141-2770202/03/287/291
Fax : +91-141-2771922
Email : jaipur@poddarpigments.com

PODDAR
PIGMENTS LTD.

ANNUAL REPORT
2015-'16







BOARD OF DIRECTORS

Shri Kishore Rungta
Smt. Mahima P. Agarwal
Shri M.K. Sonthalia
Shri N. Gopalaswamy
Shri M. Mahadevan
Shri Gaurav Goenka
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

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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



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NOTICE

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at **E-10, 11 & F-14 TO 16, RICO INDUSTRIAL AREA, SITAPURA, JAIPUR-302022 (RAJASTHAN) ON TUESDAY, THE 9th AUGUST, 2016 AT 11.00 A. M.** to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
- To approve the payment of Interim Dividend paid for 2015-16 on Equity Shares.
- To appoint a Director in place of Smt. Mahima P. Agarwal (DIN: 03588809), who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint the Auditors M/s. K. N. Outgulia & Co., Chartered Accountants (Registration No. 304153E) the retiring Auditors, eligible for re-appointment to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

- To ratify the remuneration of Cost Auditors for the Financial Year 2016-17 and in this regards, to consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:
"RESOLVED THAT, pursuant to the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration to M/S K. G. Goyal & Associates, Cost Accountants, Jaipur, as Cost Auditors appointed by the Board of Directors of the Company for the Financial Year 2016-17, fixed at Rs. 50,000/- (Rupees fifty thousand only) and Service Tax as applicable be and is hereby ratified."
- To consider regularization and appointment of additional director and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Gaurav Goenka (DIN: 00375811) who was appointed as an Additional Director of the Company at the meeting of Board of Directors held on 28th May, 2016 and whose appointment expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing his candidature for the Directorship of the Company, be and is hereby appointed as a Director of the Company and that his appointment shall be liable to retirement by rotation."
- To consider regularization and appointment of additional director, holding office as an Independent Director and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligation & Disclosures Requirement) Regulations, 2015, Shri M. Mahadevan (DIN: 00786991), who was appointed as an Additional Director to hold office as Independent Director and whose term of office expires at this Annual General Meeting and in respect of whom a notice has been received from the member in writing, under section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2021."

- 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 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (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 01.04.2016 to 30.09.2016 and for re-appointment of Shri S. S. Poddar, as Managing Director with an additional responsibility as CFO of the Company for a period of 3 years from 1st October, 2016 to 30th September, 2019 at the following remuneration and terms & conditions:-

1. Remuneration: -

- Basic Salary: Rs. 5,00,000/- Per Month
- 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

- Rent Free Accommodation (furnished or otherwise) or House Rent Allowance up to a maximum of 60% of Basic Salary.
- Expenditure incurred on gas, electricity and water shall be paid/reimbursed by the company.
- Medical Expenses incurred for self and family.
- Leave Travel Concession for self & family once in a year to any destination in India or Abroad.
- Fee of Clubs (subject to maximum 2 nos).
- Premium for Personal/Accident Insurance.
- Premium for Personal Life Insurance.
- Any other perquisites as per Company's Rules within the ceiling perquisites of Rs. 2,75,000/- 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 Commission at such percentage of the Net Profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 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, 2013, 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 V to the Companies Act, 2013 and such approvals as may be required. In the event of any amendment in Schedule V of the Companies Act, 2013 the limit as specified in revised schedule shall be applicable.

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 196, 197, 198 and all other applicable provisions of the Companies Act, 2013.

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.

By order of the Board

Registered Office:
E-10, 11 & F-14 to 16
RIICO Industrial Area, Sitapura,
Jaipur- 302 022
Tel: 91 0141-2770202/203
Fax : 91 0141-2771922
E-mail: jaipur@poddarpignmentsltd.com
Website : www.poddarpignmentsltd.com
CIN : L24117RJ1901PLC006307

NAVIN JAIN
Sr. GM (Legal) &
Company Secretary

DATE: 17th June, 2016



NOTES:

1. Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto.
 2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the company's Registered Office, duly completed and signed, not less than FORTY- EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholders.
 3. The Register of Members and Share Transfer Books of the Company shall remain closed from 01.08.2016 to 09.08.2016 (both days inclusive).
 4. Details of Smt. Mahima P. Agarwal, required to be provided pursuant to Listing Regulations, are furnished in the Corporate Governance Report published elsewhere in the Annual Report.
 5. Members are requested:
 - a. to bring their copy of the Annual Report at the Meeting.
 - b. to notify any change in their address to M/s Link Intime India Private Limited (R&T) / Company.
 6. 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.
 7. 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 Fifth Annual General Meeting.
 8. 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.
 9. 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 11, 2015 (date of last Annual General Meeting) on the website of the Company (www.poddarpigmentsltd.com), as also on the Ministry of Corporate Affairs website.
 10. A Route Map showing directions to reach the venue of the 25th AGM is given at the end of this Annual Report as per the requirement of the Secretarial Standard-2 on "General Meeting".
 11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Link Intime India Pvt. Ltd.
- 12. REMOTEE-VOTING**
- The Company is pleased to offer Remote e-Voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:
- (i) The remote voting period begins on 06.08.2016 (9.00 a.m. IST) and ends on 08.08.2016 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.07.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:
For Members holding shares in Demat Form and Physical Form
- PAN** Enter your 10 digit alpha-numeric *PAN Issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
- DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details**
- Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
 - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- (viii) After entering these details appropriately, click on "SUBMIT" tab.



- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@odsindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@odsindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@odsindia.com.
- Other Instructions:**
- a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Listing Regulations, the company is pleased to provide to its members facility to exercise their right to vote on resolution proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).
 - b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.07.2016 and not casting their vote through remote e-voting, may only cast their vote through Ballot or Polling paper at the Annual General Meeting.
 - c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - d. Sh. Babu Lal Patni, Practising Company Secretary (Membership No. F2304), has been appointed as the Scrutinizer to scrutinize, the remote e-voting process and through Ballot or Polling paper, in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for same purpose.
 - e. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast through Ballot or Polling papers at the meeting, thereafter unblock the votes cast through remote e-voting within a period of not exceeding three days from the conclusion of voting at the Annual General Meeting in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
 - f. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company as on 29.07.2016.
 - g. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.poddarpigmentsltd.com and on the website of CDSL within three-days of the passing of the resolutions at the 25th Annual General Meeting of the Company on 09.08.2016 and simultaneously communicated to the BSE Ltd.
 - h. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 09.08.2016.



ANNEXURE TO NOTICE

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

Item No. 5

On the basis of recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors for 2016-17 on a remuneration of Rs. 50,000/- (Rupees Fifty thousand only) and Service Tax as applicable.

Certificate dated 01.04.2016 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 10.30 A.M. to 12.30 P.M. on all working days and shall also be available at the meeting.

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

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

The Board of Directors recommends the resolution for your approval.

Item No. 6

Pursuant to Section 166 of the Companies Act, 2013 and Articles 81 of Articles of Association of the Company, Shri Gaurav Goenka, was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 28th May, 2016 and his appointment as an Additional Director expires at the ensuing Annual General Meeting. Shri Gaurav Goenka, aged about 41 years, holds a Degree in B.Sc. - Boston University.

A notice alongwith deposit of Rs. 100000/- (Rs. One lac only) has been received under Section 166 of the Companies Act, 2013, proposing candidature of Shri Gaurav Goenka for the Directorship of the Company. Therefore, the Directors recommend this Resolution for members' approval.

None of the Directors except Shri Gaurav Goenka, Shri S. S. Poddar and Sant. Mahima P. Agarwal are concerned or interested in this Resolution.

The Resolution and Explanatory Statement be treated as an information to the Shareholders under the Companies Act, 2013.

Item No. 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 149, 152 and 161(1) of the Act and the Articles of Association of the Company, Shri M. Mahadevan as an Additional Director to hold office as an Independent Director of the Company with effect from June 17, 2016.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of shareholders.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri M. Mahadevan for the office of Independent Director of the Company. Shri M. Mahadevan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Shri M. Mahadevan that he meets with the criteria of Independency as prescribed both under sub-section (b) of Section 149 of the Act and under Regulation, 2015 of Listing Obligations And Disclosure Requirements. In the opinion of the Board, Shri M. Mahadevan fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Obligations And Disclosure Requirements.

Brief resume of Shri M. Mahadevan nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Obligations And Disclosure Requirements is appended below.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri M. Mahadevan is appointed as an Independent Director.

Copy of the letter for appointment of Shri M. Mahadevan as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under the Listing Obligations And Disclosure Requirements.

Save and except Shri M. Mahadevan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 7 of the Notice for approval by the shareholders.

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting :-

Particulars	Shri Gaurav Goenka	Shri M. Mahadevan	Sant. Mahima P. Agarwal
Date of Birth	01.08.1975	07.04.1959	03.11.1964
Date of Appointment	28.05.2016	17.06.2016	29.09.2015
Qualification	B.Sc. - Boston University	Chartered Accountant & ICAI	B.Tech.
Requisite in specific functional area	Government Manufacturing, Project Estimation Development and SAP implementation	Industry/Company level/Foreign/In-house/Institute/Board/State/Regional/Global	Having 15 years experience in Administration, Strategic Trade, Real Estate & Accounting fields.
Directorships held in other public companies (including foreign companies and Section 25 companies)	NIL	NIL	NIL
Memberships/Chairmanships of committees of other public companies (including only Audit/Compliance and Shareholder/Investor Grievance Committee)	NIL	NIL	NIL
Number of shares held in the Company	NIL	NIL	60000

Item No. 8

The present tenure of appointment of Shri S. S. Poddar, Managing Director & CFO expires on 30.09.2016 and the Remuneration Committee of the Board, at its meeting held on 21.05.2016, recommended the payment of revised remuneration for remaining term of appointment i.e. from 01.04.2016 to 30.09.2016 and for re-appointment of Shri S. S. Poddar as Managing Director & CFO for a further period of Three Years from 01.10.2016 to 30.09.2019.

Permission of the members is required under Schedule V of the Companies Act, 2013. The Directors, therefore, recommend this resolution for members' approval.

As required under Para (B) of Section-II of Part-II of the amended Schedule V to the Companies Act, 2013, 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	Rs. in lacs
31.03.2016	
Revenue Receipts including other income	35981
Profit (before finance cost, Depreciation and Tax)	2615
Profit Before Tax	2540



5. Export Performance and net foreign exchange earning and collaborations:

The earning in Foreign Exchange by Exports & others for the year ended 31.03.2016 was Rs. 8723.75 lacs.

6. Foreign investment of collaborators, if any:
Not Applicable.

II INFORMATION ABOUT THE MANAGING DIRECTOR & CFO:

1. Background, Recognition and Award details:

Shri S.S. Poddar, a graduate Engineer, aged 67 years is the Managing Director of Company since 01.07.1994. He has wide industrial experience spanning over 44 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 17.09.2013 was as under:

- A. Basic Salary : Rs. 2,75,000/- P.M.
B. Special Allowance : Subject to Maximum of Rs. 8,00,000/- per quarter
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 & CFO 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 Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 21.05.2016 and 28.05.2016 approved the revision in terms of remuneration for remaining period of present appointment i.e. 01.04.2016 to 30.09.2016 and the re-appointment for a 3 years tenure of Shri S.S. Poddar commencing from 1st October, 2018 as under:

- A. Basic Salary : Rs. 5,00,000/- P.M.
B. Commission : at such percentage of Net Profit as calculated under section 198 of the Companies Act, 2013.
C. Perquisites : Rs. 2,75,000/- P.M.

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

The executive's remuneration in the industry had risen substantially over past few years. Appreciating this, the Central Government had raised the ceiling specified in Schedule V 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 and Shri Gourav Goenka, Directors of the Company, who are relatives of Shri S. S. Poddar also do not have any pecuniary relationship with the Company.

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 likely increase in cost of raw-materials and other inputs may create pressure on margins, resulting in inadequate profits as calculated in terms of Section 198 of the Companies Act, 2013 in the coming year.

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 of Rs. 9115 lacs in the year 2015-16. 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 Nomination and Remuneration Committee in terms of Schedule V to the Companies Act at its meeting held on 21.05.2016. 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 the Companies Act, 2013.

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

Registered Office:
E-10, 11 & F-14 to 16
RIICO Industrial Area, Sitapura,
Jaipur-302 022
Tel: 91 0141-2770002/203
Fax: 91 0141-277 1922
E-mail: info@poddariprimeindia.com
Website: www.poddariprimeindia.com
CIN: L24117RJ1901PLC006307
DATE: 1st June, 2016

By order of the Board

NAVIN JAIN
Sr. GM (Legal) &
Company Secretary

Registration / Updating of Email IDs and Bank Details

Members are requested to support the "Green Initiative" by registering their Email address with the Company or Registrar (not already done). These Members who have changed their Email ID are requested to register their new Email ID with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to maintain Bank details of its Members for the purpose of Payment of Dividends etc. Members are requested to register / update their bank details with the Company in case shares are held in physical form and with their Depository Participants as well as the Company where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically through ACH/NECS.



DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report and the Audited Financial Statements for the year ended 31st March, 2016.

Particulars	[Rs. In Lacs]	
	2015-2016	2014-2015
Revenue Receipts	35528	34580
Other Income	453	294
Total Revenue Receipts including other income	35981	34874
Profit before Finance Cost, Depreciation & Tax	2815	2537
Less: Finance Cost	43	69
Depreciation	262	285
Profit before tax	2510	2193
Less : Current Tax	656	550
Deferred Tax	20	12
Profit after tax	1834	1631
Balance brought forward from previous year	377	583
Profit available for appropriations	2211	2214
APPROPRIATIONS		
Adjusted for depreciation on assets where remaining life was Nil, recognized in retained earnings	-	32
Interim Dividend on Equity Shares	265	-
Proposed Final Dividend on Equity Shares	-	265
Tax on Dividend	54	54
General Reserve	1379	1486
Balance Carried to Balance Sheet	513	377

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance as compared to previous year are as under :-

- Revenue from operations increased to Rs. 35,528 lacs as against Rs. 34,580 lacs
- PBIDT increased by 10.96% to Rs. 2815 lacs as against Rs. 2537 lacs.
- Profit before Tax increased by 14.45% to Rs. 2510 lacs as against Rs. 2193 lacs
- Earnings per share increased by 12.42% to Rs. 17.29 as against Rs 15.38
- Cash Profit increased by Rs. 294 lacs to Rs. 2772 lacs as against Rs. 2478 lacs
- Net Profit after tax increased by 12.45% to Rs. 1834 lacs as against Rs. 1631 lacs

REVIEW OF OPERATIONS

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

performance in forthcoming years.

During the year, your Company has achieved a turnover of Rs. 35528 lacs as against Rs. 34580 lacs in the previous year, registering an increase of 2.74% over the previous year. The growth in sales volume, despite a subdued economic scenario, was made possible due to focus on value added products and development of new products through R&D and better product mix.

EXPORT

Your Company achieved a direct export turnover of Rs. 9115 lacs. International buyers show preference to your company's product mainly because of its quality, technical support, R & D service. The international market is expected to grow further, which will enable the company to achieve higher export turnover in the years to come.

DIVIDEND

The Company has declared and distributed an interim dividend of Rs. 2.50 per equity share of Rs. 10 each in March, 2016. This may be treated as final dividend for the year ended 31st March, 2016.

MARKETING

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

RESEARCH AND DEVELOPMENT

Your Company considers R&D as an essential tool to maintain its technical advantage over competitors and to develop innovative products. R & D is central to achieving excellence in product quality with improved processes and optimization of available resources.

It makes continuous efforts to adopt and implement new technologies and to improve the product-mix/process, so as to create higher value items at lower costs, to widen its range of new generation master batches and to facilitate the production of customized products. It strives to leverage modern advances in science and technology and blend the same with classical concepts of product development.

Your Company has, over the years, invested significantly in its Research & Development (R&D) facility, as a key source of sustainable competitive advantage. The in-house R & D division of your Company, located at its plant, is recognized by the Department of Science and Industrial Research (DSIR), Government of India. Details appended in Annexure-I to this Report.

QUALITY INITIATIVES

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

Through close interaction with your Company's customers and



independent laboratories, your company receives continuous feedback, which it takes on board for the continued optimization of its products and processes.

STAR EXPORT HOUSE STATUS AND CRISIL RATING

Sustained exports has enabled your Company to maintain its Two Star Export House Status under the Foreign Trade Policy 2015-2020, being eligible for the same.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Mahima P. Agarwal retires by rotation at the ensuing Annual General and being eligible, has offered herself for re-appointment.

The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independent directorship as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Remuneration policy for selection and appointment of Directors, Senior Management and their remuneration.

The said policies are displayed on our company's website.

The details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and marked as Annexure-II to this Report.

The present tenure of appointment of Shri S.S.Poddar, Managing Director & CFO expires on 30.09.2016 and the Nomination and Remuneration Committee of the Board, at its meeting held on 21.05.2016, recommended the payment of revised remuneration for remaining term of appointment i.e. from 01.04.2016 to 30.09.2016 and for re-appointment of Shri S. S. Poddar as Managing Director & CFO for a further period of three years from 01.10.2016 to 30.09.2019.

Shri Gaurav Goenka has been appointed as an additional Director of the company w.e.f. 28.05.2016.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, five Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. For further details, please refer report on Corporate Governance of this Annual Report.

CORPORATE GOVERNANCE

Your Company has been actively practicing the principles of good corporate governance over the years. It is committed to maintain the highest standards of corporate governance and adhering to the corporate governance requirements set out by SEBI. 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 SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate on compliance by the Company and the Management Discussion & Analysis, have been included in the Annual Report as a part of this Report.

CONTRACTS AND ARRANGMENTS WITH RELATED PARTIES

All contracts/ arrangement/ transactions entered by the company during the financial year with related parties were in the ordinary course of business and at arm's length basis. There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large.

Your Directors draw attention of the members to Note no. 33 to the financial statement, which sets out the details of related party transactions.

COMPLIANCE WITH THE CODE OF CONDUCT

The Directors 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 deposits outstanding at the year-end.

EMPLOYEES

The information required under Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) & 5 (3) of the Company's (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in the Annexure-III hereto forming part of the Report.

SUCCESSION PLANNING

Your Company has put in place a policy on succession planning to assess, develop, and retain a talent pool of associates, in order to ensure a continuity of leadership for all critical positions.

MECHANISM FOR EVALUATION OF BOARD

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The criteria covers various aspects for evaluation of Independent Directors and including participation at the Board/Committee meetings, effective use of knowledge and expertise, management of relationship with stakeholders, integrity and maintaining of confidentiality, unbiased behavior and judgment, exercise of objective independent judgment in the best interest of the Company, ability to contribute to and monitor corporate governance practice and adherence to the code of conduct for independent directors.

For evaluation of the Board aspects such as the development of suitable strategies and business plans, implementation of robust policies and procedures, size, structure and expertise of the Board are considered.

For evaluation of the Managing Director and Director & CEO aspects such as achievement of financial/business targets prescribed by the Board, Development and management/ execution of business plans, operational plans, risk management and financial affairs of the organization and development of policies and strategic plans which harmoniously



balance the needs of shareholders, clients, employees and other stakeholders, in alignment with the vision and mission of Company are considered.

For evaluation of **Non-Executive Directors'** aspects such as participation in the Board/Committee meetings, effective deployment of knowledge and expertise, Independence of behaviour and judgment are considered.

For evaluation of the **Committees'** aspects such as discharge of its functions and duties as per its terms of reference, process and procedures followed for discharging its functions & effectiveness of suggestions and recommendations received are considered.

For evaluation of the **Chairperson** of the Board aspects such as managing relationships with the members of the Board and management, providing ease of raising of issues and concerns by the Board members and promoting constructive debate and effective decision making at the board are considered.

The evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The Board has approved the evaluation results as collated by the Nomination and Remuneration Committee.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s K. N. Gutgulla & Co, Chartered Accountants, the present Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are not disqualified for re-appointment. They have confirmed their eligibility and willingness to accept office, if re-appointed.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Cost Auditors

Complying with the provisions of Section 148 of the Companies Act, 2013 and the MCA General Circular No. 15/2011 dated April 11, 2011, (as amended vide General Circular No. 36/2012 dated 08th November, 2012) subject to the approval of the Central Government, the Audit Committee has recommended and the Board of Directors had appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur being eligible and having sought appointment, as Cost Auditors of the Company to carry out the Cost Audit of all the products manufactured by the Company for the year ended March, 2016. Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Shri B. L. Patel, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed and marked as Annexure-IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

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

In addition, energy conservation is a key priority for your Company and it continuously strives to achieve this through process improvements and through the enhancement of equipment capabilities.

Particulars relating to Energy Conservation (Refer Annexure-V), Technology Absorption (Refer Annexure-VI) and Foreign Exchange Earnings and Outgo (Refer Annexure-VII), as required under section 134 of the Companies Act, 2013, are enclosed as a part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is a commitment from the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and society.

The Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee. Report on Corporate Social Responsibility as Per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure - VIII to this Report.

The Company has spent Rs 42.60 Lacs, which is more than 2% of average net profit of the company for the last three years.

RISK MANAGEMENT

Pursuant to Section 134(3) (n) of the Companies Act, 2013 & under regulations 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. The Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures that are to be adopted by the Board. The company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a quarterly basis at the time of review of Quarterly Financial Results of the Company. This has also been covered in the Management Discussion and Analysis, forming part of this report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and in terms of the Listing Agreements, a Vigil Mechanism, which is a whistle blower policy for directors and employees to report genuine concerns has been established. The said policy has been uploaded on the website of the Company.

PREVENTION OF INSIDER TRADING

SEBI (Prohibition of Insider Trading) Regulations, 2015 has come into effect from May 15, 2015. Pursuant thereto, the



Company has formulated and adopted a new code for the Prevention of Insider Trading. This was done with a view to regulate trading in securities by the Directors and designated employees of the Company during the period when the trading window is closed.

INSURANCE

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

INTERNAL FINANCIAL CONTROLS

Your company has well established systems & rules for ensuring the orderly and efficient conduct of business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparations of reliable financial statements. The required systems needed, to carry out risk assessment to identify risks along with their possible magnitude to determine risks in each process and to then develop and design internal controls to mitigate each risk, are in existence.

Our company has a well tested ERP system with requisite internal control to ensure financial safety as well as the timely preparation of reliable financial statements.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

During the year, the company had given inter-corporate deposit for a short period and the same has been squared off within the same year. The details of the investments made by company are given in Note no. 11 & 14 to the financial statements.

EXTRACT OF THE ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is annexed as a part of this Annual Report as Annexure-IX.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, based upon the certification from SMPs, the Directors confirm:

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2016 and of the profit of the Company for the period ended on that date;
- c) that the directors have taken proper and sufficient care to ensure the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the Annual Accounts on a 'going concern' basis;
- e) that the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds that were required to be transferred to the Investor Education and Protection Fund (IEPF). Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 11th September, 2015), on the website of the Company (www.poddarpigmentsltd.com) and also on the website of the Ministry of Corporate Affairs.

GENERAL

Your Directors state that no disclosure or reporting is required during the year under review as there were no transaction on the following items:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Employees' Stock options Scheme (ESOS).
3. Holding or Subsidiary or Associate company.
4. Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. Issue of any sweat equity shares.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013.

No material changes and commitments have occurred, after the close of the year till the date of this report, which affect the financial position of the Company.

ACKNOWLEDGEMENT

The Management is grateful to the various government and semi-government authorities, bankers, investors, marketing dealers, suppliers, vendors and customers for their valued support and co-operation.

The Directors also wish to place on record their appreciation for the dedication and excellent contribution of the employees in realizing and achieving the objectives of the Company. The enthusiasm of the executives, staff and workers has enabled the company to remain consistently on growth path.

For and on behalf of the Board of Directors

PLACE : JAIPUR
DATE : 28th MAY, 2016

R.K. Sureka
DIRECTOR & CEO

S. S. Poddar
MANAGING DIRECTOR
& CFO



ANNEXURE TO THE DIRECTORS' REPORT

Annexure	Content
I.	Research and Development (R&D)
II.	Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013
III.	Information as per section 197 (12) read with Rules 5(2) and 5(3) of the Company's (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 and forming part of the Directors' Report for the year ended 31 st March, 2016
IV.	MR-3 Secretarial Audit Report
V.	Particulars of Energy Conservation
VI.	Technology Absorption, Adaptation and Innovation
VII.	Foreign Exchange Earned and Outgo
VIII.	Annual Report on Corporate Social Responsibility
IX.	Annual Return Extracts in MGT 9

I 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, antimicrobial, bio-degradable process aid and chain extender masterbatches for PES fiber application and other functional properties to meet the fibre and plastics related use requirements of the industry.
 - iii Development of Masterbatches to improve performance, productivity and economical to meet the customers changing requirements.
 - iv Development for product quality improvement, process optimization, safe environment and pollution control.
2. Benefits derived as a result of the above R&D:
 - i Development of new products have generated additional business and increased customer base.
 - ii Development of a new range of application masterbatches currently not manufactured in the country, thus saving foreign exchange.
 - iii Offering process flexibility and cost effective solutions.
 - iv Productivity enhancement, optimized cost, improved quality and reduction in environmental pollution by offering alternatives for dyed yarns & knollies.
3. Future plan of action:
 - i To continue efforts towards the development of various colors and additive masterbatch and also new range of functional masterbatches, conforming to the customer requirements.
Also, to develop a versatile product range of masterbatches to meet newer market requirements.
 - ii To provide customer-valued solutions with the best products and services to make your company the first choice for masterbatches.
 - iii Continuous updating of technology, R & D and monitoring facilities reckoning with latest development in the field of masterbatches, compounding and other such related areas.

4. Expenditure on R&D:	
(a) Capital	Rs. 140.59lacs
(b) Recurring	Rs. 429.31lacs
(c) Total	Rs. 569.90lacs
(d) Total R&D expenditure as a percentage of revenue receipt	1.60%

II DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:-

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (Rs.)	% Increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/Chief Financial Officer/Company Secretary to median remuneration of employees
1.	Shri S.S.Poddar, Managing Director & CFO	1,04,31,614	3.09%	34.98
2.	Shri R.K.Sareika, Director & CEO	97,84,000	100.70%	32.81
3.	Shri Nishore Rangta Non-Executive Independent Director	10,000	(50%)	0.03
4.	Smt. Mahima P. Agarwal Non-Executive Director	10,000	(50%)	0.03
5.	Shri M.K. Sonbhalte Non-Executive Independent Director	10,000	100%	0.03
6.	Shri N. Gopalaswamy Non-Executive Independent Director	5,000	(50%)	0.02
7.	Shri Navin Jain Sr. GM (Legal) & Company Secretary	28,32,600	17.20%	Not Applicable

- (i) The median remuneration of employees of the Company during the financial year was Rs. 2,06,178.
- (ii) In the financial year, there was an increase of 11.77% in the median remuneration of employees.
- (iv) There were 303 employees on the rolls of Company as on March 31, 2016.
- (v) Relationship between average increase in remuneration and company performance:- The Profit after Tax for the financial year ended March 31, 2016 increased by 12.45% whereas the increase in median remuneration was 11.77%. The average increase in median remuneration was in line with the performance of the Company.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company. The total remuneration of Key Managerial Personnel increased by



30.72% from Rs. 176.58 lacs in 2014-15 to Rs 230.83 lacs in 2015-16 whereas the Profit After Tax increased by 12.45% to Rs. 1834 lacs in 2015-16 (Rs. 1631 lacs in 2014-15).

- (vii) The Market Capitalization of the Company as on 31st March, 2016 was Rs. 15702.80 lacs as compared to Rs. 13188.23 lacs as on 31st March, 2015. The price earnings ratio of the Company was Rs. 8.56 as of 31st March, 2016 and was Rs. 8.06 as at 31st March, 2015. The closing share price of the Company at BSE Limited on 31st March, 2016 being Rs. 148.00 per equity share of face value of Rs. 10/- each has compounded annual growth rate of 13.69% since the last initial public offer made in the year 1994 (Offer Price was Rs. 10.00 per equity share of face value of Rs. 10/- each).
- (viii) The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 18.07%.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel etc.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

III INFORMATION AS PER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

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

Name	Designation	Remuneration (Rs. in lacs)	Qualification	Age (Years)	Experience (Years)	Date of joining	Previous Employment
Shri S. S. Poddar	Managing Director & CFO	104.31	B.Sc. (Egg)	67	44	1.7.1984	Rajasthan Pulp Synthetics Ltd.
Shri R. K. Saxena	Director & CEO	87.94	B. Com. (Hons), FCA, FCS	59	37	3.10.1984	Hindustan Development Corporate Ltd.

B. Employed for the part of the year under review and in receipt of remuneration aggregating not less than Rs. 5 lacs per month.
None.

IV SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

To,
The Members,
Poddar Pigments Limited,
E-10-11, F-14-16, RIICO Industrial Area,
Sikappa, Jaipur-302022

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Poddar Pigments Limited (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Poddar Pigments Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Poddar Pigments Limited ("the company") for the financial year ended on 31st March, 2016 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period).
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).



- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit Period).
- v) I have been informed that no other sector/industry specific law is applicable to the Company.
I have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India.
 - The Listing Agreement entered into by the Company with BSE.
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

-----NL-----

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period that there was no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc referred to above.

PLACE : Kolkata
DATE : 23rd April, 2016

BABU LAL PATNI
Secretary in Practice-FCS
No :2304, C.P.No : 1321

Note:

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

'Annexure A'

To,
The Members,
Poddar Pigments Limited,
E-10-11, F-14-16, RIICO Industrial Area,
Sitapura, Jaipur-302022

My report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to be express on opinion on these secretarial records based on our audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis of my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature

Babu Lal Patni
Practising Company Secretary
Membership No- 2304
Certificate of Practice Number-1321

Date : 23rd April, 2016
Place : Kolkata



V ENERGY CONSERVATION

- (i) The steps taken or impact on conservation of energy:
Energy conservation continues to be a priority attention at all levels. All efforts are made to conserve and optimize energy consumption with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques by means of replaced the high power consumption & low efficiency lights with low consumption energy efficient LED lights.
- (ii) the steps taken by the company for utilising alternate sources of energy; NIL
- (iii) the capital investment on energy conservation equipments;
Total investment on energy conservation Rs. 1,60,130.
The Company continues to accord high priority to the conservation of energy on an ongoing basis.

VI TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
- Improvement and benchmarking of existing products to match international standards.
 - Adoption of state-of-the-art technology practices to meet the stringent industry requirements & quality norms.
 - Indigenization of products hitherto being imported in the industry.
 - New mixing & Improved masterbatch preparation techniques to help improve environment, productivity & quality.
 - 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:
- Achievement of superior quality & cost effective production resulting in improved realization of finished goods.
 - Introduction of new functional products.
 - Leadership position in the market.
 - Technology upgradation.
3. Technology imported during last five years.
- | | |
|---|------|
| (i) Technology Imported for manufacture | N.A. |
| (ii) Year of Import | N.A. |
| (iii) Has technology been fully absorbed. | N.A. |

VII FOREIGN EXCHANGE EARNED AND OUTGO

	[Rs. In Lacs]	
	2015-16	2014-15
1. Foreign Exchange Earned	8723.75	8235.76
2. Foreign Exchange Outgo	11366.60	11740.61

VIII Annual Report on Corporate Social Responsibility

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
The Corporate Social Responsibility Committee and Board of Directors has approved the CSR Policy of the Company in their meeting held on 18.10.2014 as per Companies (Corporate Social Responsibility Policy) Rules 2014 under section 135 of the Companies Act, 2013. The Policy of the Company is available on the website of the company www.poddaerpimentsltd.com
2. The Composition of the CSR Committee.
- | | |
|-----------------------|----------|
| • Shri Kishore Rungta | Chairman |
| • Shri S.S.Poddar | Member |
| • Shri R.K.Sureka | Member |
3. Average net profit (before tax) of the company for last three financial years:

Net Profit for the F. Y.	Profit before tax (PBT) Amount (Rs. in Lacs)	PBT as per Section 198 of Companies Act, 2013. Amount (Rs. in Lacs)
2012-13	1763	1879
2013-14	1910	2138
2014-15	2193	2343
Average net profit	1952	2120

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

2% of 2120 i.e. Rs. 42.40 lacs

5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year 2015-16 i.e. Rs. 42.40 lacs
- Amount unspent, if any; NIL
- Manner in which the amount spent during the financial year is detailed below:



(Amount In Rs.)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Spread of education	Promoting education including special education	(1) Others Area, (2) Chennai, Tamilnadu	25,00,000/-	25,00,000/-	25,00,000/-	Samskriti Trust
2.	Chief Minister Jal Swalambhan Yojna-Rajasthan	Conservation of natural resources	(1) Local Area, (2) Jaipur, Rajasthan	10000/-	10000/-	25,10,000/-	Sitapura Industries Association
3.	School Meals programme	Eradicating hunger, poverty and malnutrition,	(1) Local Area, (2) Jaipur, Rajasthan	10,00,000/-	10,00,000/-	35,10,000/-	Akshaya Patra Foundation is working nationwide to end hunger of underserved children and facilitate their education
4.	Chemotherapy for treatment of Cancer	Promoting health care	(1) Others Area (2) Gorakhpur, U.P.	500000/-	500000/-	40,10,000/-	H.P.Cancer Hospital & Research Institute managed by H. P. Smarak Samiti
5.	Benefit of the animals	Animal welfare	(1) Local Area, (2) Jaipur, Rajasthan	125000/-	125000/-	41,35,000/-	Help In Suffering
6.	Education, Nutrition and Medical needs of children	Promoting preventive health care	(1) Local Area, (2) Jaipur, Rajasthan	125000/-	125000/-	42,60,000/-	Naya Sawera
	TOTAL					42,60,000/-	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof of the company shall provide the reasons for not spending the amount in its Board report.

N.A.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

S.S.PODDAR
(MANAGING DIRECTOR & CFO)

KISHORE RUNGTA
(CHAIRMAN CSR COMMITTEE)



IX EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN:- L24117RJ1991PLC006307
ii) Registration Date: 11-11-1991
iii) Name of the Company : PODDAR PIGMENTS LIMITED
iv) Category / Sub-Category of the Company Company Limited by Share-Indian
Non-Government Company
v) Address of the Registered office and contact details E-10- 11, F-14 TO 16, RIICO INDUSTRIAL AREA,
SITAPURA, JAIPUR, RAJASTHAN- 302022
Phone No. : 0141- 2770202
Fax No. : 0141- 2771922
Email : jaipur@poddarpigmentsltd.com
Yes
vi) Whether listed company Yes / No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
M/S Link Intime India Private Ltd.
C-13 Pannatal Silk Mills Compound,
LBS Marg, Bhandup West,
Mumbai-400 078
Phone No. : 022- 25946970
Fax No. : 022- 25946969
Email : int.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Speciality Masterbatches	32061900	42.55% (13872.15/32598.90)
		32049000	54.46% (17751.82/32598.90)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A.

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
-	-	-	-	-	-



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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	2118468	-	2118468	19.97	2118468	-	2118468	19.97	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4293292	-	4293292	40.46	4337892	-	4337892	40.88	0.42
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	6411760	-	6411760	60.43	6458360	-	6458360	60.85	0.42
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6411760	-	6411760	60.43	6458360	-	6458360	60.85	0.42
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	11600	11800	0.11	-	11600	11600	0.11	-
b) Banks/FI	500	25100	25600	0.24	-	25100	25100	0.24	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	500	36700	37200	0.35	-	36700	36700	0.35	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	701377	41700	743077	7.00	682302	40700	723002	6.81	0.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (2 lakh as on 31.03.16)	1542610	1003911	2546521	24.00	1588377	967211	2555588	24.09	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh (2 lakh as on 31.03.16)	828673	-	828673	7.81	600077	-	600077	5.66	2.15
c) Others (specify)									
Clearing Member	17757	-	17757	0.17	22382	-	22382	0.21	0.04
NRJ	24812	200	25012	0.24	51040	200	51240	0.48	0.24
HUF	-	-	-	-	164651	-	164651	1.55	1.55
Sub-total (B) (2) :- Total Public Shareholding (B) = (B) (1) + (B)(2)	3115229	1045811	4161040	39.22	3108829	1008111	4116940	38.80	0.42
	3115729	1082511	4198240	39.57	3108829	1044811	4153640	39.15	0.42
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9527489	1082511	10610000	100.00	9565189	1044811	10610000	100.00	-

(B) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Kusum Poddar	884,766	8.3390	-	884,766	8.3390	-
2	Rochna Poddar	590,000	5.5606	-	590,000	5.5606	-
3	Mehima Poddar Agarwal	555,000	5.2309	-	605,000	5.7022	0.4712
4	Shiv Shankar Poddar	38,702	0.3648	-	38,702	0.3648	-
5	Poddar S S	50,000	0.4712	-	-	-	(0.4712)
6	Pluto Tradelinks Ltd	2,054,300	19.3619	-	2,054,300	19.3619	-
7	G K S Holdings Ltd	1,088,820	10.2622	-	1,088,820	10.2622	-
8	Trustline Capital Finance Pvt. Ltd	978,500	9.2224	-	-	-	(9.2224)
9	GKS Logistics Private Limited	171,672	1.6180	-	1,194,772	11.2608	9.6428
	Total	6,411,760	60.4313	-	6,456,360	60.8516	0.4203



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	At the beginning of the year	6,411,760	60.4313					
1	Kusum Poddar	884,766	8.3390		No Movement		884,766	8.3390
2	Rochina Poddar	590,000	5.5808		No Movement		590,000	5.5808
3	Mahina Poddar Agarwal	555,000	5.2309	05.11.15	50000	Gift	605,000	5.7022
4	Shiv Shankar Poddar	38,702	0.3648		No Movement		38,702	0.3648
5	Poddar S. S.	50,000	0.4713	05.11.15	(50000)	Gift	0	0
6	Pluto Tradelinks Ltd.	2,054,300	19.3619		No Movement		2,054,300	19.3619
7	G K S Holdings Ltd.	1,088,820	10.2622		No Movement		1,088,820	10.2622
8	Trustline Capital Finance P.Ltd.	978,500	9.2224	08.07.16	(978,500)	Assignment	0	0
9	GKS Logistics Private Limited	171,672	1.6180	08.07.16 24.02.16	978,500 44,500	Assignment Purchase	1,150,172 1,194,772	10.8405 11.2608

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ (Decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
	At the beginning of the year	1151453	10.8527				
1	Mayuka Investment Limited	230292	2.1705	No movement		230292	2.1705
2	Pramila Mahesh kumar Bang	228920	2.1576	41		228961	2.1580
3	Himshikhar Investment Limited	203655	1.9195	No movement		203655	1.9195
4	Bang Pemima Mahesh	180335	1.6997	(6442)	Transfer	173893	1.6390
5	Sangeetha S.	61800	0.5825	No movement		61800	0.5825
6	Mahesh G. Bang HUF	60522	0.5704	9210	Purchase	69732	0.6572
7	Maheshkumar Ghanshyam Bang	50173	0.4729	No movement		50173	0.4729
8	Dalmia Bharat Limited	50000	0.4713	No movement		50000	0.4713
9	VC Corporate Advisors Private Limited	45756	0.4313	(2985)	Transfer	42771	0.4031
10	Sanil Kumar Gupta	40000	0.3770	No movement		40000	0.3770
11	Subramanian P.	0	0	45250	Purchase	45250	0.4265



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	At the beginning of the year	602902	5.7296					
1	Mahima Poddar Agarwal	555000	5.2309	05.11.15	50000	Gift	605000	5.7022
2	Shiv Shankar Poddar	38702	0.3648		No Movement		38702	0.3648
3	Ramesh Kumar Sureka	9200	0.1338	28.12.15	(600)	Transfer	8600	0.0811

V. INDEBTEDNESS

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

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75.42	0	0	75.42
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	75.42	0	0	75.42
Change in Indebtedness during the financial year				
+ Addition	321.51	166.27	0	487.78
- Reduction	95.34	166.27	0	261.61
Net Change	226.17	0	0	226.17
Indebtedness at the end of the financial year				
i) Principal Amount	301.59	0	0	301.59
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	301.59	0	0	301.59



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount In Rs.)

Sl. No.	Particulars of Remuneration	CEO	Managing Director	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79,00,000/-	65,00,000/-	1,44,00,000/-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,36,000/-	8,99,111/-	21,35,111/-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	26,36,503/-	26,36,503/-
5.	Others, please specify	-	-	-
	Total (A)	91,36,000/-	1,00,35,614/-	1,91,71,614/-
	Ceiling as per the Companies Act			2,63,65,016/-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Sh. N. Gopalaswamy	Sh. M. K. Sonthalia	Sh. Kishore Rungta	
1.	1. Independent Directors				
2.	• Fee for attending board committee meetings • Commission • Others, please specify	5,000	10,000	10,000	25,000
3.	Total (1)				25,000
4.	2. Other Non-Executive Directors				
5.	• Fee for attending board committee meetings • Commission • Others, please specify			Smt. Mahima P. Agarwal 10,000	10,000
6.	Total (2)				10,000
7.	Total (B) = (1 + 2)				35,000
8.	Total Managerial Remuneration				1,92,06,614/-
9.	Ceiling as per the Companies Act				2,63,65,016/-



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	23,58,000/- 3,30,900/- -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	- -
5.	Others, please specify	-
	Total	26,88,900/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment				NIL	
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company had framed a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to strengthen corporate governance practices in the Company. They have affirmed their compliance with the said code.

DATE : 28th MAY, 2016

FOR PODDAR PIGMENTS LIMITED

R. K. Sureka
DIRECTOR & CEO



MANAGEMENT DISCUSSION AND ANALYSIS

"Color is a human need like water and fire. It is a raw material indispensable to live."

Ferdinand Leger (1881-1905)

Your Company is celebrating its 25th year and is today among the group of top masterbatch producers.

Established in the year 1991 with a modest capacity of 1200 MT/IA, your company started commercial production in the year 1994-95 with a sales of Rs. 140 lacs & has now reached a capacity of around 13500 MT/IA and has registered a sale of Rs. 35528 lacs.

Through sustained hard work and customer centric values, your company is today a leader, in the masterbatch industry.

This silver jubilee year has come with a silver lining as share prices has touched new peak during the year.

Financial and Operational Performance

Your Company registered a sale of Rs. 35527.83 Lacs for the year ended 31.03.16 against Rs. 34579.72 Lacs in the previous year. The plant operated smoothly and on schedule during the year at near-full capacity. In addition, your Company achieved ISO 9001:2008 standards, reflecting its commitment towards quality and customer satisfaction.

During the financial year 2015-16 there had been a continual drop in polymer prices in the range of approx. 15-20%. Despite of this due to a robust product mix, strong R&D and taking steps towards maximizing plant yield and efficiency, productivity was increased by 8%, and we could achieve a higher sales turnover by 3%.

Segment-wise/ Product-wise Performance

For the year ended 31.03.16, domestic sales contributed Rs. 25946.25 Lacs, as against Rs. 24507.59 Lacs in the previous year and export sales (excluding export benefits) contributed Rs. 9114.61 Lacs, as against Rs. 9717.41 Lacs in the previous year. Since direct export operations contributed more than 10% of the company's total revenue, we consider this geographic segment to be a primary segment.

Industry Structure and Developments

Plastics and textiles find their place in countless facets of modern life. The versatility and adaptability of these materials make them an indispensable part of an increasingly complex world. Hence, it is rational to expect the demand for these products to only increase in the future, as they are amongst the largest manufacturing industries in the world.

Your Company manufactures color & additive Masterbatches for the dope dyeing of man-made fibres (MMF), various plastic applications and engineering plastics & compounds. These are essential products required for textile and plastic products.

At present, the plastics consumption in the country is approaching 12 million MT. Plastics consumption in India is supported by the diverse capabilities of the processing industry, which can boast of world-class capabilities in terms of scale and economical production. The plastics consumption is expected to reach 20 million MT by 2020 and the present levels offer a great opportunity for rapid growth. Sectors like automobiles, consumer goods, infrastructure and irrigation are expected to drive the growth. Besides, the main factors triggering plastics consumption growth in India are:

- Rising middle class and purchasing power
- Low per capita consumption
- Retailer evolution
- Sharp rise in domestic manufacture of automobiles and consumer durables
- Ample raw material availability
- Growth linked with the Indian growth story

As the Indian plastics industry grows, the consumption of masterbatches which is linked to the consumption of polymers and synthetic dope dyed fibres, the domestic market is also expected to grow at the same rate.

The global textile fiber industry is expected to grow from 81MMT to 105 MMT by 2020. Of this, the growth of polyester will account for over 68%, India is poised to strengthen its global foothold, with its production rising from the current 8% to 10% of the global volumes. Polyester fiber and yarn continue to be the major contributors to the growth of the fiber industry. Demand has largely been led by the Asian countries, with China contributing 9% growth. The Indian polyester industry will be in an advantageous position with the growth of consumer demand and a strong manufacturing base, enabling India to serve as a regional polyester manufacturing hub.

India's domestic textile market is also in a very strong position. While the global per capita consumption of man-made fiber is around 12 kg per annum, it is merely 3.5 kg in India, hence providing significant scope for the increase in domestic consumption. It is expected that the Indian textile industry will reach US\$315 Billion by 2025 i.e. @ 14% CAGR, (in 2013 it was US\$ 68 Billion) and exports will reach US\$ 195 Billion by 2025 i.e. @ 14% CAGR, (in 2013 it was US\$ 40 Billion).

Consumption of polyester fibre is gaining momentum due to factors like the fluctuation in cotton prices, increased presence & sourcing by global brands where polyester fibre dominates, growth of women's wear segment, growth of value retail etc.

India's per capita consumption of plastic is at 6.6kg, far behind that of the US (67.3Kg), China (38.7Kg) and Brazil (24.6Kg). However, the polymer industry is growing at 2.5 times India's GDP growth. Besides, the subcontinent's surging industrialization and increasingly powerful economy holds immense untapped growth potential.

Your company has made inroads into some of the world's largest masterbatch markets. The growth from export sales is expected to be around 10% 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.

Your Company participated in ITMA' 2015 held in Milan, Italy and received a good response at the show, generating many enquiries from potential new customers.

Your company is also working on various smart products to impart functionality in textile and plastic sectors. This can be a promising product segment for the company's future.



With the growing demand of masterbatches, it can optimistically be stated that in the coming years, your company is headed towards excellent growth and better all-round performance.

Opportunities and Threats

Key Opportunity:

Due to India's low per capita polymer and polyester consumption, this segment is likely to experience an increase in demand. Your Company is a pioneer in the manufacture of masterbatches for the synthetic fiber industry, based on Polyesters, Nylons and Polypropylenes, for specialty and general purpose applications such as automobiles, carpets, home-finishings, 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 & Risks:

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

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

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

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

The Company has well designed strategies to identify and mitigate operational, financial, reporting and legal compliances.

Internal Control Systems and Their Adequacy

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

Human Resources

The talent base of your company during the year 2015-16 was 303 (excluding casual). The Board of Directors expresses its appreciation for the sincere efforts made by the employees of your Company at all levels during the year.

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

Corporate Social Responsibility

The management of your company is of the opinion that the company's contribution to the society should be of its own volition and not out of compulsion. Hence, even before it was mandated by law, the company had initiated measures over the past several years, to help the poor and disadvantaged sections of the society. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been made and further details on CSR activities is annexed and marked as Annexure VIII to the Directors Report.

Forward-looking Statements

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

For and on behalf of Management Team

PLACE : JAIPUR
DATE : 28th MAY, 2016

S. S. Poddar
MANAGING DIRECTOR & CFO



REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34.3 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

1 Company's Philosophy on Code of Governance:

The Company's philosophy on corporate governance is founded with an intent to deliver fair and transparent governance even before it was mandated by the legislation. Transparency, integrity, professionalism, accountability and value based disclosures form the basis of the Company's philosophy for corporate governance. The Company believes that good corporate governance is a continuous process and strives to continually improve its practices to meet stakeholder's expectations. Your company has fulfilled all the existing guidelines prescribed by the SEBI vide Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2 Board of Directors

The composition of Board, with reference to number of Executive, Non-Executive and Independent Directors, meets the requirement of Code of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The present strength of Board is Seven (7) Directors. The Board comprises of two (2) executive and Five (5) non-executive Directors representing the optimum combination of professionalism, knowledge and business experience.

2.1 Composition of the Board:

In the Year 2015-16, Five Board meetings were held on 25.05.2015, 03.08.2015, 01.11.2015, 19.01.2016 and 15.03.16. Shri Gaurav Goenka has been appointed as an additional director of the company w.e.f. 28.05.2016.

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 5 held	Attendance at last AGM held on 11.09.2015	No. of other Directorship as on 31.03.2016	No. of other committees in which Chairman/Member as on 31.03.2016	
						Member	Chairman
(i)	SH. S. S. PODDAR, MANAGING DIRECTOR & CFO	\$	5	YES	3	-	-
(ii)	SH. R. K. SUREKA, DIRECTOR & CEO	#	3	YES	1	-	-
(iii)	SH. N. GOPALASWAMY	&	1	NO	8	15	6
(iv)	SH. M.K. SONTHALIA	&	2	NO	11	1	-
(v)	SMT. MAHIMA P. AGARWAL	*	2	YES	-	-	-
(vi)	SH. KISHORE RUNGTA	&	2	YES	5	-	-
(vii)	SH. GAURAV GOENKA (w.e.f. 28.05.16)	**	NA	NA	NA	NA	NA

@ Category of Directors:

\$ Executive Promoter Director

Executive Director

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

& Non-Executive Independent Director

** Non-Executive Director

2.2 Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of Shri Kishore Rungta, Shri N. Gopalaswamy and Shri M. K. Sonthalia. Mr. M.K.Sonthalia is the Chairman. The Committee met one time during the Financial Year ended March 31, 2016.

During the year ended 31.03.16, meeting of the Nomination and Remuneration Committee was held on 26.07.15. The details of the attendance of the members at Nomination and Remuneration Committee and constituents of the Committee are as follows :-



Name of Members	Designation	No. of Meetings Attended
Shri M. K. Sonthalia	Chairman - Non-Executive & Independent Director (w.e.f. 19.01.16)	1
Shri N. Gopalaswamy	Member - Non-Executive & Independent Director	1
Shri Kishore Rungta	Member - Non-Executive & Independent Director	-

2.3 Remuneration to Executive Directors:

The remuneration of Executive Directors are being determined by the "Nomination & Remuneration Committee" subject to the approval of the Board & the Company in General Meeting and such other authorities as may be necessary. The details of remuneration paid to Executive Directors during the year ended 31.03.16 are as follows:

Particulars	Shri. S.S. Poddar, Managing Director & CFO	Sh. R. K. Sureka, Director & CEO
Salary and Allowances	65,00,000	79,00,000
Contribution to Provident Fund	3,96,000	6,48,000
Value of other perquisites as per Income Tax Rules	8,99,111	12,36,000
Commission on Profit	26,36,503	-
Total (Rs.)	1,04,31,614	97,84,000

2.4 Terms of Contract:

Name of Director	Date of appointment	Expiry of contract	Severance fees	Notice Period
Shri S. S. Poddar	01.10.2013	30.09.2016	-	-
Shri R. K. Sureka	01.10.2015	30.09.2018	-	-

2.5 Remuneration to Non-Executive Directors :

No remuneration except sitting fee is paid to the Non-executive Directors. During the year, a sum of Rs. 35000/- was paid to the Non-Executive Directors for Board meetings attended by them.

2.6 Shareholding of the Non-Executive Directors in the Company as on 31.03.16:

None of the Non-Executive Directors holds any share in the Company other than Smt. Mahima P. Agarwal who has 605000 Equity Shares.

2.7 Information placed before the Board of Directors :

The Company places before the Board all the information as required vide SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.8 Evaluation of Board Members :

Board monitors and review the evaluation criterion , as framed for the Board Members. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. Each Board member evaluates the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole Board and its various committees.

Independent directors have three key roles- governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:-

- Ability to contribute to and monitor our corporate governance practices.
- Active participation in long-term strategic planning
- Attendance and participations in the Meetings and timely inputs on the minutes of the meetings.
- Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Objective evaluation of Board's performance, rendering independent, unbiased opinion.
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.



2.9 The details of familiarization programmes imparted to independent directors is given below:

The KMP of the Company make presentations pursuant to provisions of Companies Act, 2013 and Clause 49 of the Corporate Governance of the Listing Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Independent Directors on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same.

The Directors are briefed on their specific responsibilities and duties that may arise from time to time. The Independent Directors are presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Performance Evaluation, Succession Policy, Whistle blower policy, Risk Management Policy and Corporate Social Responsibility policy. The Directors are also briefed about the changes in Companies Act, 1956 and rules made thereunder as well as in the SEBI/Regulations.

The details of familiarization programme is available on the website <http://www.poddarpigmentsltd.com/Investors.html>.

3. Audit Committee:

During the year ended 31.03.16, meetings of the Audit Committee were held on 13.05.15, 03.08.15, 09.10.15 and 14.01.16. 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
Shri Kishore Rungta	Chairman - Non Executive & Independent Director	4
Shri M. K. Sonthalia	Member - Non Executive & Independent Director	-
Shri R. K. Sureka	Member - Director & CEO	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 attends the meetings.

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

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

- Review of the Company's financial reporting process and financial statements.
 - Review of accounting and financial policies and practices.
 - Review of internal control and internal audit systems
 - Discussion with Internal Auditors on any significant findings and follow-up thereon.
 - Reviewing the Company's financial and risk management policies.
 - Reviewing the Quarterly and Annual Financial Statements before submission to the Board.
 - Recommending the appointment and removal of Statutory Auditors, audit fee and payment for any other services.
 - To hold discussion with the statutory auditors on post audit as to their observations.
 - To review the compliance of all legal laws as applicable to the company and to review the legal cases filed by or against the company.
 - To frame Risk Management Policy.
- ## 4. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and three Non -Executive Directors namely Shri Kishore Rungta, Shri N. Gopalaswamy and Smt. Mahima P. Agarwal. Shri Kishore Rungta is the Chairman of the committee. The Committee met 26 times during the financial year ended March 31, 2016.

During the year ended 31.03.16, meetings of the Stakeholders Relationship Committee were held on 08.04.15, 01.05.15, 12.05.15, 20.05.15, 01.06.15, 12.06.15, 22.06.15, 18.07.15, 29.07.15, 21.08.15, 04.09.15, 07.09.15, 24.09.15, 05.10.15, 16.10.15, 20.10.15, 30.11.15, 10.12.15, 28.12.15, 12.01.16, 06.02.16, 17.02.16, 24.02.16, 11.03.16, 17.03.16 and 23.03.16. The details of the attendance of the members at Stakeholders Relationship Committee and constituents of the Committee are as follows :-

Name of Members	Designation	No. of Meetings Attended
Shri Kishore Rungta	Chairman - Non-Executive & Independent Director	-
Shri S. S. Poddar	Member - Managing Director & CFO	26
Smt. Mahima P. Agarwal	Member - Non-Executive Director	26
Shri N. Gopalaswamy	Member - Non-Executive & Independent Director	-
Shri R. K. Sureka	Member - Director & CEO	-



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

Details of Pending Complaints :-

Complaint Received from	No. of Complaints Received	No. of Complaints pending
SEBI	2	NIL
Stock Exchange	1	NIL
Investors	21	NIL
Govt. Authorities	NIL	NIL

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

Compliance Officer:

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

5. Corporate Social Responsibility Committee:-

The Corporate Social Responsibility Committee comprises of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and one Non -Executive Directors Sh. Kishore Rungta is the Chairman of the committee. The Committee met 6 times during the financial year ended March 31, 2016.

During the year ended 31.03.16, meetings of the Corporate Social Responsibility Committee were held on 25.05.15, 03.08.15, 09.10.15, 19.01.16, 08.03.16 and 30.03.16. The details of the attendance of the members at Corporate Social Responsibility Committee and constituents of the Committee are as follows :-

Name of Members	Designation	No. of Meetings Attended
Shri Kishore Rungta	Chairman - Non-Executive & Independent Director	5
Shri S. S. Poddar	Member - Managing Director & CFD	5
Shri R. K. Sureka	Member - Director & CEO	6

6. Performance Evaluation Committee:-

The Performance Evaluation committee consists of Shri Kishore Rungta, Shri N. Gopalaswamy and Shri M. K. Sonthalia. The Committee met once during the Financial Year ended March 31, 2016.

During the year ended 31.03.16, meetings of the Performance Evaluation Committee was held on 26.07.15. The details of the attendance of the members at Performance Evaluation Committee and constituents of the Committee are as follows :-

Name of Members	Designation	No. of Meetings Attended
Shri M. K. Sonthalia	Member - Non-Executive & Independent Director	1
Shri N. Gopalaswamy	Member - Non-Executive & Independent Director	1
Shri Kishore Rungta	Member - Non-Executive & Independent Director	-

7. Key Managerial Personnel and Senior Managerial Personnel Certification:

Necessary certificate, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained and placed before the Board.

8. 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
2012-2013	Regd. Office at RIICO Industrial Area, Sitapura, JAIPUR	17.09.2013	11.30 A.M.	For Revision of remuneration and Re-appointment of Managing Director
2013-2014	Do	23.06.2014	11.00 A.M.	-
2014-2015	Do	11.09.2015	12.30 P.M.	For Revision of remuneration and Re-appointment of Director & CEO

No Special Resolution was passed through Postal Ballot during the FY 2015-16. None of the businesses proposed to be transacted in the ensuing AGM require passing a special resolution through Postal Ballot.

9. Disclosures:

a) Disclosure regarding materially significant related party transactions :

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

b) Disclosure regarding certain non-compliance:

There was no instance of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

10. 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 Regulations.

The Company has its own Website i.e. www.poddargroupofinstitutions.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 Listing Regulations, all the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc., are uploaded on <http://listing.bseindia.com>

No presentation was made to the Institutional Investors or to the analysts during the year ended 31.03.16.

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

11. General Shareholders Information:

11.1 AGM : Date, Time and Venue

09th August, 2016 at 11.00 A.M. at Regd. Office, E-10, 11, F-14 to 16, RIICO Industrial Area, Sitapura, Jaipur- 302022

11.2 Financial Calendar (Tentative)

Financial Year: 1st April, 2016 to 31st March, 2017

Results for the quarter ending:

June 30, 2016 - Second week of August, 2016
 September 30, 2016 - Second week of November, 2016
 December 31, 2016 - Second week of February, 2017
 March 31, 2017 - Fourth week of May, 2017

11.3 Date of Book Closure

01.08.2016 to 09.08.2016

11.4 Interim Dividend Payment Date

30.03.2016

11.5 Listing on Stock Exchange and their Code

Name of Stock Exchange	Code
The Stock Exchange, Mumbai	524570

The listing fee for the F.Y. 2016-17 has already been paid to The Bombay Stock Exchange Ltd.



11.6 Market Price Data : High, Low during each month in Financial Year 2015-2016

Period	High (Rs.)	Low (Rs.)
April, 2015	147.00	124.00
May, 2015	144.00	116.50
June, 2015	122.80	107.20
July, 2015	158.00	122.00
August, 2015	155.00	119.10
September, 2015	132.40	117.50
October, 2015	136.00	120.00
November, 2015	151.00	121.80
December, 2015	180.00	140.30
January, 2016	202.00	145.50
February, 2016	160.00	120.70
March, 2016	151.90	129.00

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

Not linked to Sensex/Index

11.8 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 : mt.helpdesk@linkintime.co.in

11.9 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.

11.10 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.

11.11 Distribution of Shareholding as on 31.03.16:

No. of equity shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	9014	91.74	1378509	12.99
501-1000	449	4.57	374422	3.53
1001-2000	148	1.50	223431	2.11
2001-3000	91	0.93	227560	2.14
3001-4000	23	0.23	82985	0.78
4001-5000	40	0.41	190432	1.79
5001-10000	24	0.24	177776	1.68
10001 & above	37	0.38	7954885	74.98
Grand Total	9826	100.00	10610000	100.00



Shareholding Pattern:

Particulars	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
Domestic Companies (Promoters)	3	0.03	4337892	40.89
Resident Individuals (Promoters)	4	0.04	2118468	19.97
Resident Individuals (other than Promoters)	9457	96.25	3155665	29.74
Domestic Companies (other than Promoters)	127	1.29	723002	6.81
Non Resident Indians	68	0.69	51240	0.48
Mutual Funds/ FIs	3	0.03	36700	0.35
Others	164	1.67	187093	1.76
Total	9826	100.00	10610000	100.00

- 11.12 Nomination Facility** Shareholders holding physical shares may, if they so desire, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014 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.

- 11.13 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 124 of the Companies Act, 2013.

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

Year	Type of dividend	Date of declaration	Amount outstanding as on 31 st March, 2016	Due for transfer on
2010-11	Interim	10.11.2010	11,23,347	16.12.2017
2010-11	Final	27.08.2011	5,93,405	03.09.2018
2011-12	Final	25.08.2012	15,26,092	02.10.2019
2012-13	Final	17.09.2013	12,70,198	24.09.2020
2013-14	Final	23.08.2014	15,04,004	30.08.2021
2014-15	Final	11.09.2015	16,25,943	18.09.2022
2015-16	Interim	15.03.2016	28,31,622	22.03.2023

- 11.14 Dematerialisation of Shares & Liquidity** As on 31st March, 2016, 90.15% shares have been dematerialized.

- 11.15 Outstanding GDR/ADR/Warrants or any Convertible Instruments, Conversion date and likely impact on equity.** NIL

- 11.16 Brief Resume of Director being appointed/ re-appointed**

Particulars	Shri Ganraj Goswami	Smt. Mahima P. Agarwal
Date of Birth	01.06.1975	09.11.1974
Date of Appointment	25.05.2016	25.07.2011
Qualifications	B.Sc. - Boston University	B. Tech.
Expertise in specific functional areas	Garments Manufacturing, Real Estate Developer and SAP implementation	Having 15 years' experience in Administrative, Foreign Trade, Taxation & Accounting fields

- 11.17 Plant Location and Address for Correspondence** E-10,11, F-14 to 16, RICO Industrial Area, Sitapura, Jaipur – 302 022.

Telephone : (0141) 2770202, 2770203
 Fax No. : (0141) 2771922
 Email : jaipur@poddarpigmentsltd.com
 njain@poddarpigmentsltd.com

For and on behalf of the Board of Directors

PLACE : JAIPUR
 DATED : 28th MAY, 2016

R.K. Sureka
 DIRECTOR & CEO

S.S. Poddar
 MANAGING DIRECTOR & CFO



AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Poddar Pigments Limited

We have examined the compliance of conditions of corporate governance by **Poddar Pigments Limited** ("the Company") for the year ended 31st March, 2016, as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the company with the stock exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provision of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination 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 opinion on the financial statements of the Company.

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

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 : JAIPUR (Camp)
DATED : 28th MAY, 2016

(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 statements of PODDAR PIGMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 which we have signed under reference to this report.

Management's responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirement

7. As required by the Companies (Auditor's Report) Order, 2016 ("Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.
8. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial Statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2016 from being appointed as director in terms of section 164 (2) of the Companies Act, 2013;
 - f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement Refer Note 28 to the financial statement.
 - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31st March, 2016; and
 - iii. The Company did not have any dues on account of Investor Education and Protection Fund.

PLACE OF SIGNATURE: JAIPUR (CAMP)
DATED : 28th MAY, 2016

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

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



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(The Annexure "A" 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, 2016)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) Title deeds of immovable properties of the company are held in the name of the Company.
- ii) (a) The inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion, no material discrepancies were noticed on physical verification of stocks.
- iii) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies firm, limited liability partnerships firms or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly paragraph 3(ii) of the Order is not applicable to the Company
- iv) According to the information and explanation given to us, the company has no Investment, Loans and guarantees which required compliance of provisions of section 185 and 186 of the Companies Act, 2013, and hence paragraph of 3 (iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits during the year and hence paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records of the Company under clause (d) of Sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are, however, not required to and have not carried out any detailed examination of such accounts and records with a view to determining whether they are accurate or complete.
- vii) (a) According to the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, 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 on the last date of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the details of dues in respect of income tax and service tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sl. No.	Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act	Disallowance of Expenses	12.33	AY 2012-13 & 2013-14	Commissioner of Income tax (Appeals)
2.	Service Tax Act	Disallowance of Cenvat credit on services in connection with transport/ insurance/sales commission	65.81	FY 2014-15 & 2015-16	Asst. Commissioner/ Commissioner (Appeal)/ Adtl. Commissioner

- viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government or dues to debentures holders during the year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) nor term loans and hence paragraph 3(ix) of the Order is not applicable to the Company.



- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.
- xi) The managerial remuneration has been paid / provided (by the Company) are in Compliance with Section 197 read with schedule V to the Companies Act, 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion the transactions with the related parties are in Compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv) According to the records of the company, it has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

PLACE OF SIGNATURE: JAIPUR (CAMP)
DATED : 28th MAY, 2016

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304163E

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

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PODDAR PIGMENTS LIMITED Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Poddar Pigments Limited ("the Company") as of March 31st, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

PLACE OF SIGNATURE: JAIPUR (CAMP)
DATED : 28th MAY, 2016

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

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



BALANCE SHEET AS AT 31st MARCH, 2016

(Rs. in lacs)

	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
EQUITY AND LIABILITIES			
1 SHAREHOLDER'S FUND			
(a) Share Capital	2	1,061.00	1,061.00
(b) Reserves & Surplus	3	9,917.70	8,402.81
		<u>10,978.70</u>	<u>9,463.81</u>
2 NON - CURRENT LIABILITIES			
(a) Deferred tax liabilities (Net)	4	426.59	406.76
(b) Other Long-Term liabilities	5	68.95	67.30
3 CURRENT LIABILITIES			
(a) Short-Term borrowings	6	301.59	75.42
(b) Trade payables	7	1212.97	1,496.67
(c) Other Current liabilities	8	639.91	421.44
(d) Short-Term Provisions	9	31.83	390.28
TOTAL		<u>13,660.54</u>	<u>12,321.66</u>
ASSETS			
1 NON - CURRENT ASSETS			
(a) Fixed Assets - Tangible assets	10	2,526.67	2,619.17
(b) Non-current investments	11	276.10	100.60
(c) Long-Term loans & advances	12	156.69	100.23
(d) Other non-current assets	13	21.44	21.44
2 CURRENT ASSETS			
(a) Current Investments	14	900.00	500.00
(b) Inventories	15	3,715.34	3,948.27
(c) Trade Receivables	16	5,114.67	3,386.85
(d) Cash & Bank Balances	17	322.59	784.96
(e) Short-Term loans & advances	18	627.04	860.14
TOTAL		<u>13,660.54</u>	<u>12,321.66</u>
Statement of significant accounting policies	1		

The accompanying notes (Note no. 1 to 37) are integral part of the financial statements.

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

B.R. GOYAL
PARTNER
Membership No. 12172

PLACE : JAIPUR (Camp)
DATED : 28th MAY, 2016

NAVIN JAIN
SR. GM (LEGAL) &
COMPANY SECRETARY

B.K. BOHRA
AVP (COMM. & LEGAL)

For and on behalf of the Board of Directors

R.K. SUREKA
DIRECTOR & CEO

S.S. PODDAR
MANAGING DIRECTOR & CFO



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

		(Rs. in lacs)	
	Note No.	Year ended 31 st March, 2016	Year ended 31 st March, 2015
INCOME			
Revenue from operations (Sales gross)	19	35,527.83	34,579.72
Less: Excise Duty		2,928.93	2,748.92
Revenue from operations (net)		<u>32,598.90</u>	<u>31,830.80</u>
Other Income	20	452.75	294.28
Total Revenue		<u>33,051.65</u>	<u>32,125.08</u>
EXPENSES			
Cost of materials consumed	21	25,081.67	25,457.82
Other Manufacturing Expenses	22	866.42	813.93
Change in inventories of finished goods & work-in-process	23	337.44	(98.24)
Employee Benefits Expenses	24	1,750.23	1,499.45
Finance Cost	25	43.11	59.63
Depreciation	10	261.94	284.69
Other Expenses	26	2,200.86	1,902.74
Total		<u>30,541.67</u>	<u>29,932.02</u>
Profit before Tax		<u>2,509.98</u>	<u>2,193.06</u>
Tax Expenses			
Current Tax		656.00	660.00
Deferred Tax (Credit)		19.83	11.59
Profit for the year		<u>1,834.15</u>	<u>1,631.47</u>
Basic & Diluted Earnings Per Share	31	17.29	15.38
Statement of significant accounting policies	1		

The accompanying notes (Note no. 1 to 37) 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

B.J. GOYAL
PARTNER
Membership No. 12172

PLACE : JAIPUR (Camp)
DATED : 28th MAY, 2016

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For and on behalf of the Board of Directors

NAVIN JAIN
SR. GM (LEGAL) &
COMPANY SECRETARY

R.K. SUREKA
DIRECTOR & CEO

B.K. BOHRA
AVP (COMM. & LEGAL)

S.S. PODDAR
MANAGING DIRECTOR & CFO



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2016

DESCRIPTION	2015-16	(Rs. in lacs) 2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit Before Tax	2,509.98	2,193.06
Adjustments for :		
- Depreciation	261.94	284.09
- Finance cost	43.11	59.63
- Excess Provision written back	(40.68)	(84.06)
- Loss/(Profit) on Sale of Fixed Assets - Net	14.14	(0.64)
- Unrealized (Gain) / Loss on Exchange - Net	28.35	15.79
- Interest income (on loans)	(31.13)	(15.96)
- Income from current investments (non trade) Dividend	(11.78)	(1.00)
	<u>263.95</u>	<u>258.41</u>
Operating Profit Before Working Capital Changes	<u>2,773.93</u>	<u>2,451.47</u>
Adjustments for-		
- (Increase) / Decrease in Trade and other Receivables	(1,491.40)	604.57
- (Increase) / Decrease in Inventories	232.93	(165.54)
- Increase / (Decrease) in Trade and other Payables	(398.33)	(384.97)
	<u>(1,656.80)</u>	<u>54.06</u>
CASH FROM OPERATING ACTIVITIES (A)	<u>1,117.13</u>	<u>2,505.53</u>
Less : Direct tax paid	677.09	572.51
NET CASH FROM OPERATING ACTIVITIES (A)	<u>440.04</u>	<u>1,933.02</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchases / Additions in Fixed Assets (including CWIP)	(249.10)	(124.44)
- Sale of Fixed Assets	13.68	10.21
- Purchase of non-current investments	(175.50)	(100.60)
- Purchase of current investments	(400.00)	(500.00)
- Interest Received (on Loans)	32.93	16.24
- Dividend Received	11.78	1.00
- Movement in other cash balance	(43.84)	(14.87)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(810.05)</u>	<u>(712.46)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Proceeds from / (Repayment) of Short Term Borrowings	226.17	(561.81)
- Dividend & Dividend tax	(319.26)	(319.25)
- Interest Paid	(43.11)	(59.63)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	<u>(136.20)</u>	<u>(940.69)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(506.21)</u>	<u>279.87</u>
CASH AND CASH EQUIVALENTS :		
- At the Beginning of the Year	724.06	444.19
- At the End of the Year	<u>217.85</u>	<u>724.06</u>
	<u>(506.21)</u>	<u>279.87</u>
NOTES :		
BALANCE WITH SCHEDULED BANKS :		
- On Current Accounts	40.17	56.42
- On Fixed Deposit	-	200.00
- On EEFC Accounts	177.68	465.64
Total	<u>217.85</u>	<u>724.06</u>
(i) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.		
(ii) Previous year figures have been regrouped / rearranged to make them comparable, wherever considered necessary, with the current year figures.		

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

For and on behalf of the Board of Directors

B.R. GOYAL
PARTNER
Membership No. 12172

NAVIN JAIN
SR. GM (LEGAL) &
COMPANY SECRETARY

R.K. SUREKA
DIRECTOR & CEO

PLACE : JAIPUR (Camp)
DATED : 28th MAY, 2016

B.K. BOHRA
AVP (COMM. & LEGAL)

S.S. PODDAR
MANAGING DIRECTOR & CFO



Notes to the financial statements for the year ended 31st March, 2016

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, 2013. Its shares are listed on Bombay Stock Exchange. The Company is a manufacturer of Color & Additive Master batches for dye dyeing for man-made, fibers, various plastic applications.

A. Basis of preparation

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 laacs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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. 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 II to the Companies Act, 2013.

Depreciation on Capitalized Exchange Fluctuation is provided 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).

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 payable 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.

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



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

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

I. Provisions, Contingent Liabilities and Contingent Assets

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

J. Employee Benefits

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

K. Revenue Recognition

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

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

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

L. Borrowing Cost

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

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 impairment of Assets after estimating the recoverable amount of the assets.

P. Research and Development

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

Q. Leases

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



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Note No. 2 : SHARE CAPITAL		
AUTHORISED		
1,25,00,000 (Previous year 1,25,00,000) Equity Shares of Rs.10/- each	1,250.00	1,250.00
ISSUED, SUBSCRIBED AND PAID UP		
1,06,10,000 (Previous year 1,06,10,000) Equity Shares of Rs.10/- each fully paid up	1,061.00	1,061.00

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 per 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, 2016 & 31st March, 2015 is set out below:

Names of the shareholders	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of shares held	% holding	No. of shares held	% holding
Pitlo Trade Links Ltd.	2,054,300	19.36	2,054,300	19.36
GKS Logistics Private Limited (Refer Note No. 2.3.1)	1,194,772	11.26	1,150,172	10.84
G.K.S. Holdings Ltd.	1,088,820	10.26	1,088,820	10.26
Kusum Poddar	884,766	8.34	884,766	8.34
Rachna Poddar	590,000	5.56	590,000	5.56
Mahima Poddar	605,000	5.70	555,000	5.23

Note No. 2.3.1. Including 978500 shares acquired during the year on merger of erstwhile Trustline Capital Finance Limited.



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 3 : RESERVES AND SURPLUS

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
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	7,851.40	6,366.00
Add : Amount transferred from surplus	1,379.30	1,485.40
Closing Balance	<u>9,230.70</u>	<u>7,851.40</u>
Surplus		
Opening balance	377.41	582.77
Add : Profit for the year	1,834.15	1,631.47
Less : Adjusted for depreciation (Refer foot note no 3.1)	-	32.18
Amount available for appropriations	2,211.56	2,182.06
Less : Appropriations		
- Interim Dividend (Refer foot note no 3.2)	265.26	-
- Proposed Dividend	-	265.25
- Tax on Dividend	54.00	54.00
- Transferred to General Reserve	1,379.30	1,485.40
Net surplus	<u>513.00</u>	<u>377.41</u>
Total Reserve & Surplus	<u>9,917.70</u>	<u>8,402.81</u>

Foot Note :

- 3.1 This pertains to Depreciation on assets in respect of which useful life was nil as at 1st April, 2014.
- 3.2 During the year ended 31st March, 2016, the company has declared and paid interim dividend @ 2.50 per equity share totalling to Rs. 319.26 lacs including dividend distribution tax.



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 4 : DEFERRED TAX LIABILITIES (NET)

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Deferred Tax Liabilities on account of Accelerated Depreciation on		
- Fixed Assets including Research & Development Equipments	438.17	410.56
Deferred tax assets on account of		
- Amount disallowed u/s 43B	(11.58)	(3.80)
Closing Balance	<u>426.59</u>	<u>406.76</u>

Note No. 5 : OTHER LONG-TERM LIABILITIES

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Security deposits	61.17	59.52
Others	7.78	7.78
	<u>68.95</u>	<u>67.30</u>

Note No. 6 : SHORT-TERM BORROWINGS

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Loans repayable on demand from Bank:		
Working Capital Borrowings (Secured)	301.59	75.42
	<u>301.59</u>	<u>75.42</u>

6.1 Nature of security

Working capital borrowings are secured by charge by way of hypothecation on entire current assets including stocks & receivables on first pari passu basis and charge on fixed assets including land of the company located at Jaipur plant on first pari passu charge basis.



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 7 : TRADE PAYABLES

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Acceptances	770.37	1,168.59
Trade Payables	442.60	328.08
	<u>1,212.97</u>	<u>1,496.67</u>

Note No. 8 : OTHER CURRENT LIABILITIES

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unpaid Dividends (Refer foot note no. 8.1)	104.74	60.90
Trade Advances	108.84	24.70
Accrued salaries & benefits payable	47.20	23.49
Statutory dues	57.43	59.10
Other payables	321.70	253.25
	<u>639.91</u>	<u>421.44</u>

Foot note

8.1 There are no outstanding dues to be deposited into the investor Education and Protection Fund as the stipulated period is not yet over.

Note No. 9 : SHORT-TERM PROVISIONS

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Wealth Tax	-	0.37
Dividend & dividend distribution tax	-	319.25
Excise Duty on Stocks	31.83	70.64
	<u>31.83</u>	<u>390.26</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 10 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Balance as at 1st April, 2015	Additions	Disposals/ Deletions	Balance as at 31st March, 2015	For the year	Adjusted in respect of earnings as per new Companies Act, 2013	Deletions	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Intangible Assets									
Land (Leasehold)	44.24	-	-	-	-	-	-	44.24	44.24
Buildings	1,245.27	-	-	276.50	26.37	-	-	942.40	958.77
Plant & Machines	5,202.32	199.96	15.27	3,763.02	196.46	-	19.49	3,949.08	1,430.30
Furniture & Fixtures	137.52	0.49	3.83	83.55	8.36	-	3.60	89.31	53.87
Vehicles	112.32	26.97	42.75	29.05	13.99	-	22.05	26.99	83.27
Office Equipments	147.15	10.24	37.35	117.53	16.16	-	35.33	98.36	26.52
TOTAL	6,888.82	197.26	99.30	6,986.88	281.84	-	71.38	4,668.21	2,596.87
Previous year total	6,750.11	147.02	18.31	6,888.82	284.69	46.75	8.74	4,269.65	2,619.17

Note 10.1. Plant & Machinery and Office Equipment includes Rs. 1,310.98 lacs being R & D Equipments out of which Rs. 140.59 lacs were purchased during the year and is net of Rs. 5.87 lacs sold during the year.



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 11 : NON-CURRENT INVESTMENTS

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Non-Trade Investment (at cost)		
Investment in equity instruments (Quoted)		
Equity Shares of Rs. 10/- each of NHPC Limited Nil Nos (P.Y. 500000 Nos)	-	100.60
Equity Shares of Rs. 10/- each of Karnataka Bank Ltd. 100000 Nos (P.Y. Nil Nos)	97.98	-
Equity Shares of Rs. 10/- each of Power Finance Corporation Ltd. 50000 Nos (P.Y. Nil Nos)	88.54	-
Equity Shares of Rs. 10/- each of REC Ltd ; 52742 Nos (P.Y. Nil Nos)	89.58	-
	<u>276.10</u>	<u>100.60</u>
Aggregate market value of Quoted investment	275.98	99.00
Aggregate amount of Quoted investment (at cost)	276.10	100.60

Note No. 12 : LONG-TERM LOANS & ADVANCES

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured Considered good		
Capital Advances	54.27	2.43
Security deposits	89.90	86.31
Advances to suppliers	0.71	0.84
Advances to employees	4.91	4.44
Others	6.90	7.21
	<u>156.69</u>	<u>100.23</u>

Note No. 13 : OTHER NON-CURRENT ASSETS

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Unsecured considered good		
Insurance claims receivables	21.44	21.44
	<u>21.44</u>	<u>21.44</u>

Note No. 14 : CURRENT INVESTMENTS

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Non Trade Investment (Value at cost or NAV whichever is lower)		
Investment in Mutual Fund (Unquoted)		
Nil Units (Previous year 1378827.374 Units)	-	400.00
HDFC -Cash Management Fund Savings Plan (G)		
Nil Units (Previous year 4540.742 Units)		
Reliance -Liquid Fund Cash Plan (G)	-	100.00
16866.792 Units (Previous year Nil Units)	400.00	-
SBI Premier Liquid Fund- Regular Plan -Growth		
30171.362 Units (Previous year Nil Units)	500.00	-
SBI Treasury Advantage Fund- Regular Plan -Growth		
	<u>900.00</u>	<u>500.00</u>
Aggregate NAV of Unquoted investment	907.01	503.46
Aggregate amount of Unquoted investment (at cost)	900.00	500.00



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 15 : INVENTORIES

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Raw Materials	2,879.59	2,742.14
Stock-in-Process	204.17	192.38
Finished Goods	286.50	635.73
Consumable Stores	345.08	378.02
	<u>3,715.34</u>	<u>3,948.27</u>

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

	(Rs. in lacs)	
Additional disclosures regarding inventories	As at 31 st March, 2016	As at 31 st March, 2015
Note No. 15.1. Details of Raw Materials		
- Polymer resins	388.44	366.32
- Pigments	2,185.99	2,043.37
- Waxes	118.89	182.72
- Others	186.27	149.73
	<u>2,879.59</u>	<u>2,742.14</u>
Note No. 15.2. Details of Stock-in-Process		
- Semi Finished Masterbatches	201.81	182.91
- Others	2.36	9.47
	<u>204.17</u>	<u>192.38</u>
Note No. 15.3. Details of Finished Goods		
- Specialty Masterbatches	286.47	635.72
- Others	0.03	0.01
	<u>286.50</u>	<u>635.73</u>

Note No. 16 : TRADE RECEIVABLES

	(Rs. In lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Outstanding for a period exceeding six months from the date when they are due for payment		
- Unsecured considered good	66.07	42.39
Other receivable		
- Secured considered good	1,262.30	837.13
- Unsecured considered good	3,786.30	2,607.33
	<u>5,114.67</u>	<u>3,386.85</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 17 : CASH AND BANK BALANCES

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Cash and cash equivalents		
Balance with bank		
- Current Accounts	40.17	58.42
- EEFC Accounts	177.68	465.64
- FDR with Bank	-	200.00
Other bank balances		
- Unpaid Dividend Accounts	104.74	60.90
Total	<u>322.59</u>	<u>784.96</u>

Note No. 18 : SHORT-TERM LOANS & ADVANCES

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
(Unsecured-Considered good)		
Advances recoverable in cash or kind or for value to be received	260.27	163.33
Balances with Government Authorities	299.97	651.10
Income Tax refundable	7.42	7.42
Advance payment of Income Tax (Including TDS) (net)	59.38	38.29
	<u>627.04</u>	<u>860.14</u>

Note No. 19 : REVENUE FROM OPERATIONS

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Revenue from Operations		
Sale of products	<u>35,054.55</u>	<u>34,218.53</u>
Others Operating revenue		
Export Benefits	469.04	356.97
Others	4.24	4.22
	<u>473.28</u>	<u>361.19</u>
Revenue from Operations (Gross)	35,527.83	34,579.72
Less: Excise duty	2,928.93	2,748.92
Revenue from operations (net)	<u>32,598.90</u>	<u>31,830.80</u>
Note No. 19.1. Detail of sale of products (Gross):		
Specialty Masterbatches	34,985.82	34,215.39
Others	68.73	3.14
	<u>35,054.55</u>	<u>34,218.53</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 20 : OTHER INCOME

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Interest Income on short term loan & others	31.13	15.98
Dividend Income from Non Trade Investment	11.78	1.00
Foreign exchange fluctuation gain	212.01	151.07
Surplus on sale of fixed assets (net)	-	0.64
Gain on Sale of Investment (Short Term)	90.13	-
Liabilities / provisions no longer required written back	40.68	84.08
Insurance Claims	31.58	3.83
Other non-operating Income	35.44	37.68
	<u>452.75</u>	<u>294.28</u>

Note No. 21 : COST OF MATERIAL CONSUMED

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Raw Material consumed	<u>25,081.67</u>	<u>25,457.82</u>

Note No. 21.1 : Details of Raw material consumed :

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Polymer resins	6,734.05	7,541.10
Pigments	17,216.39	16,660.24
Waxes	778.55	1,040.23
Others	352.68	216.25
	<u>25,081.67</u>	<u>25,457.82</u>

Note No. 21.2 : Detail of Imported & indigenous Raw Material consumed :

	(Rs. in lacs)			
	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
	Amount	%	Amount	%
Imported	11,581.40	46.17	12,514.91	49.16
Indigenous	13,500.27	53.83	12,942.91	50.84
Total	<u>25,081.67</u>	<u>100.00</u>	<u>25,457.82</u>	<u>100.00</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 22 : OTHER MANUFACTURING EXPENSES

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Power and fuel	463.45	438.36
Water Charges	12.08	6.61
Consumption of stores and spares	195.18	130.98
Packing material consumed	171.60	175.45
Repairs and maintenance - Machinery	25.78	27.19
Repairs and maintenance - Buildings	35.55	27.98
Excise duty *	(38.80)	6.82
Others	1.58	0.54
	<u>866.42</u>	<u>813.93</u>

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

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

	(Rs. in lacs)			
	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
	Amount	%	Amount	%
Imported Consumables	66.97	34.31	38.50	29.39
Indigenous Consumables	128.21	65.69	92.48	70.61
	<u>195.18</u>	<u>100.00</u>	<u>130.98</u>	<u>100.00</u>

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

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Inventories at the beginning of the year :		
Finished goods	635.73	580.15
Stock-in-process	192.38	161.72
Inventories at the end of the year:		
Finished goods	286.50	635.73
Stock-in-process	204.17	192.38
Net (Increase) / Decrease in stock	<u>337.44</u>	<u>(86.24)</u>

Note No. 24 : EMPLOYEES BENEFITS EXPENSE

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Salaries, wages, bonus etc. (including contract labour)	1,592.14	1,343.41
Contribution to provident and other funds	90.18	78.52
Staff welfare expenses	67.91	79.52
	<u>1,750.23</u>	<u>1,498.45</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 25 : FINANCE COST

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Interest		
On Banks borrowings	2.54	27.47
Others borrowing cost to Others (including buyers credit)	10.13	9.88
Bank Charges on borrowings	30.44	22.28
	<u>43.11</u>	<u>59.63</u>

Note No. 26 : OTHER EXPENSES

	(Rs. in lacs)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Rent (including lease rentals)	24.91	19.38
Rates and taxes (Refer Note No. 26.1)	37.75	9.27
Insurance	26.44	32.01
Advertisement & publicity	4.01	3.16
Travelling & conveyance	230.78	201.54
Printing & stationery	16.23	13.86
Communication expenses	37.21	34.02
Repair & maintenance others	25.72	29.50
Vehicle running & maintenance	15.47	14.91
Payments to auditors :		
- as Audit fees	2.00	2.00
- for Tax Audit fees	0.50	0.50
- for certification	0.50	0.50
- for others	0.05	0.05
- for out of pocket expenses	0.70	0.75
Legal & Professional & Technical consultancy charges	121.95	104.02
CSR Expenditure (Refer Note No. 26.2)	42.50	16.91
Sales Promotion Expenses	40.00	15.45
Discount & Commission on sales	523.53	419.82
Freight and forwarding	361.29	391.25
Bank Charges	48.06	50.07
R & D Expenses (Refer Note No. 26.3)	429.31	375.83
Loss on sale of Fixed Assets (Net)	14.14	-
Miscellaneous expenses	197.81	167.94
	<u>2,200.86</u>	<u>1,902.74</u>

Note No.26.1 : This include Rs. 29.04 Lacs paid as property tax pursuant to order of the Hon. High Court.

Note No. 26.2 : Expenditure related to corporate social responsibility as per section 135 of the companies Act, 2013 read with Schedule VII.

Note No. 26.3 Research & Development Expenses :

- Material Consumed	79.08	73.98
- Salary, Wages, Bonus etc.	248.03	208.23
- Power & Fuel Expenses	41.71	35.95
- Others (net of sales realisation)	60.49	57.67
	<u>429.31</u>	<u>375.83</u>



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 27 : COMMITMENTS

(A) Capital commitment

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 151.60 lacs (2014-15 Rs. 6.75 lacs), and advance given Rs. 54.27 lacs (previous year Rs. 2.43 lacs)

(B) Other Commitment - NIL

Note No. 28 : CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR IN RESPECT OF

	(Rs. in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
(A) Claims against company not acknowledged as Debts:-		
(i) Income Tax matters in appeals	28.69	22.32
(ii) Sales Tax demands not admitted by the company and for which appeals have been filed with appropriate authorities.	NIL	0.23
(iii) Service Tax demand not admitted by the company and for which appeals have been filed with appropriate authorities.	42.41	35.43
(iv) Excise duty demand not admitted by the company and for which appeals have been filed with appropriate authorities.	23.40	2.21
(B) Guarantees:-		
(i) Letter of Credit against purchase of raw materials	1,055.39	1,056.80
(ii) Bonds Executed with Customs & Excise Authorities	30.00	30.00

Note No. 29: 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)



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No 30 : In Respect of Claim Receivable :

The company had lodged claim with Insurance Company / IOC / RIICO on account of damages/loss caused due to fire in IOC Depot adjacent to Sitapura factory at Jaipur in October, 2009. Till date claim filed with Insurance Company has been settled & received. However, claim with RIICO is under legal process, as the appeal of the company is lying in the court of law. Claim filed with IOC is at advance stage of settlement and the company is hopeful of full recovery of the claim.

Note No. 31 : EARNINGS PER SHARE CALCULATION

	As at 31 st March, 2016	As at 31 st March, 2015
Net Profit after Tax adjustments for prior years - used as numerator in calculating Basic and Diluted Earnings per share (Rs. in lacs)	1,834.15	1,631.47
Weighted average number of Equity Shares Outstanding (Nos.)	10,610,000	10,610,000
Earnings per share (Basic and Diluted) (Rs.)	17.29	15.38

Note No. 32 : 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:-

	2015-16			2014-15		
	Within India	Out side India	Total	Within India	Out side India	Total
(Rs. in lacs)						
(i) Segment Revenue						
Sales (including export benefits)	25,946.25	9,581.58	35,527.83	24,507.59	10,072.13	34,579.72
Less: Excise Duty	2,928.93	-	2,928.93	2,748.92	-	2,748.92
Net : Sales (including export benefits)	23,017.32	9,581.58	32,598.90	21,758.67	10,072.13	31,830.80
Other Income (unallocable) (net of interest income)	-	-	240.74	-	-	140.96
Total Revenue (net of excise duty)	23,017.32	9,581.58	32,839.64	21,758.67	10,072.13	31,971.76
(ii) Segment Results						
Profit before Interest, Tax & Unallocable Exp.	2,042.79	682.96	2,725.75	1,795.88	660.76	2,456.64
Less: Interest (net) (unallocable)	-	-	43.11	-	-	59.83
Other Unallocable Expenses (Net of unallocable income)	-	-	172.66	-	-	203.96
Profit before tax and Exceptional Items	-	-	2,509.98	-	-	2,193.06
Less-Exceptional Items	-	-	-	-	-	-
Profit before tax	-	-	2,509.98	-	-	2,193.06
Provision for taxation (net)	-	-	675.83	-	-	561.59
Add : Tax adjustment of prior year	-	-	-	-	-	-
Profit after tax	-	-	1,834.15	-	-	1,631.47
(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, 2016 (contd.)

Note No. 33 : RELATED PARTY DISCLOSURES :- Pursuant to AS-18, following related parties have been identified

- A. Names of the Related parties "Holding Significant Influence" and "Key Management Personnel" under the Accounting Standard (AS-18) are as under:-
- i. **Parties holding significant influence**
(I) Pluto Trade links Ltd. (II) GKS Logistics Pvt. Ltd. (III) G.K.S. Holdings Ltd.
 - ii. **Key Management Personnel**
Shri S. S. Poddar - Managing Director & CFO
Shri R. K. Sureka - Director & CEO
 - iii. **Relatives of the Key Management Personnel**
Smt. Sushma Sureka - Wife of Director & CEO
Smt. Mahima P. Agarwal - Director of the Company and daughter of Managing Director & CFO
Ms. Rochna Poddar - Daughter of Managing Director & CFO
Shri Abhinav Sureka - Son of Director & CEO
- B. The following transactions were carried out with the related parties during the year :-

(Rs. in lacs)

	2015-16	2014-15
(i) Related Parties / Parties Holding Significant Influence		
a) Rent Paid (net of recovery of Rs. 11.85 lacs Previous year Rs. 5.22 lacs) to Smt. Sushma Sureka	12.15	10.50
b) Rent received from M/s G.K.S. Holding Limited	0.18	0.18
c) Rent received from M/s GKS Logistics Pvt. Ltd. (*)	0.24	0.24
d) Remuneration paid to Shri Abhinav Sureka as Manager (Operations and Business Development)	-	2.00
e) Consultancy charges paid to M/s Brand New Day, Prop. Ms. Rochna Poddar * Including rent of Rs. 0.05 Lacs (Previous Year Rs. 0.12 Lacs) received from erstwhile Trustline capital finance limited	4.11	5.39

(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	2015-16		2014-15	
	Sh. S. S. Poddar, Managing Director & CFO	Sh. R. K. Sureka, Director & CEO	Sh. S. S. Poddar, Managing Director & CFO	Sh. R. K. Sureka, Director & CEO
Salaries & Allowances	65.00	79.00	65.00	34.50
Contribution to Provident Fund	3.96	6.48	3.96	3.60
Others- perquisites value	8.99	12.36	8.80	10.65
Commission on Profit to the Managing Director & CFO	26.36	-	23.43	-
Total (Rs. in lacs)	104.31	97.84	101.19	48.75

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



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 34 : EMPLOYEES BENEFITS

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

A) Defined Contribution Plans

Provident Fund

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

(Rs. in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Employers Contribution to Provident Fund	56.51	58.58
B) State Plans		
a) Employee State Insurance		
b) Employee's Pension Scheme 1996		
Employers Contribution to Employee State Insurance	8.82	7.58
Employers Contribution to Pension Scheme	28.10	21.82
C) Defined Benefit Plans		
a) Gratuity		
b) Leave Encashment		

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

(Rs. in lacs)

	As at 31 st March, 2016		As at 31 st March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of obligation as at period closing 31 st March, 2015	295.00	94.47	258.21	60.69
Current service cost	21.68	7.20	21.37	3.96
Interest cost	23.60	7.47	21.79	4.77
Actuarial (gain) / loss	19.50	3.20	(2.07)	26.21
Benefit paid	(3.23)	(0.15)	(4.30)	(1.16)
Present value of obligation as at period ended 31 st March, 2016	356.55	112.19	295.00	94.47

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 31 st March, 2016	356.55	112.19	295.00	94.47
Fair value of plan assets at period end	322.47	108.86	322.47	108.86
Funded status excess of Actual over estimated Assets / (Liabilities) recognized in the Balance Sheet	60.90 (26.82)	14.85 (11.52)	(18.00) (9.47)	(8.96) (6.03)

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

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	21.68	7.20	21.37	3.96
Interest cost	23.60	7.47	21.79	4.77
Expected return on plan assets	(26.82)	(11.52)	(9.47)	(6.03)
Actuarial (gain) / loss	19.50	3.20	(2.07)	26.21
Net cost recognised for the period	37.96	6.35	31.62	28.91



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 35 : 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 31 st March, 2016		As at 31 st March, 2015	
		F / C	(Rs.)	F / C	(Rs.)
(i) Amount receivable in foreign currency on account of the following:					
Export of Goods	USD	26.09	1,728.78	19.85	1240.74
	Euro	9.27	699.39	2.71	181.79
(ii) Amount payable in foreign currency on account of the following:					
Import of goods	USD	9.73	644.99	18.30	1,144.00
	Euro	1.86	140.47	0.88	59.34

- (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.

(Figure in lacs)

Currency	As at 31 st March, 2016			As at 31 st March, 2015		
	No. of contracts	F/C	Amount	No. of contracts	F/C	Amount
USD	-	-	-	-	-	-
Euro	1	1.40	109.14	-	-	-



Notes to the Financial Statements for the year ended 31st March, 2016 (contd.)

Note No. 36 : ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE III to THE COMPANIES ACT, 2013

(Rs. in lacs)

	2015-16	2014-15
A Imports (CIF Value)		
Raw Materials	10,870.60	11,363.19
Stores & Spares	46.54	56.06
Capital Goods	117.33	27.73
B Expenditure in Foreign Currency		
Travelling Expenses	53.50	50.63
Technical Consultancy	33.76	30.61
Commission (on remittance basis)	203.00	196.30
Buyers credit and packing credit loan	0.47	1.05
Others	33.30	16.04
C Earnings in Foreign Currency		
From Export of Goods (on FOB) - Including Rs. 724.17 lacs (2014-15 Rs. 1551.51 Lacs) received in INR through special rupee Vostro Account.	9,260.09	9,592.59
Others	187.83	194.68

Note No. 37 : Previous year figures have been regrouped/rearranged wherever considered necessary to conform current year classification.

As per our report of even date
For **K.N. GUTGUTIA & COMPANY**
CHARTERED ACCOUNTANTS
ICAI'S FRN 304163E

B.R. GOYAL
PARTNER
Membership No. 12172

PLACE : JAIPUR
DATED : 28th MAY, 2016

NAVIN JAIN
SR. GM (LEGAL) &
COMPANY SECRETARY

B.K. BOHRA
AVP (COMM. & LEGAL)

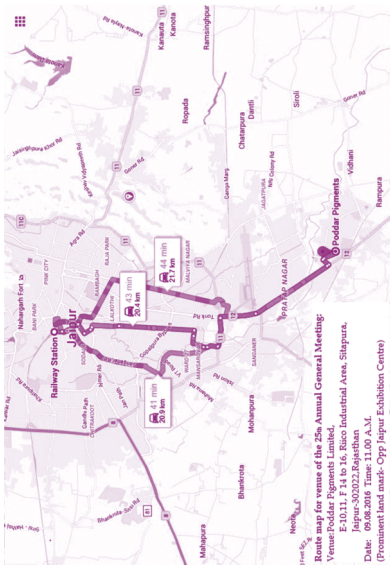
For and on behalf of the Board of Directors

R.K. SUREKA
DIRECTOR & CEO

S.S. PODDAR
MANAGING DIRECTOR & CFO



ROUTE MAP





Notes

PODDAR
PIGMENTS LTD.



**Form No. MGT-11
PROXY FORM**

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

CIN : L24117RJ1991PLC006307
Name of the company : **PODDAR PIGMENTS LIMITED**
Registered office : E-10,11 & F-14 To 16, RIICO Industrial Area, Sitapura,
Jaipur-302 022 (Rajasthan)

Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id No. : DP ID No. :

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

1. Name: E-mail Id:
Address:
Signature:.....
or Failing him
2. Name: E-mail Id:
Address:
Signature:.....
or Failing him
3. Name: E-mail Id:
Address:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Tuesday the 9th day of August, 2016 At 11.00 A.M. at Jaipur and at any adjournment thereof in respect of such resolutions as are indicated below:

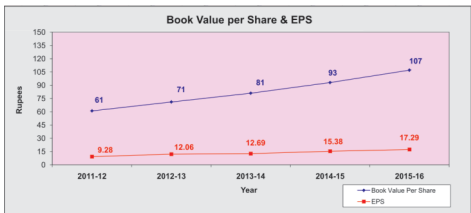
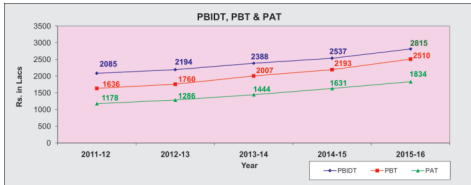
Sl. No	Resolutions	For	Against
1	To consider and adopt the Audited Financial Statement for the year ended 31 st March, 2016 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.		
2	To approve the payment of Interim Dividend paid for 2015-16 on Equity Shares.		
3	To appoint a Director in place of Smt. Mahima P. Agarwal, who retires by rotation and being eligible, offers herself for re-appointment.		
4	To Re-appointment of Auditors and fixing their remuneration.		
5	To approve the remuneration of Cost Auditor.		
6	To approve the appointment of Shri Gaurav Goenka as a director.		
7	To approve the appointment of Shri M. Mahadevan as an Independent Director.		
8	To approve the revision in remuneration and re-appointment of Sh. S.S.Poddar, Managing Director.		

Signed this.....day of2016

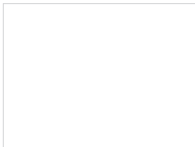
Signature of shareholderSignature of Proxy holder(s).....

Revenue
Stamp of
Rs. 1/-

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



BOOK POST



If undelivered, please return to:
Registered Office & Works
PODDAR PIGMENTS LTD.
E- 10, 11 & F- 14 to 16,
RIICO Industrial Area, Sitapura,
Jaipur- 302 022 (Rajasthan)



AN ISO 9001 : 2008 COMPANY

Corporate Office:

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

Regional Office:

CHENNAI

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

KOLKATA

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

NEW DELHI

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