

Ref : PPL/JPR/SECT/2017-18

Date : 29.09.2017

BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street, Fort,  
**MUMBAI - 400 001**

National Stock Exchange of India Ltd.,  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
**MUMBAI - 400 051**

**Company Code : 524570**

**Company Symbol : PODDARMENT**

**Sub : Annual Report for the Financial Year 2016-17**

Dear Sirs,

Pursuant to Regulation 34(1) of the Listing Regulations, 2015, please find enclosed herewith Annual Report for the F. Y. 2016-17.

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.**

**Regd. Office & Works :**

**E-10-11 & F-14 to 16**

**RIICO Industrial Area, Sitapura**

**Jaipur - 302 022 Rajasthan, India.**

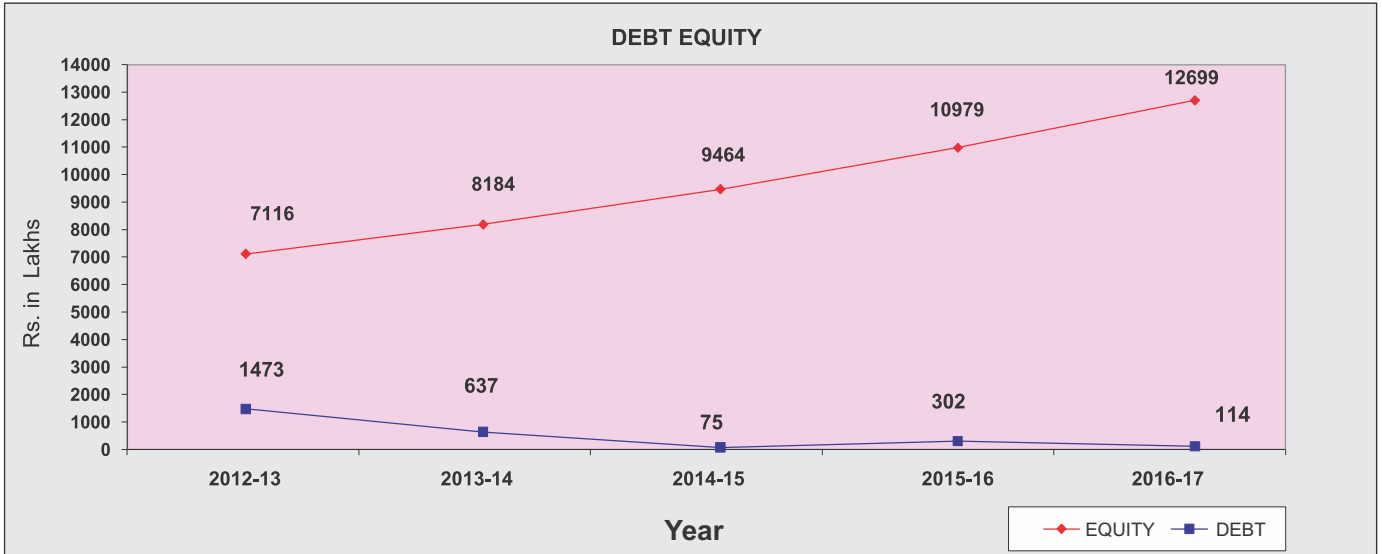
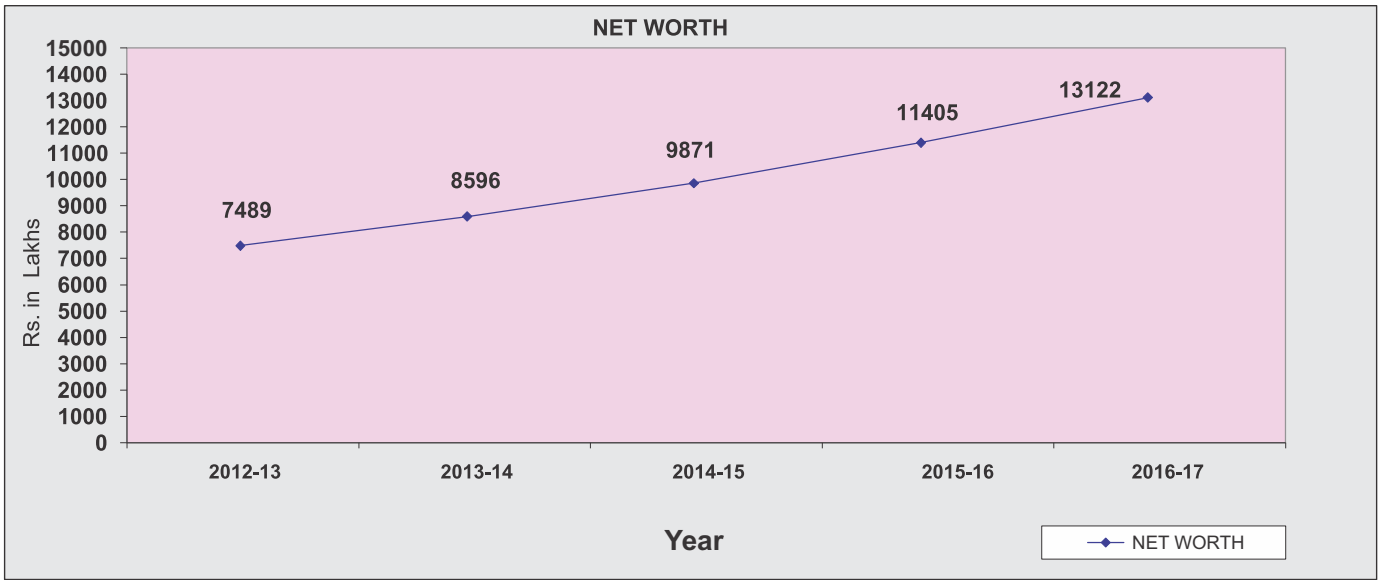
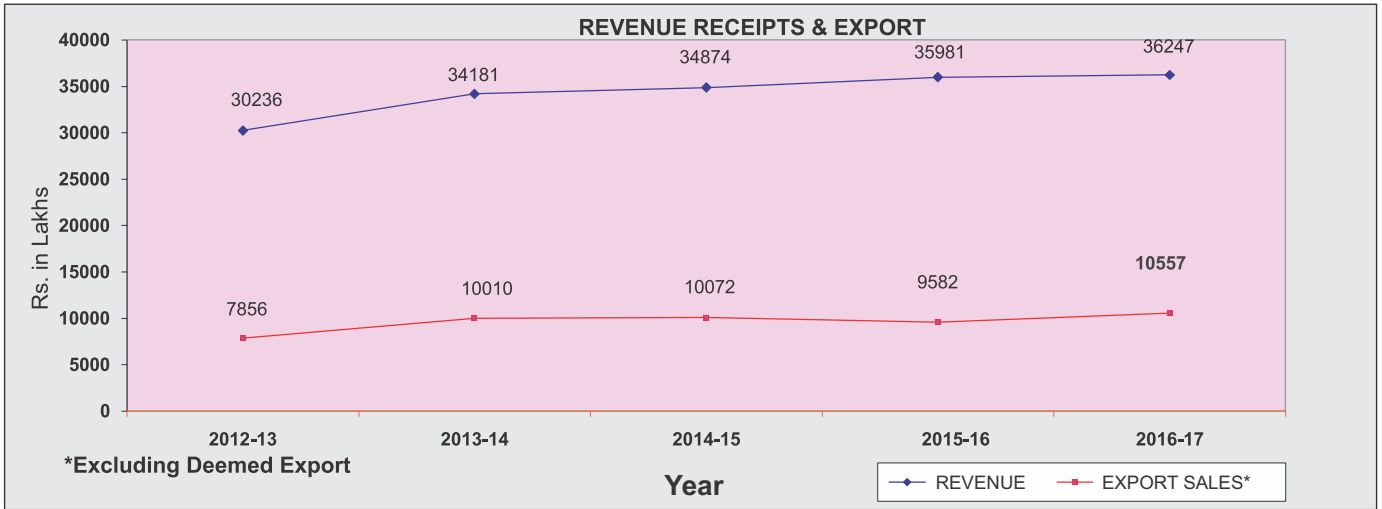
**Tel.: +91-141-2770202/03/287/291**

**Fax : +91-141-2771922**

**Email : jaipur@poddarpigmentsltd.com**

**CIN - L24117RJ1991PLC006307**







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## **BOARD OF DIRECTORS**

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

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## **AUDITORS**

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

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## **BANKERS**

State Bank of India  
Punjab National Bank

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## **REGISTERED OFFICE & WORKS**

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

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## **CORPORATE OFFICE**

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



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## NOTICE

**NOTICE** is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at Registered Office of the Company at **E-10,11, F-14 to 16, RIICO INDUSTRIAL AREA, SITAPURA, JAIPUR - 302022. (RAJASTHAN) ON THURSDAY, THE 28TH SEPTEMBER, 2017 AT 11.30 A. M.** to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2017 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To declare Final Dividend and confirm the Interim Dividend of Rs. 2.50 per equity share, already paid for the financial year ended March 31, 2017.
3. To appoint a Director in place of Shri Gaurav Goenka (DIN: 00375811), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and in this regard, be consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and on the recommendations of the Audit Committee and the Board of Directors, M/s M.L. Garg & Company, Chartered Accountants (Firm Registration Number 001604N), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and rule 4 of the rules, be and are hereby appointed as Auditors of the Company, in place of M/s K. N. Gutgutia & Company, Chartered Accountants (Registration No. 304153E), the retiring Auditors (who are not eligible for further appointment), to hold the office for a term of five years commencing from the conclusion of the 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting (subject to ratification of appointment at every Annual General Meeting of the company) at a remuneration to be fixed by the Board of Directors of the company, in addition to the taxes and actual out of pocket expenses incurred in connection with the audit of the accounts of the company, in consultation with them.

**RESOLVED FURTHER THAT** the Board of Directors of the company ( including its committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

### SPECIAL BUSINESS

5. To ratify the remuneration of Cost Auditors for the Financial Year 2017-18 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 2017-18, fixed at Rs.55,000/- (Rupees Fifty Five Thousand only) and Taxes as applicable be and is hereby ratified.”

6. To consider and determine the fees for delivery of a document through a particular mode of delivery to a member and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, a document may be served on a member by the Company by sending it to him/her through post or registered post or speed post or electronic mode or any other mode as may be requested, on payment of a charge. Consent of the members be and is hereby accorded to charge from the member such amount, in advance, equivalent to the estimated actual expenses for delivery of the documents through the specified mode and such request along with requisite fees has been duly received by the Company at least one week in advance for dispatch of documents by the Company to the member.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable.”

### 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@poddarpigmentsltd.com  
Website: www.poddarpigmentsltd.com  
CIN: L24117RJ1991PLC006307

**By order of the Board**

**NAVIN JAIN**  
Sr. GM (Legal) &  
Company Secretary

**DATE: 20th July, 2017**



## 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 shareholder.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 22.09.2017 to 28.09.2017 (both days inclusive).
4. Details of Shri Gaurav Goenka, required to be provided pursuant to Listing Regulations, are furnished in the Corporate Governance Report published elsewhere in the Annual Report as well as at the end of the notice.
5. Members are requested:
  - a. to bring their copy of the Annual Report at the Meeting.
  - b. to notify any change in their address to M/s Link Intime India Private Limited (R&T)/ Company.
6. If the Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on 13.10.2017 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the close of business hours on 21.09.2017;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 21.09.2017.
7. In case of transfer of physical shares, the instrument of Share Transfer complete in all respect, should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to the closure of the Register of Members as stated above.
8. The copies of relevant documents can be inspected at the Registered Office of the company on any working day between 10.30 A.M. to 12.30 P.M., till the date of Twenty Sixth Annual General Meeting.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Amendments Rules, 2017, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August, 09, 2016 (date of last Annual General Meeting) on the website of the Company ([www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com)), as also on the Ministry of Corporate Affairs website.
11. A Route Map showing directions to reach the venue of the 26th AGM is given at the end of this Annual report as per the requirement of the Secretarial Standard-2 on "General Meeting".
12. 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.
13. **REMOTE E-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 25.09.2017 (9.00 a.m. IST) and ends on 27.09.2017 (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 21.09.2017, 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](http://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](http://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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).





- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 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 21.09.2017 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 casted 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, Practicing 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 favour 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 21.09.2017.
  - g. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com) and on the website of CDSL within three days of the passing of the resolutions at the 26th Annual General Meeting of the Company on 28.09.2017 and simultaneously communicated to the BSE & NSE 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. 28.09.2017.
- 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 2017-18 on a remuneration of Rs. 55000/- (Rupees fifty five thousand only) and Taxes as applicable.
- Certificate dated 01.04.2017 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**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or registered post or speed post or courier or delivery at his office or residence address or such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in

its Annual General Meeting. Accordingly, it is proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, in case a request has been made by any member for delivery of such documents to him through such particular mode of service, be taken to cover the cost of such delivery.

The Board recommends the resolution as set out in Item no. 6 for approval of the Members to be passed as an Ordinary Resolution.

**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@poddarpigmentsltd.com  
Website : www.poddarpigmentsltd.com  
CIN : L24117RJ1991PLC006307

**By order of the Board**

**NAVIN JAIN**  
Sr. GM (Legal) &  
Company Secretary

**DATE: 20<sup>th</sup> July, 2017**

**Details of Directors Seeking re-appointment at the Annual General Meeting :-**

Particulars	Shri Gaurav Goenka
Date of Birth	01.06.1975
Date of Appointment	09.08.2016
Qualifications	B.SC. - Boston University
Expertise in specific functional area	Garments Manufacturing, Real Estate Development and SAP implementation
Directorships held in other public companies (excluding foreign companies and section 25 companies)	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL
Number of shares held in the Company	NIL

**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 if not already done.

Those 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 Sixth Annual Report and the Audited Financial Statements for the year ended 31st March, 2017.

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

Particulars	2016-2017	2015-2016
Revenue Receipts	35762	35528
Other Income	484	453
Total Revenue Receipts including other income	36246	35981
Profit before Finance Cost, Depreciation & Tax	3133	2815
Less: Finance Cost	30	43
Depreciation	293	262
<b>Profit before tax</b>	<b>2810</b>	2510
Less: – Current Tax	774	656
– Deferred Tax	(3)	20
<b>Profit after tax</b>	<b>2039</b>	1834
Balance brought forward from previous year	513	377
Profit available for appropriations	2552	2211
<b>APPROPRIATION</b>		
Interim Dividend on Equity Shares	265	265
Tax on Dividend	54	54
General Reserve	2016	1379
Balance Carried to Balance Sheet	217	513

### 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. 35,762 lakhs as against Rs. 35,528 lakhs
- PBIDT increased by 11.30% to Rs. 3133 lakhs as against Rs. 2815 lakhs
- Profit before Tax increased by 11.95% to Rs. 2810 lakhs as against Rs. 2510 lakhs
- Earnings per share increased by 11.16% to Rs. 19.22 as against Rs. 17.29
- Cash Profit increased by Rs. 331 lakhs to Rs. 3103 lakhs as against Rs. 2772 lakhs
- Net Profit after tax increased by 11.18% to Rs. 2039 lakhs as against Rs. 1834 lakhs

### REVIEW OF OPERATIONS

During the year under review, your Company performed well in all areas of its operations, with top line consistency and

consistent growth in earnings. 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.

The company has achieved a turnover of Rs. 35,762 lakhs as against Rs. 35,528 lakhs in the previous year.

### EXPORT

Your Company achieved a direct export turnover of Rs. 9837 lakhs. 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, 2017. Your directors recommend payment of final dividend for the financial year ended March 31, 2017 of Rs. 1.00 per equity share of Rs. 10/- each.

The total dividend of 35% , if approved at the forthcoming Annual General Meeting, will result in the out flow of Rs. 371.35 lakhs to the company in addition to Rs.75.60 lakhs by way of dividend distribution tax.

### 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. 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 at the customers' production processes.

Your company receives continuous feedback through close interaction with your Company's customers and independent laboratories, 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**

Shri Gaurav Goenka has been appointed as a director of the company and Shri M. Mahadevan has been appointed as an independent director of the company in the 25th AGM held on 09.08.2016.

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Gaurav Goenka retires by rotation at the ensuing Annual General and being eligible, has offered himself 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.

Disclosure relating to remuneration and other details 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.

#### **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 ARRANGEMENTS 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. 32 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. Gutgutia & Company, Chartered Accountants, were appointed Statutory Auditors of the Company at the 25th Annual General Meeting held on 9th August, 2016 till the conclusion of the 26th Annual General Meeting. M/s K.N. Gutgutia & Co. would vacate office as the Auditors of the Company at the conclusion of the ensuing Annual General Meeting pursuant to the provisions of Section 139(2) (b) of the Companies Act, 2013 dealing with the compulsory rotation of Auditors. The Audit Committee of the Board has recommended to appoint M/s M. L. Garg & Company, Chartered Accountants (Firm Registration Number 001604N) as the Statutory Auditors of the Company to hold the office from the conclusion of the 26th Annual General Meeting of the Company until the conclusion of the 31st Annual General Meeting, subject to ratification of appointment at every Annual General Meeting of the company. Necessary resolution for the appointment of M/s M. L. Garg & Company, Chartered Accountants as the Statutory Auditors is included in the notice of the 26th Annual General Meeting.

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 6th November, 2012) subject to the approval of the Central Government, the Audit Committee has recommended and the Board of Directors had appointed M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur being eligible and having sought appointment, as Cost Auditors of the Company to carry out the Cost Audit of all the products manufactured by the Company for the year ended March, 2017. 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. Patni, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial



Audit Report for the financial year ended March 31, 2017 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 programme, 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. 47.50 Lakhs, 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**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All the Directors and the designated employees have confirmed compliance with the Code.

#### **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. Required system, to carry out risk assessment for identifying the risks along with its possible magnitude that need to be mitigated to determine the risk in each process and then to develop and design internal control to mitigate each risk, is in existence.

Your company has a well tested ERP system with requisite internal control to ensure financial safety as well as 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 at 31st March, 2017 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

1. 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 (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 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. 9th August, 2016), on the website of the Company ([www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com)) and also on the website of the Ministry of Corporate Affairs.
2. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account after complying with the procedure laid down under the "Rules", as and when become due for such transfer.

## INDIAN ACCOUNTING STANDARDS (Ind AS)

The company will adopt Indian Accounting Standards (Ind AS) with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

## 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 case filed pursuant to the Sexual Harassment of Women at Workplace (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	R.K. Sureka	S. S. Poddar
DATE : 20 <sup>th</sup> JULY, 2017	DIRECTOR & CEO	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 31st March, 2017
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 FR masterbatches for Polycarbonate sheet, development of FR masterbatches for Nylon fiber/ mono filament, Nucleating agent masterbatch for PET films, soft feel masterbatches for LDPE films and UV masterbatch for PET fibers
  - iii Development of Masterbatches to improve performance, productivity and economics 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 & textiles.
3. Future plan of action
  - i To continue efforts towards the development of various colors and additive masterbatch and also new range of functional masterbatches, conforming to the customer requirements.  
Also, to develop a versatile product range of

- 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. 74.85 lakhs
(b) Recurring	Rs.492.97 lakhs
(c) Total	Rs.567.82 lakhs
(d) Total R&D expenditure as a percentage of revenue receipt	1.59%

### 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (Rs.)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Shri S.S.Poddar, Managing Director & CFO	1,21,71,756	16.68%	36.97
2.	Shri R.K.Sureka, Director & CEO	97,86,650	0.03%	29.73
3.	Shri Kishore Rungta- Non-Executive Independent Director	55,000	450%	0.17
4.	Smt. Mahima P. Agarwal Non-Executive Director	20,000	100%	0.06
5.	Shri M.K.Sonthalia Non-Executive Independent Director	30,000	200%	0.09
6.	Shri N.Gopaldaswamy Non-Executive independent Director	25,000	400%	0.07
7.	Sh. Gaurav Goenka Non-Executive Director	50,000	100%	0.15
8.	Sh. M. Mahadevan Non-Executive Independent Director	20,000	100%	0.06
9.	Shri Navin Jain Sr. GM (Legal) & Company Secretary	31,01,211	9.06%	Not Applicable





- (ii) The median remuneration of employees of the Company during the financial year was Rs. 3,29,220.
- (iii) In the financial year, there was an increase of 10.41% in the median remuneration of employees.
- (iv) There were 308 employees on the rolls of Company as on March 31, 2017.
- (v) 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, 2017 :**

Pursuant to provision of Section 136 (1) of the Companies Act, 2013 all reports and accounts are sent to all the shareholders of the Company, except the annexure in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the names of the top ten employees. Any shareholder, interested in inspecting this report, can visit our registered office or write to the Company Secretary for a copy of it.

**IV SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[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, 2017**

To,

The Members,

Poddar Pigments Limited

E-10-11, F-14-16, RIICO Industrial Area

Sitapura, 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). 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, 2017 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, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) 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;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) \* The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company during the period under review.
- \* No event took place under these regulations during the audit period.
- vi) I have been informed that no other sector/industry specific law is applicable to the Company.
- vii) I have examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India, with which the Company has complied with.
- viii) I have also examined compliance with the applicable clause of the Listing Agreement entered with BSE & NSE. The equity shares of the company have been listed with National Stock Exchange of India limited (NSE) with effect from 22nd November, 2016.
- I report that during the period, under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. to the extent applicable, as mentioned above.

**I further report that:**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to be express an opinion on these secretarial records based on our audit.
2. 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, I have followed , provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.

5. 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**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. During the year, Shri Gaurav Goenka and Shri M Mahadevan have been appointed as Non-executive Director and Independent Director respectively. The Changes in the composition of the Board of Directors that took place during the audit period 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.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**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 were 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  
Dated : 17<sup>th</sup> April, 2017**

**Signature:**

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



## V ENERGY CONSERVATION

### (i) The steps taken or impact on conservation of energy;

- Installation of energy efficient LED lights in place of old traditional lights in various areas of Plant.
- Installation of energy efficient Air Knives equipments in place of high energy consumption Air knives.
- Modifications in utility water distribution System.

### (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 was Rs. 17,14,377. 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.

- Technology imported during last five years. NIL
  - Technology Imported for manufacture N.A.
  - Year of Import N.A.
  - Has technology been fully absorbed. N.A.

## VII FOREIGN EXCHANGE EARNED AND OUTGO

	[Rs. In Lakhs]	
	2016-17	2015-16
1. Foreign Exchange Earned	9505.57	8723.75
2. Foreign Exchange Outgo	11766.85	11358.50

## 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.poddarpigmentsltd.com](http://www.poddarpigmentsltd.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 Lakhs)	PBT as per Section 198 of Companies Act, 2013 Amount (Rs. in Lakhs)
2013-14	1910	2138
2014-15	2193	2343
2015-16	2510	2636
Average net profit	2204	2372

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

2% of Rs. 2372 lakhs i.e. Rs. 47.45 lakhs

### 5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year 2016-17 i.e. Rs. 47.45 lakhs
- 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.	Education	Promoting education	(1) Others Area, (2) Chennai	1,00,000/-	1,00,000/-	1,00,000/-	CIOSA
2.	Children welfare	Promoting education including special education and employment enhancing vocation skills especially among children	(1) Local Area, (2) Jaipur, Rajasthan	2,00,000/-	2,00,000/-	3,00,000/-	TAABAR Society (Training, Awareness and Behaviour Change About Health & Rehabilitation Society)
3.	Spread of free Sanskrit education	Promoting education including special education	(1) Others Area (2) Pondicherry	2,00,000/-	2,00,000/-	5,00,000/-	Vraja Trust, work for the spread of free Sanskrit education and have five branches in Pondicherry, Nepal, Hathras and at Rahana and Nagla Oza villages in Hathras District of U.P.
4.	School Meals programme	Eradicating hunger, poverty and malnutrition	(1) Others Area, (2) Nathdwara, Rajasthan	10,00,000/-	10,00,000/-	15,00,000/-	The Akshaya Patra Foundation is working nationwide to end hunger of underserved children and facilitate their education
5.	Library and Gaushala	Promoting education and animal welfare	(1) Others Area (2) Gorakhpur, U.P.	6,00,000/-	6,00,000/-	21,00,000/-	H. P. Smarak Samiti
6.	Special Education for Differently	Promoting education including special education	(1) Local Area, (2) Jaipur, Rajasthan	1,50,000/-	1,50,000/-	22,50,000/-	Disha Foundation
7.	Benefit of the Animals	animal welfare- Gaushala	(1) Others Area (2) Jhunjhunu, Rajasthan	25,00,000/-	25,00,000/-	47,50,000/-	Shri Gauri Shankar Gaushala
	<b>TOTAL</b>					<b>47,50,000/-</b>	

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 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, 2017

[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
- vi) Whether listed company Yes / No Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any M/S Link Intime India Private Ltd.  
C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai - 400083  
Phone No. : 022- 49186000  
Fax No. : 022 - 49186060  
Email : rnt.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 (net of Excise duty)
1	Specialty Masterbatches	32061900	41.31% ( Rs. 13600.70/32922.69 lakhs)
		32049000	55.79% ( Rs. 18367.66/32922.69 lakhs)

#### 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:

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year-2016				Shareholding at the end of the year-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	2,118,468	-	2,118,468	19.9667	2,118,468	-	2,118,468	19.9667	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	Bodies Corporate	4,337,892	-	4,337,892	40.8849	4,337,892	-	4,337,892	40.8849	-
	<b>Sub Total (A)(1)</b>	<b>6,456,360</b>	<b>-</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>6,456,360</b>	<b>-</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>-</b>
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>6,456,360</b>	<b>-</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>6,456,360</b>	<b>-</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>-</b>
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	11,600	11,600	0.1093	9,732	11,600	21,332	0.2011	0.0918
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/Banks	-	25,100	25,100	0.2366	-	25,100	25,100	0.2366	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>-</b>	<b>36,700</b>	<b>36,700</b>	<b>0.3459</b>	<b>9,732</b>	<b>36,700</b>	<b>46,432</b>	<b>0.4376</b>	<b>0.0917</b>
[2]	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1,445,826	967,211	2,413,037	22.7430	1,337,394	933,611	2,271,005	21.4044	-1.3386



Sl. No.	Category of Shareholders	Shareholding at the beginning of the year-2016				Shareholding at the end of the year-2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	742,628	-	742,628	6.9993	804,046	-	804,046	7.5782	0.5789
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Hindu Undivided Family	164,651	-	164,651	1.5518	170,661	-	170,661	1.6085	0.0567
	Non Resident Indians (Non Repat)	32,879	-	32,879	0.3099	39,855	-	39,855	0.3756	0.0657
	Non Resident Indians (Repat)	18,161	200	18,361	0.1731	25,731	200	25,931	0.2444	0.0713
	Clearing Member	22,382	-	22,382	0.2110	31,380	-	31,380	0.2958	0.0848
	Bodies Corporate	682,302	40,700	723,002	6.8143	723,830	40,500	764,330	7.2039	0.3896
	<b>Sub Total (B)(3)</b>	<b>3,108,829</b>	<b>1,008,111</b>	<b>4,116,940</b>	<b>38.8025</b>	<b>3,132,897</b>	<b>9,74,311</b>	<b>4,107,208</b>	<b>38.7107</b>	<b>-0.0918</b>
	<b>Total Public Shareholding(B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>3,108,829</b>	<b>1,044,811</b>	<b>4,153,640</b>	<b>39.1484</b>	<b>3,142,629</b>	<b>1,011,011</b>	<b>4,153,640</b>	<b>39.1484</b>	<b>-</b>
	<b>Total (A)+(B)</b>	<b>9,565,189</b>	<b>1,044,811</b>	<b>10,610,000</b>	<b>100.0000</b>	<b>9,598,989</b>	<b>1,011,011</b>	<b>10,610,000</b>	<b>100.0000</b>	<b>-</b>
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	<b>9,565,189</b>	<b>1,044,811</b>	<b>10,610,000</b>	<b>100.0000</b>	<b>9,598,989</b>	<b>1,011,011</b>	<b>10,610,000</b>	<b>100.0000</b>	<b>-</b>

## (ii) 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	% of Shares Pledged/encumbered to total shares	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	5,90,000	5.5608	-	590,000	5.5608	-	-
3	Mahima Poddar Agarwal	6,05,000	5.7022	-	605,000	5.7022	-	-
4	Shiv Shankar Poddar	38,702	0.3648	-	38,702	0.3648	-	-
5	Pluto Tradelinks Ltd	2,054,300	19.3619	-	2,054,300	19.3619	-	-
6	G K S Holdings Ltd	1,088,820	10.2622	-	1,088,820	10.2622	-	-
7	GKS Logistics Private Limited	1,194,772	11.2608	-	1,194,772	11.2608	-	-
	<b>Total</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>-</b>	<b>6,456,360</b>	<b>60.8516</b>	<b>-</b>	<b>-</b>



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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year-2017	
		No. of shares Held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares Held	% of total shares of the company
1	PLUTO TRADE LINKS LTD	2,054,300	19.3619	-	-	2,054,300	19.3619
	AT THE END OF THE YEAR	-	-	-	-	2,054,300	19.3619
2	GKS LOGISTICS PRIVATE LTD	1,194,772	11.2608	-	-	1,194,772	11.2608
	AT THE END OF THE YEAR	-	-	-	-	1,194,772	11.2608
3	G K S HOLDINGS LTD	1,088,820	10.2622	-	-	1,088,820	10.2622
	AT THE END OF THE YEAR	-	-	-	-	1,088,820	10.2622
4	KUSUM PODDAR	884,766	8.339	-	-	884,766	8.3390
	AT THE END OF THE YEAR	-	-	-	-	884,766	8.3390
5	MAHIMA PODDAR AGARWAL	605,000	5.7022	-	-	605,000	5.7022
	AT THE END OF THE YEAR	-	-	-	-	605,000	5.7022
6	ROCHNA PODDAR	590,000	5.5608	-	-	590,000	5.5608
	AT THE END OF THE YEAR	-	-	-	-	590,000	5.5608
7	SHIV SHANKAR PODDAR	38,702	0.3648	-	-	38,702	0.3648
	AT THE END OF THE YEAR	-	-	-	-	38,702	0.3648

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year-2017	
		No. of shares Held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares Held	% of total shares of the company
1	MAYUKA INVESTMENT LTD	230,292	2.1705	-	-	230,292	2.1705
	AT THE END OF THE YEAR	-	-	-	-	230,292	2.1705
2	PRAMILA MAHESHKUMAR BANG	228,961	2.1580	-	-	228,961	2.1580
	Purchase	-	-	11 <sup>th</sup> Nov 2016 to 10 <sup>th</sup> Mar 2017	7,260	236,221	2.2264
	Sale	-	-	04 <sup>th</sup> Nov 2016 to 10 <sup>th</sup> Feb 2017	(7,271)	228,950	2.1579
	AT THE END OF THE YEAR	-	-	-	-	228,950	2.1579
3	MANAN MAHESH BANG	19,563	0.1844	-	-	19,563	0.1844
	Purchase	-	-	08 <sup>th</sup> Apr 2016 to 10 <sup>th</sup> Mar 2017	191,247	210,810	1.9869
	Sale	-	-	30 <sup>th</sup> Sep 2016 to 31 <sup>st</sup> Mar 2017	(1,717)	209,093	1.9707
	AT THE END OF THE YEAR	-	-	-	-	209,093	1.9707
4	HIMSHIKHAR INVESTMENT LTD.	203,655	1.9195	-	-	203,655	1.9195
	AT THE END OF THE YEAR	-	-	-	-	203,655	1.9195
5	SUBRAMANIAN P	45,250	0.4265	-	-	45,250	0.4265
	Purchase	-	-	26 <sup>th</sup> Aug 2016 to 30 <sup>th</sup> Dec 2016	93,250	138,500	1.3054
	AT THE END OF THE YEAR	-	-	-	-	138,500	1.3054
6	MAHESH G BANG HUF .	69732	0.6572	-	-	69,732	0.6572
	Purchase	-	-	12 <sup>th</sup> Aug 2016	2,510	72,242	0.6809
	AT THE END OF THE YEAR	-	-	-	-	72,242	0.6809
7	JAI MAA VINIMAY PVT. LTD.	21,443	0.2021	-	-	21,443	0.2021
	Purchase	-	-	13 <sup>th</sup> May 2016 to 25 <sup>th</sup> Nov 2016	47,721	69,164	0.6519
	Sale	-	-	02 <sup>nd</sup> Sep 2016	(6,988)	62,176	0.5860





Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year-2017	
		No. of shares Held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares Held	% of total shares of the company
	AT THE END OF THE YEAR	-	-	-	-	62,176	0.5860
8	DALMIA BHARAT LIMITED	50,000	0.4713	-	-	50,000	0.4713
	AT THE END OF THE YEAR	-	-	-	-	50,000	0.4713
9	MAHESHKUMAR GHANSYAM BANG	50,173	0.4729	-	-	50,173	0.4729
	Purchase	-	-	10 <sup>th</sup> Mar 2017	1,288	51,461	0.4850
	Sale	-	-	25 <sup>th</sup> Nov 2016 to 24 <sup>th</sup> Mar 2017	(2,775)	48,686	0.4589
	AT THE END OF THE YEAR	-	-	-	-	48,686	0.4589
10	VC CORPORATE ADVISORS PVT. LTD.	42,771	0.4031	-	-	42,771	0.4031
	Sale	-	-	24 <sup>th</sup> Jun 2016 to 12 <sup>th</sup> Aug 2016	(3,462)	39,309	0.3705
	AT THE END OF THE YEAR	-	-	-	-	39,309	0.3705
11	BANG PURNIMA MAHESH	173,893	1.6390	-	-	173,893	1.6390
	Purchase	-	-	20 <sup>th</sup> May 2016 to 17 <sup>th</sup> Jun 2016	9,110	183,003	1.7248
	Sale	-	-	27 <sup>th</sup> Jan 2017	(183,003)	-	-
	AT THE END OF THE YEAR	-	-	-	-	-	-
12	SANGEETHA S	61,800	0.5825	-	-	61,800	0.5825
	Purchase	-	-	17 <sup>th</sup> Jun 2016 to 09 <sup>th</sup> Sep 2016	3,790	65,590	0.6182
	Sale	-	-	14 <sup>th</sup> Oct 2016	(65,590)	-	-
	AT THE END OF THE YEAR	-	-	-	-	-	-

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year-2017	
		No. of shares Held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares Held	% of total shares of the company
1	MAHIMA PODDAR AGARWAL	6,05,000	5.7022	-	-	6,05,000	5.7022
	AT THE END OF THE YEAR	-	-	-	-	6,05,000	5.7022
2	SHIV SHANKAR PODDAR	38,702	0.3648	-	-	38,702	0.3648
	AT THE END OF THE YEAR	-	-	-	-	38,702	0.3648
3	*RAMESH KUMAR SUREKA	8,600	0.0811	-	-	8,600	0.0811
	Sale	-	-	30 <sup>th</sup> Jun 2016 to 31 <sup>st</sup> Mar 2017	(3,737)	4,863	0.0458
	AT THE END OF THE YEAR	-	-	-	-	4,863	0.0458

\*No transactions during window closing period.

**V. INDEBTEDNESS**

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

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	301.59	-	-	301.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>301.59</b>	<b>-</b>	<b>-</b>	<b>301.59</b>



(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	187.40	-	-	187.40
<b>Net Change</b>	<b>(187.40)</b>	-	-	<b>(187.40)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	114.19	-	-	114.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>114.19</b>	-	-	<b>114.19</b>

## 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	Director & 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	60,00,000	1,39,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,38,650	25,39,549	37,78,199
	(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	-	29,12,207	29,12,207
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	91,38,650	1,14,51,756	2,05,90,406
	Ceiling as per the Act			2,91,22,072

### B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	1. Independent Directors	Sh. N. Gopaldaswamy	Sh. M. K. Sonthalia	Sh. Kishore Rungta	Sh. M. Mahadevan			
2.	• Fee for attending board and committee meetings	25,000	30,000	55,000	20,000			1,30,000
	• Commission	-	-	-	-			-
	• Others, please specify	-	-	-	-			-
3.	Total (1)	25,000	30,000	55,000	20,000			1,30,000
4.	2. Other Non-Executive Directors					Smt. Mahima P. Agarwal	Sh. Gaurav Goenka	



(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
5.	<ul style="list-style-type: none"> <li>Fee for attending board committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>					20,000	50,000	70,000
						-	-	-
6.	Total (2)					20,000	50,000	70,000
7.	Total (B) = (1 + 2)	25,000	30,000	55,000	20,000	20,000	50,000	2,00,000
8.	Total Managerial Remuneration (A+B)							2,07,90,406
9.	overall Ceiling as per the Act							2,91,22,072

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

(Amount in Rs.)

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	26,88,411 2,51,520 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	- -
5.	Others, please specify	-
	Total	29,39,931

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment				NIL	
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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.

**FOR PODDAR PIGMENTS LIMITED**

**DATE : 20<sup>th</sup> JULY, 2017**

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial and Operational Performance

Your Company registered a sale of Rs. 35762.47 Lakhs for the year ended 31.03.17 against Rs. 35527.83 Lakhs 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.

### Segment-wise/ Product-wise Performance

For the year ended 31.03.17, export sales (excluding export benefits) contributed Rs. 9837.30 Lakhs, as against Rs. 9114.61 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.

The average per capita consumption of polymers in India is 10 kg. compared to world average of 32 kg. There is tremendous potential for growth of the sector catalyzed by growth drivers such as increasing middle-class, higher disposable income and urbanization.

The petrochemical sector in the country has witnessed a robust growth of 10-12% per annum in the last decade, and is expected to grow at a rate of 12-15% in the next decade.

The plastics consumption is definitely 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.

As the Indian plastics industry grows, the consumption of masterbatches which is linked to the consumption of polymers and synthetic dope dyed fibers, 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 volume. 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\$ 185 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 (36.7Kg) and Brazil (24.6Kg). However, the polymer industry is growing at 2.5 times India's GDP growth. Besides, the subcontinent's surging industrialization and increasingly powerful economy holds immense untapped growth potential.

Your company has made in-roads into some of the world's largest masterbatch markets. The growth from export sales is expected to be around 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 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 in future.**

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

### Opportunities and Threats

#### Key Opportunity:

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



### Key Threats & 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 2016-17 was 308 (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 downtrodden 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 : 20<sup>th</sup> JULY, 2017

R. K. Sureka  
DIRECTOR & CEO

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 intent to deliver fair and transparent governance. 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 various 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 (LODR).

### 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 Eight (8) Directors. The Board comprises of two (2) executive and Six (6) non-executive Directors representing the optimum combination of professionalism, knowledge and business experience.

#### 2.1 Composition of the Board:

In the Year 2016-17, Five Board meetings were held on 28.05.2016, 17.06.2016, 09.08.2016, 08.11.2016 and 12.02.2017.

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 09.08.2016	No. of other Directorship as on 31.03.2017	No. of committees in which Chairman/Member of other companies as on 31.03.2017	
						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	&	2	NO	8	12	6
(iv)	SH. M. K. SONTHALIA	&	2	NO	11	2	-
(v)	SMT. MAHIMA P. AGARWAL	*	2	NO	-	-	-
(vi)	SH. KISHORE RUNGTA	&	4	YES	5	-	-
(vii)	SH. GAURAV GOENKA (w.e.f. 28.05.16)	**	5	YES	7	-	-
(viii)	SH. M. MAHADEVAN (w.e.f. 17.06.2016)	&	2	NO	8	-	-

@ Category of Directors:

\$ Executive Promoter Director

# Executive Director

\* Non-Executive Director and daughter of Shri S. S. Poddar, Managing Director & CFO

& Non-Executive Independent Director

\*\* Non-Executive Director and Son-in-law of Shri S. S. Poddar, Managing Director & CFO

#### 2.2 Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of Shri Kishore Rungta, Shri N. Gopaldaswamy and Shri M. K. Sonthalia. Shri M.K. Sonthalia is the Chairman. The Committee met two times during the Financial Year ended March 31, 2017.

During the year ended 31.03.17, two meeting of the Nomination and Remuneration Committee was held on 21.05.16 and 17.06.16. 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	2
Shri N. Gopaldaswamy	Member - Non-Executive & Independent Director	2
Shri Kishore Rungta	Member - Non-Executive & Independent Director	1

### 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 31.03.17 are as follows:

Particulars	S.S. Poddar, Managing Director & CFO	R. K. Sureka, Director & CEO
Salary and Allowances	60,00,000	79,00,000
Contribution to Provident Fund	7,20,000	6,48,000
Value of other perquisites as per Income Tax Rules	25,39,549	12,38,650
Commission on Profit	29,12,207	-
<b>Total (Rs.)</b>	<b>1,21,71,756</b>	<b>97,86,650</b>

### 2.4 Terms of Contract:

Name of Director	Date of appointment	Expiry of contract	Severance fees	Notice Period
Shri S. S. Poddar	01.10.2016	30.09.2019	-	-
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. 170000/- was paid to the Non-Executive Directors for Board meetings attended by them, Rs. 20000/- was paid to the Non-Executive Directors for Audit Committee meetings attended by them and Rs. 10000/- was paid to the Non-Executive Directors for Performance Evaluation Committee meetings attended by them.

### 2.6 Shareholding of the Non-Executive Directors in the Company as on 31.03.17:

None of the Non-Executive Directors, other than Smt. Mahima P. Agarwal who holds 605000 Equity Shares of the Company, hold any shares in the Company's Capital.

### 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 as per Regulation 25(7) of the SEBI (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, 2013 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 31.03.17, four meetings of the Audit Committee were held on 28.05.16, 09.08.16, 07.11.16 and 05.02.17. 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	3
Shri M. K. Sonthalia	Member - Non-Executive & Independent Director	1
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 and its adequacy & stiff arrangement.
- Discussion with Internal Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies and mitigation.
- 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 and to review 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. Gopaldaswamy and Smt. Mahima P. Agarwal. Shri Kishore Rungta is the Chairman of the committee. The Committee met 28 times during the financial year ended March 31, 2017.

During the year ended 31.03.17, meetings of the Stakeholders Relationship Committee were held on 29.04.16, 10.05.16, 14.05.16, 23.05.16, 31.05.16, 17.06.16, 01.07.16, 30.07.16, 11.08.16, 20.08.16, 30.08.16, 06.09.16, 21.09.16, 30.09.16, 06.10.16, 14.10.16, 25.10.16, 02.11.16, 21.11.16, 28.12.16, 04.01.17, 17.01.17, 20.01.17, 31.01.17, 23.02.17 02.03.17, 08.03.17 and 20.03.17. 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	1
Shri S. S. Poddar	Member - Managing Director & CFO	28
Smt. Mahima P. Agarwal	Member - Non-Executive Director	27
Shri N. Gopaldaswamy	Member - Non-Executive & Independent Director	1
Shri R. K. Sureka	Member - Director & CEO	1





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 Exchanges	NIL	NIL
Investors	4	NIL
Govt. Authorities	NIL	NIL

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

**Compliance Officer:**

Shri Navin Jain, Sr. GM (Legal) & Company Secretary and Shri 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 Shri Kishore Rungta who is the Chairman of the committee.

During the year ended 31.03.17, five meetings of the Corporate Social Responsibility Committee were held on 27.05.16, 09.08.16, 07.11.16, 10.01.17 and 24.03.17. 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	4
Shri S. S. Poddar	Member - Managing Director & CFO	5
Shri R. K. Sureka	Member - Director & CEO	5

**6. Performance Evaluation Committee:-**

The Performance Evaluation committee consists of Shri Kishore Rungta, Shri N. Gopaldaswamy and Shri M. K. Sonthalia. The Committee met once during the Financial Year ended March 31, 2017.

During the year ended 31.03.17, meetings of the Performance Evaluation Committee was held on 21.05.16. 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. Gopaldaswamy	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
2013-2014	Regd. Office at RIICO Industrial Area, Sitapura, JAIPUR	23.08.2014	11.00 A.M.	-
2014-2015	Do	11.09.2015	12.30 P.M.	For Revision of remuneration and Re-appointment of Director & CEO
2015-2016	Do	09.08.2016	11.00 A.M.	For Revision of remuneration and Re-appointment of Managing Director & CFO

No Special Resolution was passed through Postal Ballot during the FY 2016-17. 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. 32 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.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com). The Quarterly Financial Results of the Company are available on the Website of The Stock Exchanges, Mumbai [www.bseindia.com](http://www.bseindia.com), and National Stock Exchange of India Ltd., [www.nseindia.com](http://www.nseindia.com) and also on the website of SEBI [www.sebi.gov.in](http://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> and <https://www.connect2nse.com>

No presentation was made to the Institutional Investors or to the analysts during the year ended 31.03.17.

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

#### 11. General Shareholders Information:

##### 11.1 AGM : Date, Time and Venue

28<sup>th</sup> September, 2017 at 11.30 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: 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

Results for the quarter ending:

June 30<sup>th</sup>, 2017 - Second week of August, 2017

September 30<sup>th</sup>, 2017 - Second week of November, 2017

December 31<sup>st</sup>, 2017 - Second week of February, 2018

March 31<sup>st</sup>, 2018 - Fourth week of May, 2018

##### 11.3 Date of Book Closure

22.09.2017 to 28.09.2017

##### 11.4 Interim & Final Dividend Payment Date

04.03.2017 & 13.10.2017 respectively

##### 11.5 Listing on Stock Exchanges and their Code

Name of Stock Exchanges	Code
-The Bombay Stock Exchange	524570
-The National Stock Exchange	PODDARMENT

The listing fee for the F.Y. 2017-18 has already been paid to The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd, Mumbai. The ISIN number INE371C01013 are allotted under NSDL and CDSL for demat of shares of the company.



**11.6 Market Price Data : High, Low during each month in Financial Year 2016-2017**

Period	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2016	188.00	145.30	-	-
May, 2016	181.90	136.00	-	-
June, 2016	230.00	167.00	-	-
July, 2016	215.70	192.30	-	-
August, 2016	210.00	180.00	-	-
September, 2016	243.00	190.40	-	-
October, 2016	258.00	225.55	-	-
November, 2016	264.85	196.50	236.30	196.90
December, 2016	229.00	191.00	229.95	180.00
January, 2017	274.70	201.00	289.40	170.50
February, 2017	276.65	246.30	275.05	246.00
March, 2017	268.30	245.00	267.95	242.00

**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 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai- 400083  
Tel No. : 022 49186000  
Fax : 022 49186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.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 de-materialization 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 31.03.17:**

No. of equity shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	9749	92.56	1432267	13.50
501-1000	471	4.47	389950	3.68
1001-2000	142	1.35	210682	1.99
2001-3000	61	0.58	151194	1.43
3001-4000	28	0.27	99833	0.94
4001-5000	22	0.21	103209	0.97
5001-10000	24	0.23	177119	1.67
10001 & above	36	0.33	8045746	75.82
<b>Grand Total</b>	<b>10533</b>	<b>100.00</b>	<b>10610000</b>	<b>100.00</b>



Shareholding Pattern:

Particulars	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Domestic Companies (Promoters)	3	0.03	4337892	40.88
Resident Individuals (Promoters)	4	0.04	2118468	19.97
Resident Individuals (other than Promoters)	10056	95.47	3075051	28.98
Domestic Companies (other than Promoters)	139	1.32	764330	7.20
Non Resident Indians	110	1.04	65786	0.62
Mutual Funds/ FIs	5	0.05	46432	0.44
Others	216	2.05	202041	1.91
<b>Total</b>	<b>10533</b>	<b>100.00</b>	<b>10610000</b>	<b>100.00</b>

**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 <sup>st</sup> March, 2017	Due for transfer on
2010-11	Interim	10.11.2010	1,119,447	16.12.2017
2010-11	Final	27.08.2011	591,905	03.10.2018
2011-12	Final	25.09.2012	1,522,092	02.11.2019
2012-13	Final	17.09.2013	1,260,398	24.10.2020
2013-14	Final	23.08.2014	1,487,354	30.09.2021
2014-15	Final	11.09.2015	1,607,193	18.10.2022
2015-16	Interim	15.03.2016	1,551,224	22.04.2023
2016-17	Interim	12.02.2017	2,484,034	19.03.2024

**11.14 Dematerialisation of Shares & liquidity** As on 31st March, 2017, 90.47% 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 re-appointed**

Particulars	Shri Gaurav Goenka
Date of Birth	01.06.1975
Date of Appointment	28.05.2016
Qualifications	B. Sc.- Boston University
Expertise in specific functional area	Garments Manufacturing, Real Estate Development and SAP implementation

**11.17 Plant Location and Address for Correspondence** E-10,11, F-14 to 16, RIICO Industrial Area, Sitapura, Jaipur – 302 022  
 Telephone : (0141) 2770202, 2770203  
 Fax No. : (0141) 2771922  
 Email : jaipur@poddarpigmentsltd.com  
 njain@poddarpigmentsltd.com

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

PLACE : JAIPUR  
 DATED : 20<sup>th</sup> JULY, 2017

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

**S.S. Poddar**  
 MANAGING DIRECTOR & CFO



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

### **The Members of Poddar Pigments Limited**

1. We, **K.N. GUTGUTIA & COMPANY, CHARTERED ACCOUNTANTS**, the Statutory Auditors of **PODDAR PIGMENTS LIMITED** (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Management's Responsibility**

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

### **Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

4. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this Certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control of Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### **Opinion**

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

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

**PLACE : NEW DELHI  
DATED : 20<sup>th</sup> July, 2017**

## 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, 2017, 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 judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### 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 thereunder. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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, 2017;
  - (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, 2017, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2017 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 no. 28 of 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, 2017;
    - iii) The Company did not have any dues on account of Investor Education and Protection Fund; and
    - iv) Accordingly to the information and records of the company, the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note no. 34 to the financial statements.

PLACE OF SIGNATURE : JAIPUR (CAMP)  
DATED : 27<sup>th</sup> May, 2017

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, 2017)**

- 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(iii) of the Order is not applicable to the Company.
- iv) According to the information and explanation given to us, the company has complied with the requirements of Section 185 and 186 of the Companies Act, 2013 with respect to investment and loans. There was no guarantee given during the year.
- 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, service tax and duty of excise 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 (Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act	Disallowance of Expenses	28.40	AY 2007-08, 2012-13 & 2014-15	Commissioner of Income tax (Appeals)
2.	Service Tax Act	Disallowance of Cenvat credit on services in connection with transport/ insurance/ sales commission	46.26	Various Years	Asstt. Commissioner/ Commissioner (Appeal)/ Addl. Commissioner/ CESTAT
3.	Central Excise Act	Mismatch of Tariff Head, Late filling of Return	23.33	FY 2010-11, 2012-13 & 2013-14	Commissioner/ Commissioner (Appeal)



- viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted for 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 : 27<sup>th</sup> MAY, 2017**

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

**(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 (i) 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 31, 2017 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 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, 2017, 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 : 27<sup>th</sup> MAY, 2017**

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

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



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

(Rs. in lakhs)

	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>EQUITY AND LIABILITIES</b>			
1	<b>SHAREHOLDER'S FUND</b>		
	(a) Share Capital	1,061.00	1,061.00
	(b) Reserves & Surplus	11,637.90	9,917.70
		<u>12,698.90</u>	<u>10,978.70</u>
2	<b>NON - CURRENT LIABILITIES</b>		
	(a) Deferred tax liabilities (Net)	423.29	426.59
	(b) Other Long-Term liabilities	68.90	68.95
3	<b>CURRENT LIABILITIES</b>		
	(a) Short-Term borrowings	114.19	301.59
	(b) Trade payables	1,536.17	1,212.97
	(c) Other Current liabilities	669.31	639.91
	(d) Short-Term Provisions	30.77	31.83
	<b>TOTAL</b>	<u>15,541.53</u>	<u>13,660.54</u>
<b>ASSETS</b>			
1	<b>NON - CURRENT ASSETS</b>		
	(a) Fixed Assets - Tangible assets	2,741.41	2,526.67
	(b) Non-current Investments	1,017.50	276.10
	(c) Long-Term loans & advances	90.04	156.69
	(d) Other non-current assets	19.16	21.44
2	<b>CURRENT ASSETS</b>		
	(a) Current Investments	1,225.00	900.00
	(b) Inventories	3,224.20	3,715.34
	(c) Trade Receivables	5,175.04	5,114.67
	(d) Cash & Bank Balances	1,153.95	322.59
	(e) Short-Term loans & advances	895.23	627.04
	<b>TOTAL</b>	<u>15,541.53</u>	<u>13,660.54</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.N. GUTGUTIA & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 304153E

B.R. GOYAL  
PARTNER  
Membership No. 12172

PLACE : JAIPUR (CAMP)  
DATED : 27<sup>th</sup> MAY, 2017

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 31<sup>st</sup> MARCH, 2017

(Rs. in lakhs)

	Note No.	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>INCOME</b>			
Revenue from operations ( Sales- gross )	19	35,762.47	35,527.83
Other Income	20	484.17	452.75
<b>Total Revenue</b>		<b>36,246.64</b>	<b>35,980.58</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	25,311.07	25,081.67
Other Manufacturing Expenses	22	891.71	866.42
Change in inventories of finished goods & work-in-process	23	(36.69)	337.44
Excise Duty		2,839.78	2,928.93
Employee Benefits Expenses	24	1,942.82	1,750.23
Finance Cost	25	29.98	43.11
Depreciation	10	293.40	261.94
Other Expenses	26	2,164.41	2,200.86
<b>Total</b>		<b>33,436.48</b>	<b>33,470.60</b>
<b>Profit before Tax</b>		<b>2,810.16</b>	<b>2,509.98</b>
<b>Tax Expenses</b>			
Current Tax		774.00	656.00
Deferred Tax (Credit)		(3.30)	19.83
<b>Profit for the year</b>		<b>2,039.46</b>	<b>1,834.15</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	30	<b>19.22</b>	17.29
<b>Statement of significant accounting policies</b>	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.R. GOYAL  
PARTNER  
Membership No. 12172

PLACE : JAIPUR (CAMP)  
DATED : 27<sup>th</sup> MAY, 2017

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 31<sup>st</sup> MARCH, 2017

DESCRIPTION	2016-17	2015-16
<b>(Rs. in lakhs)</b>		
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit Before Tax	2,810.16	2,509.98
Adjustments for :		
- Depreciation	293.40	261.94
- Finance cost	29.98	43.11
- Excess Provision written back	(74.41)	(40.68)
- Loss/(Profit) on Sale of Fixed Assets - Net	3.99	14.14
- Unrealized (Gain) / Loss on Exchange - Net	5.23	28.35
- Interest Income (on loans)	(45.39)	(31.13)
- Income from current investments (non trade) Dividend	-	(11.78)
<b>Operating Profit Before Working Capital Changes</b>	<b>212.80</b>	<b>263.95</b>
Adjustments for-		
- (Increase) / Decrease in Trade and other Receivables	(241.70)	(1,491.40)
- (Increase) / Decrease in Inventories	491.14	232.93
- Increase / (Decrease) in Trade and other Payables	378.65	(398.33)
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>3651.05</b>	<b>1,117.13</b>
Less : Direct tax paid	801.95	677.09
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>2,849.10</b>	<b>440.04</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchases / Additions in Fixed Assets (including CWIP)	(468.88)	(249.10)
- Sale of Fixed Assets	8.19	13.68
- Purchase of non-current Investments	(741.40)	(175.50)
- Purchase of current Investments	(325.00)	(400.00)
- Interest Received (on Loans)	45.99	32.93
- Dividend Received	-	11.78
- Movement in other cash balance	(11.48)	(43.84)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(1,492.58)</b>	<b>(810.05)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Proceeds from / (Repayment of) Short Term Borrowings	(187.40)	226.17
- Dividend & Dividend tax	(319.26)	(319.26)
- Interest Paid	(29.98)	(43.11)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(536.64)</b>	<b>(136.20)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>819.88</b>	<b>(506.21)</b>
<b>CASH AND CASH EQUIVALENTS :</b>		
- At the Beginning of the Year	217.85	724.06
- At the End of the Year	1,037.73	217.85
	<b>819.88</b>	<b>(506.21)</b>
<b>NOTES :</b>		
<b>BALANCE WITH SCHEDULED BANKS :</b>		
- On Current Accounts	103.05	40.17
- On EEFC Accounts	934.68	177.68
<b>Total</b>	<b>1,037.73</b>	<b>217.85</b>

- (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 those of the current year.

In terms of our report of even date attached.

**For K.N. GUTGUTIA & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**ICAI'S FRN 304153E**

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

**PLACE : JAIPUR (CAMP)**  
**DATED : 27<sup>th</sup> MAY, 2017**

**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**



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2017

### 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 and National stock Exchange. The Company is a manufacturer of Color & Additive Master batches for dope dyeing of man-made fibers, various plastic applications.

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

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

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.

With effect from the current year, pursuant to the amendment in AS-10, Property, Plants & Equipment, spare parts having life more than 12 months are

capitalised at their respective carrying amount with the main assets and are being depreciated over remaining useful life of the main assets prospectively.

#### 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.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Deferred Tax

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

### H. Foreign Currency Conversions/Transactions

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

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

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

### J. Employee Benefits

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

### K. Revenue Recognition

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

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

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

### L. Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expenses in the year in which they are incurred. 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 segments on the basis of their relationship to operating activities of the segments and internal management information systems and the same is reviewed from time to time to realign the same to conform to the Business Units of the Company. The Revenues & results, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Results", as the case may be.

### N. Earning Per Share

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

### O. Impairment of Assets

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

### P. Research and Development

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

### Q. Leases

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



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

(Rs. in lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Note No. 2 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,25,00,000 (Previous year 1,25,00,000) Equity Shares of Rs.10/- each	1,250.00	1,250.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,06,10,000 (Previous year 1,06,10,000) Equity Shares of Rs.10/- each fully paid up	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 par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholding.
- 2.3. **The details of shareholders holding more than 5% as at 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016 is set out below:**

Names of the shareholders	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No. of shares held	% holding	No. of shares held	% holding
Pluto Trade Links Ltd.	2,054,300	19.36	2,054,300	19.36
GKS Logistics Private Limited	1,194,772	11.26	1,194,772	11.26
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
Mahima Poddar	605,000	5.70	605,000	5.70
Rochna Poddar	590,000	5.56	590,000	5.56



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 3 : RESERVES AND SURPLUS

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Capital Reserve</b>		
Opening balance	15.00	15.00
Add : Addition during the year	-	-
Closing Balance	<u>15.00</u>	<u>15.00</u>
<b>Capital Redemption Reserve</b>		
Opening balance	159.00	159.00
Add : Addition during the year	-	-
Closing Balance	<u>159.00</u>	<u>159.00</u>
<b>General Reserve</b>		
Opening balance	9,230.70	7,851.40
Add : Amount transferred from surplus	<u>2,015.90</u>	<u>1,379.30</u>
Closing Balance	<u>11,246.60</u>	<u>9,230.70</u>
<b>Surplus</b>		
Opening balance	513.00	377.41
Add : Profit for the year	<u>2,039.46</u>	<u>1,834.15</u>
Amount available for appropriations	<u>2,552.46</u>	<u>2,211.56</u>
Less : Appropriations		
- Interim Dividend (Refer foot note no 3.1)	265.26	265.26
- Tax on Dividend	54.00	54.00
- Transferred to General Reserve	<u>2,015.90</u>	<u>1,379.30</u>
<b>Net surplus</b>	<u>217.30</u>	<u>513.00</u>
<b>Total Reserve &amp; Surplus</b>	<u>11,637.90</u>	<u>9,917.70</u>

#### Foot Note :

- 3.1 During the year ended March 31<sup>st</sup> 2017, the company has declared and paid interim dividend @ Rs. 2.50 per equity share (Previous year @ Rs. 2.50), totalling to Rs. 319.26 lakhs (Previous year Rs. 319.26 Lakhs) including dividend distribution tax.
- 3.2 The Board has recommended final dividend of Re. 1/- per share which is subject to approval of the member of the company at the ensuing AGM and the same has not been recorded as a liability as at 31.03.2017 in accordance with Accounting Standard (AS)-4 "Contingencies and Events Occurring after Balance Sheet date" issued by the Ministry of Corporate Affairs dated 30th March, 2016.





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Deferred Tax Liabilities on account of Accelerated Depreciation on		
- Fixed Assets including Research & Development Equipments	435.34	438.17
Deferred tax assets on account of		
- Amount disallowed u/s 43B	(12.05)	(11.58)
Closing Balance	<u>423.29</u>	<u>426.59</u>

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Security deposits	61.12	61.17
Others	7.78	7.78
	<u>68.90</u>	<u>68.95</u>

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Loans repayable on demand from Bank:</b>		
Working Capital Borrowings (Secured)	<u>114.19</u>	<u>301.59</u>
	<u>114.19</u>	<u>301.59</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 31<sup>st</sup> March, 2017 (contd.)

### Note No. 7 : TRADE PAYABLES

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	1,536.17	1,212.97
	<u>1,536.17</u>	<u>1,212.97</u>

#### Note :

Based on the information of status of suppliers to the extent received by the Company, there are no micro and small enterprises included in trade payables to whom the payments are outstanding for a period of more than 45 days. Further, the Company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status. Consequently, the amount payable to these during the year is Rs. Nil; (Previous year Rs. Nil)

### Note No. 8 : OTHER CURRENT LIABILITIES

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Unpaid Dividends (Refer foot note no. 8.1)	116.22	104.74
Trade Advances	118.98	108.84
Accrued salaries & benefits payable	51.99	47.20
Statutory dues	57.98	57.43
Other payables	324.14	321.70
	<u>669.31</u>	<u>639.91</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 lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Excise Duty on Stocks	30.77	31.83
	<u>30.77</u>	<u>31.83</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 10 : FIXED ASSETS

(Rs. in lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 1st April, 2016	Additions	Disposals/ Deletions	Balance as at 31 <sup>st</sup> March, 2017	For the year	Deductions	Balance as at 31 <sup>st</sup> March, 2017	Balance as at 31 <sup>st</sup> March, 2016
<b>Tangible Assets</b>								
Land (Leasehold)	44.24	-	-	44.24	-	-	44.24	44.24
Buildings	1,245.27	-	4.81	1,240.46	26.37	2.16	913.38	942.40
Plant & Machineries	5,346.61	386.42	-	5,733.03	234.82	-	1,549.13	1,397.53
Furniture & Fixtures	134.18	48.78	17.47	165.49	12.47	16.39	80.10	44.87
Vehicles	96.54	77.27	13.79	160.02	14.47	6.11	131.07	75.95
Office Equipments	120.04	7.85	11.72	116.17	5.27	10.95	23.49	21.68
<b>TOTAL</b>	<b>6,986.88</b>	<b>520.32</b>	<b>47.79</b>	<b>7,459.41</b>	<b>293.40</b>	<b>35.61</b>	<b>2,741.41</b>	<b>2,526.67</b>
<b>Previous year total</b>	6,888.82	197.26	99.20	6,986.88	261.94	71.38	2,526.67	

**Note 10.1.** Plant & Machinery and Office Equipment includes Rs. 1,385.83 lakhs being R & D Equipments out of which Rs. 74.85 lakhs were purchased during the year.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

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

(Rs. in lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Non-Trade Investment ( at cost )</b>		
<b>Investment in equity instruments (Quoted)</b>		
Equity Shares of Rs. 10/- each of HOEC Limited 5500000 Nos. (P.Y. NIL Nos.)	1,017.50	-
Equity Shares of Rs. 10/- each of Karnataka Bank Ltd. Nil Nos. (P.Y. 100000 Nos.)	-	97.98
Equity Shares of Rs. 10/- each of Power Finance Corporation Ltd. Nil Nos. (P.Y. 50000 Nos.)	-	88.54
Equity Shares of Rs. 10/- each of REC Ltd. Nil Nos. (P.Y. 52742 Nos.)	-	89.58
	<u>1,017.50</u>	<u>276.10</u>
Aggregate market value of Quoted investment	4,347.75	275.98
Aggregate amount of Quoted investment ( at cost )	1,017.50	276.10

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

(Rs. in lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Unsecured Considered good</b>		
Capital advances	2.83	54.27
Security deposits	74.74	89.90
Advances to suppliers	0.21	0.71
Advances to employees	5.00	4.91
Others	7.26	6.90
	<u>90.04</u>	<u>156.69</u>

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

(Rs. in lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Unsecured considered good</b>		
Insurance claims receivables	19.16	21.44
	<u>19.16</u>	<u>21.44</u>

### Note No. 14 : CURRENT INVESTMENTS

(Rs. in lakhs)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Non Trade Investment (Value at cost or NAV whichever is lower)</b>		
<b>Investment in Mutual Fund (Unquoted)</b>		
13414.753 Units (P.Y. Nil Units) Mutual Funds of UTI Treasury Advantage Fund - Institutional Plan - Growth	300.00	-
8840.905 Units (P.Y. 16866.792 Units) Mutual Funds of SBI Premier Liquid Fund - Regular Plan - Growth	225.00	400.00
39310.033 Units (P.Y. 30171.362 Units) Mutual Funds of SBI Treasury Advantage Fund - Regular Plan - Growth	700.00	500.00
	<u>1,225.00</u>	<u>900.00</u>
Aggregate NAV of Unquoted investment	1,236.34	907.01
Aggregate amount of Unquoted investment ( at cost )	1,225.00	900.00



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 15 : INVENTORIES

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Raw Materials	2,389.81	2,879.59
Stock-in-Process	235.41	204.17
Finished Goods	291.95	286.50
Consumable Stores	307.03	345.08
	<u>3,224.20</u>	<u>3,715.34</u>
<b>For mode of valuation refer note no 1 (E) of significant accounting policies</b>		

	(Rs. in lakhs)	
Additional disclosures regarding inventories	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Note No. 15.1. Details of Raw Materials</b>		
- Polymer resins	471.09	399.32
- Pigments	1,599.42	2,194.25
- Waxes	110.50	118.89
- Others	208.80	167.13
	<u>2,389.81</u>	<u>2,879.59</u>
<b>Note No. 15.2. Details of Stock-in-Process</b>		
- Semi Finished Masterbatches	231.02	201.81
- Others	4.39	2.36
	<u>235.41</u>	<u>204.17</u>
<b>Note No. 15.3. Details of Finished Goods</b>		
- Specialty Masterbatches	291.09	286.47
- Others	0.86	0.03
	<u>291.95</u>	<u>286.50</u>

### Note No. 16 : TRADE RECEIVABLES

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Outstanding for a period exceeding six months from the date when they are due for payment</b>		
- Secured considered good	1.00	-
- Unsecured considered good	179.39	66.07
<b>Other receivable</b>		
- Secured considered good	992.91	1,262.30
- Unsecured considered good	4,001.74	3,786.30
	<u>5,175.04</u>	<u>5,114.67</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Cash and cash equivalents</b>		
<b>Balance with bank</b>		
- Current Accounts	103.05	40.17
- EEFC Accounts	934.68	177.68
<b>Other bank balances</b>		
- Unpaid Dividend Accounts	116.22	104.74
<b>Total</b>	<u>1,153.95</u>	<u>322.59</u>

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>(Unsecured-Considered good)</b>		
Advances recoverable in cash or kind or for value to be received	475.38	260.27
Balances with Government Authorities	325.10	299.97
Income Tax refundable	7.42	7.42
Advance payment of Income Tax (Including TDS) (net)	87.33	59.38
	<u>895.23</u>	<u>627.04</u>

### Note No. 19 : REVENUE FROM OPERATIONS

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Revenue from Operations</b>		
Sale of products	<u>35,029.80</u>	<u>35,054.55</u>
<b>Others Operating revenue</b>		
Export Benefits	725.15	469.04
Others	7.52	4.24
	<u>732.67</u>	<u>473.28</u>
<b>Revenue from Operations ( Gross )</b>	<u>35,762.47</u>	<u>35,527.83</u>
<b>Note No. 19.1. Detail of sale of products (Gross):</b>		
Specialty Masterbatches	35,008.17	34,985.82
Others	21.63	68.73
	<u>35,029.80</u>	<u>35,054.55</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 20 : OTHER INCOME

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Interest Income on short term loan & others	45.39	31.13
Dividend Income from Non Trade Investment	-	11.78
Foreign exchange fluctuation gain	187.68	212.01
Gain on Sale of Investments (Short Term)	123.53	90.13
Liabilities / provisions no longer required written back	74.41	40.68
Insurance Claims	2.58	31.58
Other non-operating income	50.58	35.44
	<u>484.17</u>	<u>452.75</u>

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

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Raw Material consumed	<u>25,311.07</u>	<u>25,081.67</u>

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

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Polymer resins	6,900.71	6,734.05
Pigments	17,278.15	17,216.39
Waxes	813.62	778.55
Others	318.59	352.68
	<u>25,311.07</u>	<u>25,081.67</u>

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

	(Rs. in lakhs)			
	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
	Amount	%	Amount	%
Imported	12,245.81	48.38	11,581.40	46.17
Indigenous	13,065.26	51.62	13,500.27	53.83
<b>Total</b>	<u>25,311.07</u>	<u>100.00</u>	<u>25,081.67</u>	<u>100.00</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 22 : OTHER MANUFACTURING EXPENSES

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Power and fuel	526.87	463.45
Water Charges	13.87	12.08
Consumption of stores and spares	137.87	195.18
Packing material consumed	167.89	171.60
Repairs and maintenance - Machinery	28.73	25.78
Repairs and maintenance - Buildings	14.71	35.55
Excise duty *	(1.06)	(38.80)
Others	2.83	1.58
	<u>891.71</u>	<u>866.42</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 lakhs)			
	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
	Amount	%	Amount	%
Imported Consumables	51.06	37.04	66.97	34.31
Indigenous Consumables	86.81	62.96	128.21	65.69
	<u>137.87</u>	<u>100.00</u>	<u>195.18</u>	<u>100.00</u>

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

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Inventories at the beginning of the year :</b>		
Finished goods	286.50	635.73
Stock-in-process	204.17	192.38
<b>Inventories at the end of the year:</b>		
Finished goods	291.95	286.50
Stock-in-process	235.41	204.17
<b>Net (Increase) / Decrease in stock</b>	<u>(36.69)</u>	<u>337.44</u>

### Note No. 24 : EMPLOYEES BENEFITS EXPENSE

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Salaries, wages, bonus etc. (including contract labour)	1,767.15	1,592.14
Contribution to provident and other funds	99.60	90.18
Staff welfare expenses	76.07	67.91
	<u>1,942.82</u>	<u>1,750.23</u>





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 25 : FINANCE COST

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>Interest</b>		
On Banks borrowings	3.72	2.54
Others borrowing cost to Others (P.Y. Including buyers credit)	6.98	10.13
Bank Charges on borrowings	19.28	30.44
	<u>29.98</u>	<u>43.11</u>

### Note No. 26 : OTHER EXPENSES

	(Rs. in lakhs)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Rent (including lease rentals)	21.46	24.91
Rates and taxes	17.79	37.75
Insurance	49.39	26.44
Advertisement & publicity	2.35	4.01
Travelling & conveyance	227.82	230.78
Printing & stationery	15.26	16.23
Communication expenses	30.34	37.21
Repair & maintenance others	26.70	25.72
Vehicle running & maintenance	19.06	15.47
<b>Payments to auditors :</b>		
- as Audit fees	2.50	2.00
- for Tax Audit fees	0.50	0.50
- for certification	0.70	0.50
- for others	0.45	0.05
- for out of pocket expenses	0.67	0.70
Legal & Professional & Technical consultancy charges	133.94	121.95
CSR Expenditure (Refer Note No. 26.1)	47.50	42.50
Sales Promotion Expenses	10.67	40.00
Discount & Commission on sales	423.72	523.53
Freight and forwarding	388.95	361.29
Bank Charges	54.98	48.06
R & D Expenses (Refer Note No. 26.2)	492.97	429.31
Loss on sale of Fixed Assets (Net)	3.99	14.14
Miscellaneous expenses	192.70	197.81
	<u>2,164.41</u>	<u>2,200.86</u>

**Note No.26.1** : Expenditure related to corporate social responsibility as per section 135 of the companies act, 2013 read with Schedule VII.

#### Note No. 26.2 Research & Development Expenses :

- Material Consumed	78.32	79.08
- Salary, Wages, Bonus etc.	298.15	255.15
- Power & Fuel Expenses	48.47	41.71
- Others (net of sales realisation )	68.03	53.37
	<u>492.97</u>	<u>429.31</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 27 : COMMITMENTS

**(A) Capital commitment**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 8.87 lakhs (2015-16 Rs. 151.60 lakhs) and advance given Rs. 2.83 lakhs (previous year Rs. 54.27 lakhs)

**(B) Other Commitment - Nil**

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

	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>(A) Claims against company not acknowledged as Debts:-</b>		
(i) Income Tax matters in appeals	57.09	28.69
(ii) Service Tax demand not admitted by the company and for which appeals have been filed with appropriate authorities	48.54	42.41
(iii) Excise duty demand not admitted by the company and for which appeals have been filed with appropriate authorities	23.33	23.40
<b>(B) Guarantees:-</b>		
(i) Letter of Credit against purchase of raw materials	601.98	1,055.39
(ii) Bonds Executed with Customs & Excise Authorities	30.00	30.00

### Note No. 29: 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 filed with RIICO is under legal process and the appeal of the company is lying in the court of law and the company is reasonably hopeful of recovery of the claimed amount.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 30 : EARNINGS PER SHARE CALCULATION

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Net Profit after Tax adjustments for prior years - used as numerator in calculating Basic and Diluted Earnings per share (Rs. in lakhs)	2,039.46	1,834.15
Weighted average number of Equity Shares Outstanding (Nos.)	10,610,000	10,610,000
Earnings per share (Basic and Diluted) (Rs.)	19.22	17.29

### Note No. 31 : SEGMENT REPORTING

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

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

(Rs. in lakhs)

	2016-17			2015-16		
	Within India	Out side India	Total	Within India	Out side India	Total
<b>(I) Segment Revenue</b>						
Sales (including export benefits)	25,205.04	10,557.43	35,762.47	25,946.25	9,581.58	35,527.83
Less: Excise Duty	2,839.78	-	2,839.78	2,928.93	-	2,928.93
Net : Sales (including export benefits)	22,365.26	10,557.43	32,922.69	23,017.32	9,581.58	32,598.90
Other Income (unallocable) (net of interest income)	-	-	296.49	-	-	240.74
Total Revenue (net of excise duty)	22,365.26	10,557.43	33,219.18	23,017.32	9,581.58	32,839.64
<b>(II) Segment Results</b>						
Profit before Interest, Tax & Unallocable Exp.	1,978.36	949.34	2,927.70	2,042.79	682.96	2,725.75
Less: Interest (net) (unallocable)	-	-	29.98	-	-	43.11
Other Unallocable Expenses (Net of unallocable income)	-	-	87.56	-	-	172.66
Profit before tax and Exceptional Items	-	-	2,810.16	-	-	2,509.98
Less-Exceptional Items	-	-	-	-	-	-
Profit before tax	-	-	2,810.16	-	-	2,509.98
Provision for taxation (net)	-	-	770.70	-	-	675.83
Profit after tax	-	-	2039.46	-	-	1,834.15
<b>(III) Capital Employed</b>						

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

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

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



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 32 : 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

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

(Rs. in lakhs)

	2016-17	2015-16
<b>(i) Related Parties / Parties Holding Significant Influence</b>		
a) Rent Paid (net of recovery of Rs. 11.85 lakhs Previous year Rs. 11.85 lakhs) to Smt. Sushma Sureka	12.15	12.15
b) Rent paid to M/s G K S Holdings Limited	15.75	-
c) Rent received from M/s G K S Holdings Limited	0.18	0.18
d) Rent received from M/s GKS Logistics Pvt. Ltd.	0.24	0.24
e) Consultancy charges paid to M/s Brand New Day, Prop. Ms. Rochna Poddar	-	4.11

**(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 lakhs)

Particulars	2016-17		2015-16	
	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	60.00	79.00	65.00	79.00
Contribution to Provident Fund	7.20	6.48	3.96	6.48
Others- perquisites value	25.39	12.39	8.99	12.36
Commission on Profit to the Managing Director & CFO	29.12	-	26.36	-
<b>Total</b>	<b>121.71</b>	<b>97.87</b>	<b>104.31</b>	<b>97.84</b>

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



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 33 : 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:

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Employers Contribution to Provident Fund	66.91	56.51
B) State Plans		
a) Employee State Insurance		
b) Employee's Pension Scheme 1995		
Employers Contribution to Employee State Insurance	9.16	8.82
Employers Contribution to Pension Scheme	30.36	28.10
C) Defined Benefit Plans		
a) Gratuity		
b) Leave Encashment		

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

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of obligation as at closing of the last year	356.55	111.14	295.00	93.42
Current service cost	22.84	8.07	21.68	7.20
Interest cost	28.52	8.89	23.60	7.47
Actuarial (gain) / loss	30.17	2.86	19.50	3.20
Benefit paid	(6.36)	(0.19)	(3.23)	(0.15)
Present value of obligation as at period ended 31 <sup>st</sup> March, 2017	431.72	130.77	356.55	111.14

#### 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 the close of the year	431.72	130.77	356.55	111.14
Fair value of plan assets at period end	463.08	140.48	383.38	120.22
Funded status excess of Actual over estimated	31.36	9.71	26.82	9.08
Assets / (Liabilities) recognized in the Balance Sheet	31.36	9.71	26.82	9.08

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

	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	22.84	8.07	21.68	7.20
Interest cost	28.52	8.89	23.60	7.47
Expected return on plan assets	(26.83)	(9.09)	(27.33)	(14.26)
Actuarial (gain) / loss	30.17	2.86	19.50	3.20
Net cost recognised for the period	54.70	10.73	37.45	3.61



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

### Note No. 34 : Disclosure regarding pursuant to circular no G.S.R.308(E) dated March 31, 2017

Details of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in the table below :-

	(Rs. in lakhs)		
	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	10.06	0.47	10.53
(+) Permitted Receipt	-	21.40	21.40
(-) Permitted Payments	-	18.64	18.64
(-) Amount deposited in banks	10.06	0.24	10.30
Closing cash in hand as on 30.12.2016	-	2.99	2.99

### 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 lakhs)				
	Currency	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		F / C	(Rs.)	F / C	(Rs.)
(i) Amount receivable in foreign currency on account of the following:					
Export of Goods	USD	28.87	1,872.03	26.09	1,728.78
	Euro	9.80	678.73	9.27	699.39
(ii) Amount payable in foreign currency on account of the following:					
Import of goods	USD	13.14	852.43	9.73	644.99
	Euro	3.17	219.33	1.86	140.47

- (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.

	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
Currency	No. of contracts	F/C	Amount	No. of contracts	F/C	Amount
Euro	-	-	-	1	1.40	109.14



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2017 (contd.)

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

		(Rs. in lakhs)	
		2016-17	2015-16
<b>A</b>	<b>Imports (CIF Value)</b>		
	Raw Materials	11,192.54	10,870.60
	Stores & Spares	114.78	46.54
	Capital Goods	126.60	117.33
<b>B</b>	<b>Expenditure in Foreign Currency</b>		
	Travelling Expenses	61.87	53.50
	Technical Consultancy	53.94	33.76
	Commission (on remittance basis)	198.33	203.00
	Interest on Buyers credit loan	-	0.47
	Others	18.79	33.30
<b>C</b>	<b>Earnings in Foreign Currency</b>		
	From Export of Goods (on FOB) - Including Rs. 342.65 lakhs (2015-16 Rs. 724.17 Lakhs) received in INR through special rupee Vostro Account.	9,693.60	9,260.09
	Others	154.62	187.83

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

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

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

PLACE : JAIPUR  
DATED : 27<sup>th</sup> MAY, 2017

**NAVIN JAIN**  
SR. GM (LEGAL) &  
COMPANY SECRETARY

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

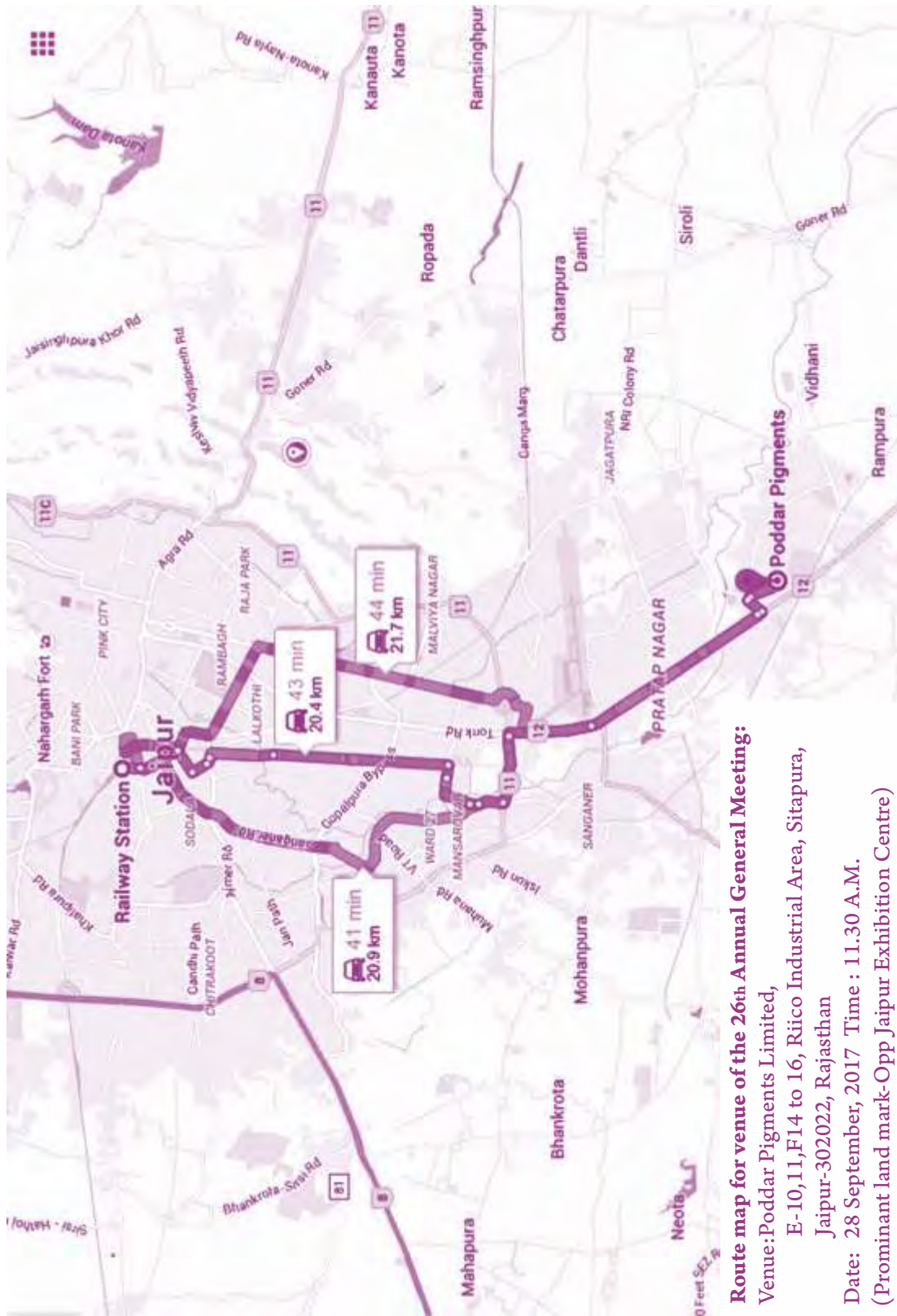
For and on behalf of the Board of Directors

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

**S.S. PODDAR**  
MANAGING DIRECTOR & CFO



# ROUTE MAP

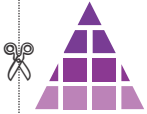






## Notes

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 Six Annual General Meeting of the Company, to be held on the 28<sup>th</sup> day of September, 2017 At 11.30 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 31st March 2017 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.		
2	To declare Final Dividend and confirm the Interim Dividend of Rs. 2.50 per equity share, already paid for the financial year ended March 31 <sup>st</sup> 2017.		
3	To appoint a Director in place of Shri Gaurav Goenka, who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint of Auditors and fixing their remuneration.		
5	To Approve the remuneration of Cost Auditor		
6	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member		

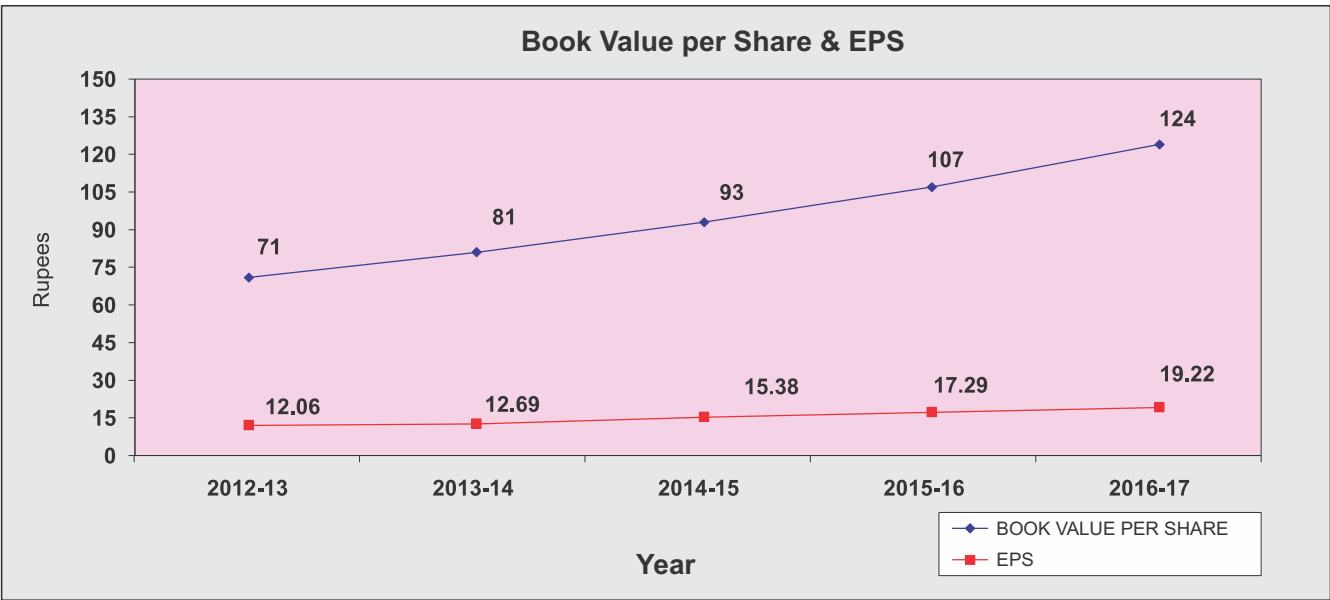
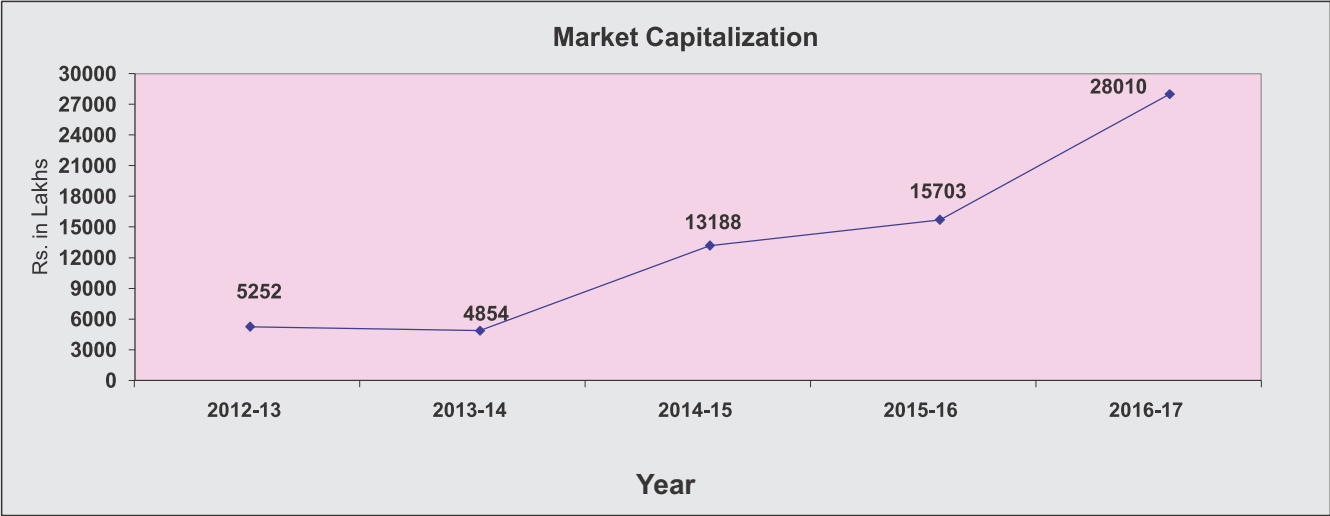
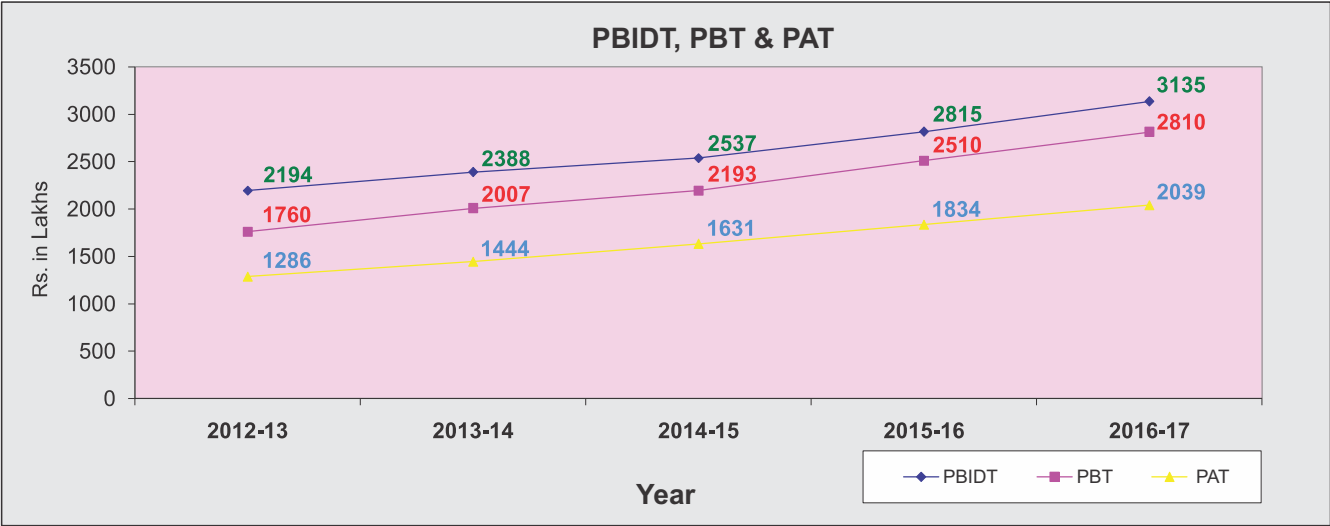
Signed this.....day of .....2017

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

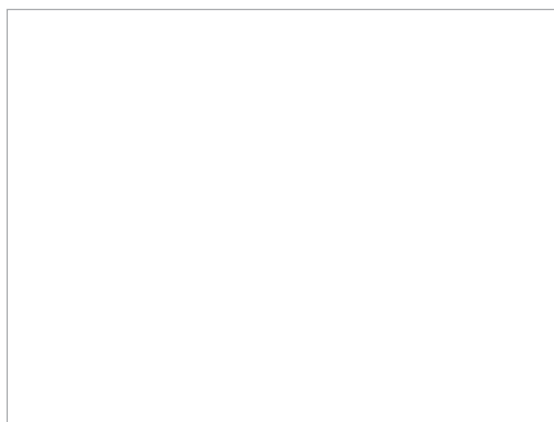
Revenue  
Stamp of  
Re. 1/-

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.

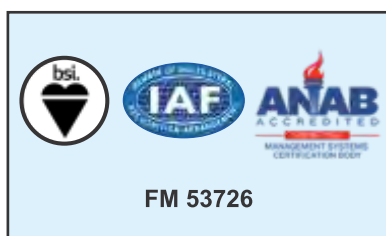




## BOOK POST



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

