

# PODDAR

PIGMENTS LTD.

Ref : PPL/SECT/2019-20

Date: 23.08.2019

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 2018-19**

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report for the F. Y. 2018-19.

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

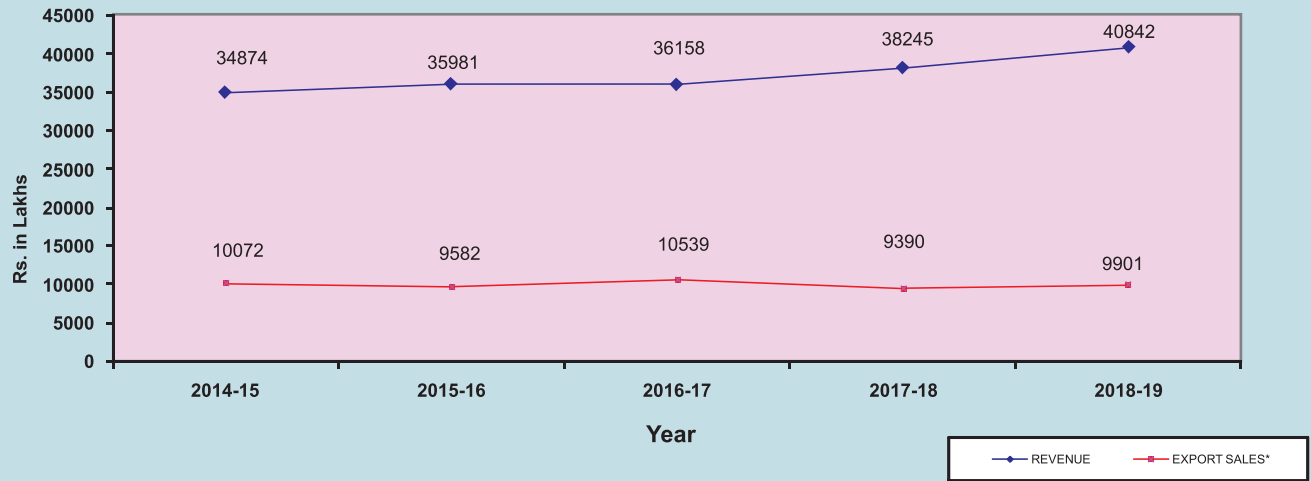
ANNUAL REPORT 2018-19

PODDAR  
PIGMENTS



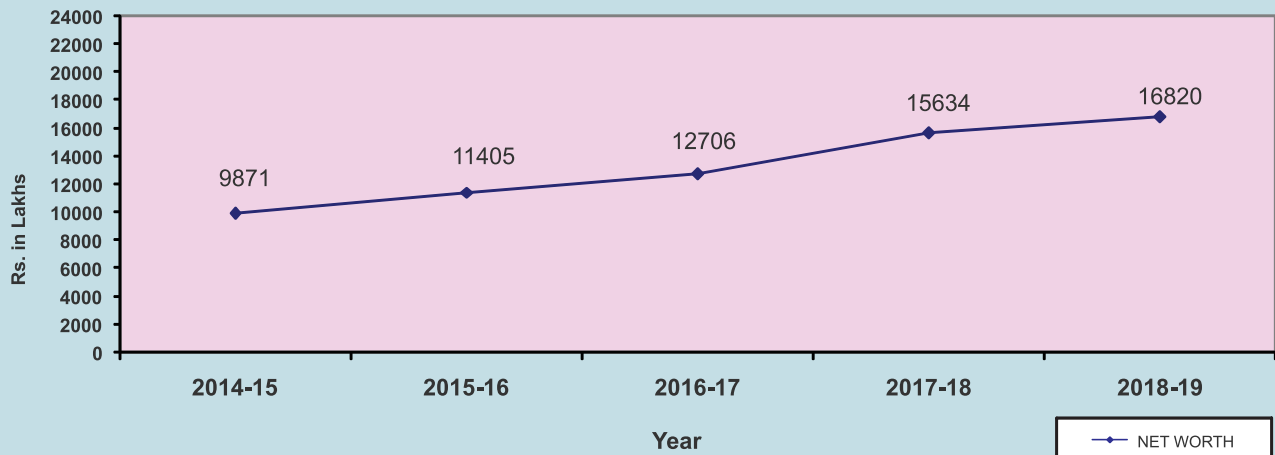
BRINGING  
COLOURS  
TO LIFE

## REVENUE RECEIPTS & EXPORT



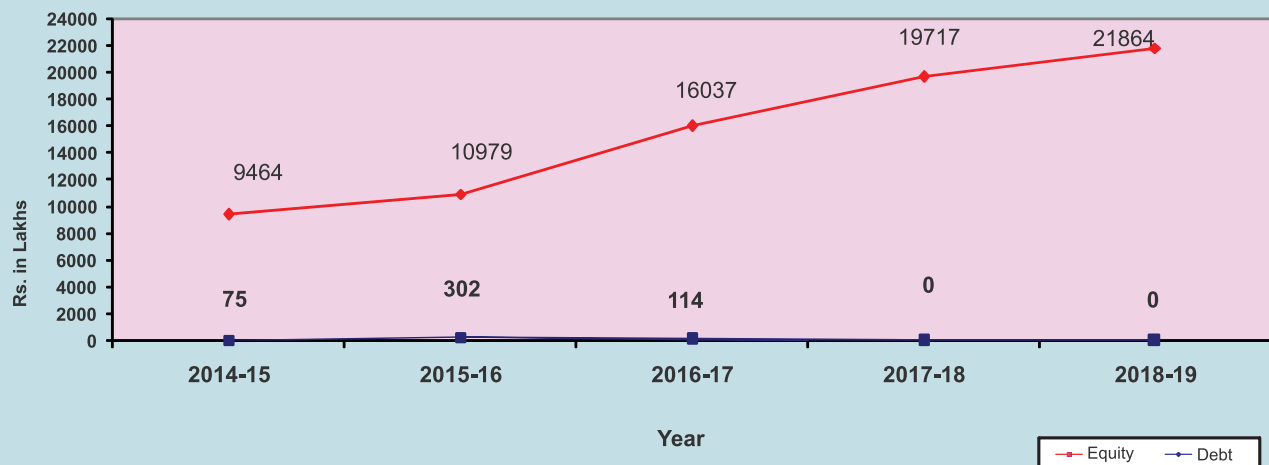
1. Revenue including tax and export Sales excluding deemed export.
2. Figures for the year 2014-15 and 2015-16 considered as per IGAAP, and 2016-17 to 2018-19 as per Ind AS

## NET WORTH



1. Figures for the year 2014-15 and 2015-16 considered as per IGAAP, and 2016-17 to 2018-19 as per Ind AS
2. Net Worth exclude other comprehensive income.

## DEBT EQUITY



Figures for the year 2014-15 and 2015-16 considered as per IGAAP, and 2016-17 to 2018-19 as per Ind AS



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## **BOARD OF DIRECTORS**

Shri S.S.Poddar, Managing Director

Shri Gaurav Goenka, JMD

Shri R.K.Sureka, CEO

Smt. Mahima P. Agarwal, NED

Smt. Lalitha Kumaramangalam, ID

Shri M.K.Sonthalia, ID

Shri N.Gopalaswamy, ID

Shri M.Mahadevan, ID

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## **AUDITORS**

M/s. M. L. Garg & Company

Chartered Accountants

New Delhi

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## **BANKERS**

State Bank of India

Punjab National Bank

ICICI 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

Website address: www.poddarpigmentsltd.com

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## **CORPORATE OFFICE**

302, Nanak Chambers,

3<sup>rd</sup> Floor, (Opp. Fun Republic),

New Link Road,

Andheri (W), Mumbai-400053



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## NOTICE

**NOTICE** is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at **CROWNE PLAZA, SITAPURA INDUSTRIAL AREA, TONK ROAD, JAIPUR-302022 (RAJASTHAN) ON SATURDAY, THE 21<sup>ST</sup> SEPTEMBER, 2019 AT 10.30 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, 2019 and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Shri R. K. Sureka (DIN: 00058043), Director & CEO, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. To ratify the remuneration of Cost Auditors for the Financial Year 2019-20 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, ( Firm Registration Number 000024) as Cost Auditors appointed by the Board of Directors of the Company for the Financial Year 2019-20, fixed at Rs. 55000/- (Rupees Fifty Five Thousand only) and Taxes as applicable be and is hereby ratified."
5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (The Act) and subject to statutory approvals, if any, consent be and is hereby accorded for appointment of Shri Gaurav Goenka (DIN: 00375811), as Joint Managing Director of the Company for a period of 3 years from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 and remuneration payable to him for a period of 2 years from 1st April, 2019 to 31st March, 2021."  
**RESOLVED FURTHER THAT** the remuneration to the Joint Managing Director on account of Basic Salary & perquisites and additional remuneration are mentioned below:

#### 1. Remuneration:-

- (i) Basic Salary: Rs. 7.50 lakhs Per Month
- (ii) Perquisites: In addition to the salary, the following perquisites will be allowed:

The perquisites are classified into two categories 'A' & B' as below:

#### CATEGORY - A

- (a) Rent Free Accommodation (furnished or otherwise) or House Rent Allowance up to a maximum of 60% of Basic Salary
- (b) Expenditure incurred on gas, electricity and water shall be paid/ reimbursed by the company
- (c) Medical Expenses incurred for self and family
- (d) Leave Travel Concession for self & family once in a year to any destination in India or Abroad
- (e) Fee of Clubs ( subject to maximum 2 nos)
- (f) Premium for Personal Accident Insurance
- (g) Premium for Personal Life Insurance
- (h) Any other perquisites as per Company's Rules within the ceiling perquisites of Rs. NIL Per Month

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

#### CATEGORY -B

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

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

#### 2. Other Terms for additional remuneration:

Where in any financial year during the currency of term of Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Joint Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of Schedule V to the Companies Act, 2013 and such approvals as may be required.

In the event of any amendment in Schedule V of the Companies Act, 2013 the limit as specified in revised schedule shall be applicable.

The Board of Directors of the Company be and is hereby authorized to alter, vary and modify the terms and conditions of appointment of Shri Gaurav Goenka



(DIN: 00375811) from time to time during the tenure of his appointment as Joint Managing Director of the Company including salary, perquisites and additional remuneration.

The Board of Directors of the Company be and is hereby authorized to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (The Act) and subject to statutory approvals, if any, consent be and is hereby accorded for payment of revised remuneration for remaining term of appointment i.e. from 01.04.2019 to 30.09.2019, re-appointment of Shri S. S. Poddar (DIN: 00058025), as a Managing Director of the Company for a period of 5 years from 1st October, 2019 to 30th September, 2024 and remuneration payable to him for a period of 2 years from 1st October, 2019 to 30th September, 2021.

**RESOLVED FURTHER THAT** the remuneration to the Managing Director on account of Basic Salary & perquisites and additional remuneration are mentioned below:

1. (i) Basic Salary: Rs. 7.50 Lakhs Per Month
- (ii) Perquisites: In addition to the salary, the following perquisites will be allowed:

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

**CATEGORY - A**

- (a) Rent Free Accommodation (furnished or otherwise) or House Rent Allowance up to a maximum of 60% of Basic Salary
- (b) Expenditure incurred on gas, electricity and water shall be paid/ reimbursed by the company
- (c) Medical Expenses incurred for self and family
- (d) Leave Travel Concession for self & family once in a year to any destination in India or Abroad
- (e) Fee of Clubs ( subject to maximum 2 nos)
- (f) Premium for Personal Accident Insurance
- (g) Premium for Personal Life Insurance
- (h) Any other perquisites as per Company’s Rules within the ceiling perquisites of Rs 2.75 lakhs Per Month

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

**CATEGORY-B**

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

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

**CATEGORY-C**

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

**2. Other Terms for additional remuneration:**

Where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, however subject to the provisions of Schedule V to the Companies Act, 2013 and such approvals as may be required.

In the event of any amendment in Schedule V of the Companies Act, 2013 the limit as specified in revised schedule shall be applicable.

The Board of Directors of the Company be and is hereby authorized to alter, vary and modify the terms and conditions of appointment of Shri S. S. Poddar (DIN: 00058025) from time to time during the tenure of his appointment as a Managing Director of the Company including salary, perquisites and additional remuneration.

The Board of Directors of the Company be and is hereby authorized to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and





things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (The Act) and subject to statutory approvals, if any, consent of the Company be and is hereby accorded for payment of managerial remuneration in excess of 5% of the net profit of the Company for the year to one managerial personnel and in excess of 10% of the net profit for all of them taken together. However the overall managerial remuneration shall not exceed 15% of net profit of the Company in any year.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Lalitha Kumaramangalam (DIN: 08259526), who was appointed as an Additional Director of the Company to hold office as an Independent Director in the Board Meeting held on 18.10.2018 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2024”.

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri M. K. Sonthalia (DIN: 00021297), who was appointed as an Additional Director of the Company to hold office as an Independent Director w.e.f. 1<sup>st</sup> April 2019 in the Board

Meeting held on 14.03.2019 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a second term upto 31st March, 2024.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri N. Gopalaswamy (DIN: 00017659), who was appointed as an Additional Director of the Company to hold office as an Independent Director w.e.f. 1<sup>st</sup> April 2019 in the Board Meeting held on 14.03.2019 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a second term upto 31st March, 2024”.

**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](mailto:jaipur@poddarpigmentsltd.com)  
Website: [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com)  
CIN: L24117RJ1991PLC006307

**By order of the Board**

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

**DATE: 23<sup>rd</sup> July, 2019**

**NOTES:**

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item Nos. 4 to 10 of the accompanying Notice 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 14.09.2019 to 21.09.2019 (both days inclusive).
4. As required under Listing Regulations and Secretarial Standard-2 on General Meeting details in respect of directors seeking appointment / re-appointment at the 28<sup>TH</sup> AGM, is separately annex to hereto. Directors seeking appointment / re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder. Profile of Shri Gaurav Goenka, Shri S.S. Poddar, Smt Lalitha Kumaramangalam, Shri M.K.Sonthalia, Shri N. Gopalaswamy & Shri R. K. Sureka, required to be provided pursuant to Listing Regulations, are furnished in the Corporate Governance Report published elsewhere in the Annual Report as well as in the end of the notice.
5. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
6. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, during the year, unclaimed final dividend amount of Rs. 591980/- of the Company for the Financial Year ended March 31, 2011 has been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013. The dividend for the financial year ended 31 March, 2012 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund ( IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder as and when becomes due. Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or the RTA of the Company.
7. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection Fund ( IEPF) is furnished in the Corporate Governance Report.
8. 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 September, 20, 2018 (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.
9. Compulsory transfer of Equity Shares to Investor Education and Protection Fund ( IEPF) Authority :  
Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund ( IEPF) Authority (Accounting, Audit, Transfer and Refund ) Rules, 2016 ( 'Rules'), all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority.
10. Claiming of Shares and Dividends which were transferred to Investor Education and Protection Fund Authority( IEPF):  
No claim shall lie against the Company in respect of these equity share post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application. The details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).
11. If the Dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 05.10.2019 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 13.09.2019;
  - 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 13.09.2019.
12. Please note that as per Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 ( hereinafter referred to as 'Listing Regulations'), it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/ Depository Participants, as the case may be.
13. 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.
14. In case of transfer of physical shares as applicable, 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.

15. 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 Eighth Annual General Meeting.
16. 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.
17. A Route Map showing directions to reach the venue of the 28<sup>th</sup> AGM is given at the end of this Annual report as per the requirement of the Secretarial Standard-2 on "General Meeting".
18. 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.

#### 19. 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 18.09.2019 (9.00 a.m. IST) and ends on 20.09.2019 (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 13.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders/Members.
- v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.

- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p><b>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) 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.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) 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 linked in the login 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.
- xxi) 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).

#### 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 13.09.2019 and not casting their vote through remote e-voting, may only cast their vote through Ballot or Polling paper at the Annual General Meeting.
- c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d. Shri 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 favor of or against, if any, forthwith to the Chairman of the Company
- f. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the Company as on 13.09.2019.
- 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 28<sup>th</sup> Annual General Meeting of the Company on 21.09.2019 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. 21.09.2019.

#### ANNEXURE TO NOTICE

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

#### Item No. 4

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 2019-20 on a remuneration of Rs. 55000/- (Rupees fifty five thousand only) and Taxes as applicable.

Certificate dated 01.04.2019 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 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. 5

The Promoter to provide a proper and efficient succession in the management of the Company. As a prelude to the greater involvement from the promoter group, Shri Gaurav Goenka (DIN: 00375811), a relative of Shri S. S. Poddar (DIN: 00058025) was introduced in to the affairs of the company. Shri Gaurav Goenka has been getting familiarized with the business under the guidance of Shri R. K. Sureka (DIN: 00058043) for over a year now.

Shri Gaurav Goenka (DIN: 00375811) was appointed as an Additional Director of the company on 28.05.2016 and confirmed as Director in the Annual General Meeting held on 09.08.2016. Further, Shri Gaurav Goenka (DIN: 00375811), Non-executive director, liable to retire by rotation of the Company, has been re-appointed on 28.09.2017.

The Board of Directors of the Company ("the Board"), at its meeting held on March 19, 2019 has, subject to approval of members, appointed Shri Gaurav Goenka (DIN: 00375811) as a Joint Managing Director for a period of Three Years from 01.04.2019 to 31.03.2022, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRCM Committee') of the Board at its meeting held on March, 19, 2019.

It is proposed to seek members' approval for the appointment of and remuneration payable to Shri Gaurav Goenka (DIN: 00375811) as a Joint Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

As required under Para (B) of Section-II of Part-II of the amended Schedule V to the Companies Act, 2013, the relevant details to be sent alongwith the notice calling the General Meeting are as under:

#### I GENERAL INFORMATION

- Nature of Industry:** Masterbatch and Engineering Plastic Compounds.

- Date or expected date of commencement of commercial production:** The Company has already commenced commercial production from 1<sup>st</sup> March, 1995.

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

- Financial performance based on given indicators :**

Particulars for the financial year ended 31.03.2019	Rs. in Lakhs
Total Revenue Receipts (Gross) including other Income	40842
Operating Profit (before finance cost, Depreciation and Tax)	2720
Profit Before Tax	2361

- Export Performance and net foreign exchange earnings and collaborations:**

The earning in Foreign Exchange by Exports & others for the year ended 31.03.2019 was Rs. 9901 Lakhs.

- Foreign investment of collaborators, if any:**

Not Applicable.

#### II INFORMATION ABOUT THE JOINT MANAGING DIRECTOR :

- Background, recognition and award details:**

Shri Gaurav Goenka (DIN: 00375811), aged 44 years is the Director of Company since 28.05.2016. He is a B.Sc.-Boston University. He has expertise in field of Garments Manufacturing, Real Estate Development and SAP implementation.

- Past Remuneration :**

NIL

- Job Profile and his suitability:** Shri Gaurav Goenka (DIN: 00375811), Joint Managing Director of the Company is responsible for overall management of the Company. He is vested with substantial power of Management under the supervision, control and direction of the Board of Directors. He has been instrumental in deciding Company's policy planning, long term vision and is responsible to evolve strategies to combat competition and to attain targets of the Company besides Corporate Governance and ensuring co-ordination among Board.

- Remuneration Proposed :**

The Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on 19.03.2019 approved the terms of remuneration for 2 years tenure of Shri Gaurav Goenka





(DIN: 00375811), commencing from 1<sup>st</sup> April, 2019 as under :

A Basic Salary : Rs. 750000/- P.M.

B Perquisites : NIL

5. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :** The executive's remuneration in the industry had risen substantially over past few years. Appreciating this, the Central Government had raised the ceiling specified in Schedule V dealing with the remuneration of managerial person. The "Remuneration Committee" constituted by the Board in terms of the said Schedule perused the remuneration of managerial persons in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Gaurav Goenka (DIN: 00375811), before approving the remuneration as proposed herein before.
6. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :** Besides the remuneration proposed, Shri Gaurav Goenka (DIN: 00375811), does not have any pecuniary relationship with the company. Smt. Mahima P. Agarwal (DIN: 03588809) and Shri S. S. Poddar (DIN: 00058025), Directors of the Company, who are relatives of Shri Gaurav Goenka (DIN: 00375811), also do not have any pecuniary relationship with the Company.

### III OTHER INFORMATION :

1. **Reasons of loss or inadequate profits :** The Masterbatch Industry is high-tech in nature and requires continuous R&D, both on the existing product lines as well as on new product development to not just maintain, but also to expand its market share. Increased competition in the industry, coupled with likely increase in cost of raw-materials and other inputs may create pressure on margins, resulting in inadequate profits as calculated in terms of Section 198 of the Companies Act, 2013 in the coming year.
2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :**

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

profits in the coming years.

The proposed remuneration of Shri Gaurav Goenka (DIN: 00375811) has been approved by the Nomination and Remuneration Committee in terms of Schedule V to the Companies Act at its meeting held on 19.03.2019. The Company has not made any default in payment of any of its debts specified or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person. The Company has no deposit / outstanding deposit. The specified information required to be given to the shareholders alongwith the Notice is given herewith in the preceding paragraphs.

Brief resume of Shri Gaurav Goenka (DIN: 00375811), nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below. Copy of the draft letters for appointment of Shri Gaurav Goenka (DIN: 00375811) as a Joint Managing Director setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company. This statement may also be regarded as a disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Resolution and Explanatory Statement are to be treated as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors, except Shri Gaurav Goenka (DIN: 00375811), being the Joint Managing Director, Smt. Mahima P. Agarwal (DIN : 03588809) and Shri S. S. Poddar (DIN: 00058025) being relative of Shri Gaurav Goenka (DIN: 00375811) are concerned or interested in this resolution.

The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as a Special Resolution set out at item Nos. 5 of the Notice for approval by the shareholders.

### Item No. 6

The Board of Directors of the Company ("the Board"), at its meeting held on July 23, 2019 has, subject to approval of members, for re-appointment of Shri S. S. Poddar (DIN: 00058025) as a Managing Director for a further period of Five Years from 01.10.2019 to 30.09.2024. The present tenure of appointment of Shri S. S. Poddar (DIN: 00058025), Managing Director expires on 30.09.2019 and the Remuneration Committee of the Board, at its meeting held on July 23, 2019, recommended the payment of revised remuneration for remaining term of appointment i.e. from 01.04.2019 to



30.09.2019.

As per Part-I of Schedule V provide that where the appointee has attained the age of 70 years and his appointment has been approved by special resolution, no further approval of central govt. shall be necessary for such appointment. Shri S. S. Poddar (DIN: 00058025) has attained the age of 70 years. Shri S.S. Poddar (DIN: 00058025), a graduate Engineer has wide industrial experience spanning over 47 years. The company has progressed substantially under his leadership. Accordingly, permission of the members is required under Part-I of Schedule V of the Companies Act, 2013. The Directors, therefore, recommend this resolution for members' approval.

As required under Para (B) of Section-II of Part-II of the amended Schedule V to the Companies Act, 2013, the relevant details to be sent alongwith the notice calling the General Meeting are as under:

## I General Information

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

Particulars for the financial year ended 31.03.2019	Rs. in Lakhs
Total Revenue Receipts (Gross) including other Income	40842
Operating Profit (before finance cost, Depreciation and Tax)	2720
Profit Before Tax	2361

- Export Performance and net foreign exchange earnings and collaborations:**  
The earning in Foreign Exchange by Exports & others for the year ended 31.03.2019 was Rs. 9901 Lakhs.
- Foreign investment of collaborators, if any:**  
Not Applicable.

## II INFORMATION ABOUT THE MANAGING DIRECTOR:

- Background, recognition and award details:**  
Shri S. S. Poddar (DIN: 00058025), a graduate Engineer, aged 70 years is the Managing Director of Company since 01.07.1994. He has wide industrial experience spanning over 47 years. The company has progressed substantially under his leadership.

## 2. Past Remuneration :

The last remuneration of Shri S.S. Poddar (DIN: 00058025) approved by the Members of the company at their Annual General Meeting held on 09.08.2016 was as under:

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

- Job Profile and his suitability:** Shri S. S. Poddar (DIN: 00058025), Managing Director of the Company is responsible for overall management of the Company. He is vested with substantial power of Management under the supervision, control and direction of the Board of Directors. He has been instrumental in deciding Company's policy planning, long term vision and is responsible to evolve strategies to combat competition and to attain targets of the Company besides Corporate Governance and ensuring co-ordination among Board.

## 4. Remuneration Proposed :

The Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on 23.07.2019 approved the revision in terms of remuneration for remaining period of present appointment i.e. 01.04.2019 to 30.09.2019 and the re-appointment for 5 years tenure and remuneration for 2 years of Shri S. S. Poddar (DIN: 00058025) commencing from 1<sup>st</sup> October, 2019 as under :

- |                |                     |
|----------------|---------------------|
| A Basic Salary | : Rs. 750000/- P.M. |
| B Perquisites  | : Rs. 275000/- P.M. |

- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :** The executive' remuneration in the industry had risen substantially over past few years. Appreciating this, the Central Government had raised the ceiling specified in Schedule V dealing with the remuneration of managerial person. The "Remuneration Committee" constituted by the Board in terms of the said Schedule perused the remuneration of managerial persons in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri S. S. Poddar (DIN: 00058025) before approving the remuneration as proposed herein before.

- Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :** Besides the remuneration proposed, Shri S. S. Poddar (DIN: 00058025) does not have any pecuniary relationship with the company. Smt.



Mahima P. Agarwal (DIN: 03588809) and Shri Gaurav Goenka (DIN: 00375811), Directors of the Company, who are relatives of Shri S. S. Poddar (DIN: 00058025) also do not have any pecuniary relationship with the Company.

### III OTHER INFORMATION :

- Reasons of loss or inadequate profits :** The Masterbatch Industry is high-tech in nature and requires continuous R&D, both on the existing product lines as well as on new product development to not just maintain, but also to expand its market share. Increased competition in the industry, coupled with likely increase in cost of raw-materials and other inputs may create pressure on margins, resulting in inadequate profits as calculated in terms of Section 198 of the Companies Act, 2013 in the coming year.
- Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :**

With a view to improve overall profitability and the financial health of the company, major steps have been taken, which inter-alia include reduction in interest costs, major marketing re-structuring for exports, reduction in production cost through implementation of energy saving measures, sourcing of cheaper raw materials, increase in productivity through better combination of product mix, increase in the product range to cater to the requirements of different segments and strengthening of the R&D division on continuous basis. The company expects increase in turnover and profits in the coming years.

The proposed remuneration of Shri S. S. Poddar (DIN: 00058025) has been approved by the Nomination and Remuneration Committee in terms of Schedule V to the Companies Act at its meeting held on 23.07.2019. The Company has not made any default in payment of any of its debts specified or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person. The Company has no deposit / outstanding deposit. The specified information required to be given to the shareholders alongwith the Notice is given herewith in the preceding paragraphs.

The Resolution and Explanatory Statement are to be treated as an abstract under Section 190 of the Companies Act, 2013.

Brief resume of Shri S. S. Poddar (DIN: 00058025), nature of his expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se stipulated under the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015, are given

below.

Copy of the draft letters for appointment of Shri S. S. Poddar (DIN: 00058025) as a Managing Director setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company. This statement may also be regarded as a disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors, except Shri S. S. Poddar (DIN: 00058025), being the Managing Director and Smt. Mahima P. Agarwal (DIN: 03588809) & Shri Gaurav Goenka (DIN: 00375811) being relative of Shri S. S. Poddar (DIN: 00058025) are concerned or interested in this resolution. The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as a Special Resolution set out at item Nos. 6 of the Notice for approval by the shareholders.

#### Item No. 7

With the expansion of the manufacturing facility, there would be higher depreciation and interest leading to lower Profit Before Tax for the next couple of financial years and thereafter the profits would increase. The remuneration payable to the Managerial personnel for FY 2019-20 and 2020-21 may therefore be in excess of the limit of 5% for each Managerial Personnel and 10% for all managerial personnel taken together. Under Section 197 of the Companies Act, 2013, the total managerial remuneration payable by a Public company to its directors cannot exceed 11% and the remuneration payable to one Executive Director shall not exceed 5% and if there are more than one such director it should not exceed 10% of the net profits of the company. However, remuneration can be paid over the above limits with the approval of the Company in a General Meeting by passing a special resolution.

The Resolutions and Explanatory Statement are to be treated as an abstract under Section 190 of the Companies Act, 2013.

None of the Directors, except Shri S. S. Poddar (DIN: 00058025), being the Managing Director, Shri Gaurav Goenka (DIN: 00375811), being the Joint Managing Director, Shri R. K. Sureka (DIN: 00058043), being the Director & CEO and Smt. Mahima P. Agarwal (DIN: 03588809), being relative of Shri S. S. Poddar (DIN: 00058025) and Shri Gaurav Goenka (DIN: 00375811) are concerned or interested in this resolution.

The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as a Special Resolution set out at item Nos. 7 of the Notice for approval by the shareholders.

#### Item No. 8

In the Board Meeting held on 18.10.2018 Smt. Lalitha Kumaramangalam (DIN: 08259526) was appointed as Additional Director to hold office as Independent Director of the Company. It is proposed to appoint Smt. Lalitha Kumaramangalam (DIN:





08259526) as Independent Director under Section 149 of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for 5(five) consecutive years for a term up to 31st March, 2024.

Smt. Lalitha Kumaramangalam (DIN: 08259526) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director. The Company has received notices in writing from members under Section 160 of the Act proposing the candidatures of Smt. Lalitha Kumaramangalam (DIN: 08259526) for the office of Director of the Company.

The Company has also received declarations from Smt. Lalitha Kumaramangalam (DIN: 08259526) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Smt. Lalitha Kumaramangalam (DIN: 08259526), fulfill the conditions for appointment as independent Directors as specified in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Smt. Lalitha Kumaramangalam (DIN: 08259526) is independent of the management.

Brief resume of Smt. Lalitha Kumaramangalam (DIN: 08259526), nature of her expertise in specific functional areas and names of companies in which she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below. Copy of the draft letters for appointment of Smt. Lalitha Kumaramangalam (DIN: 08259526) as independent Director setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company. This statement may also be regarded as a disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Resolution and Explanatory Statement are to be treated as an abstract under Section 190 of the Companies Act, 2013.

Smt. Lalitha Kumaramangalam (DIN: 08259526) is interested in the resolutions set out at item Nos. 8 of the Notice with regard to her respective appointments.

The relatives of Smt. Lalitha Kumaramangalam (DIN: 08259526) may be deemed to be interested in the resolutions set out at item Nos. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as an Ordinary

Resolution set out at item Nos. 8 of the Notice for approval by the shareholders.

#### **Item No. 9 & 10**

At the Annual General Meeting held on 23<sup>rd</sup> August 2014, the members of the Company had appointed Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) as an Independent Directors of the Company, to hold office upto 31<sup>st</sup> March, 2019 ( "first term")

The Nomination and Remuneration Committee ( "the NRCM") of the Board of Directors, on the basis of the report of performance evaluation, has recommended, at its meeting held on 8<sup>th</sup> March, 2019, re-appointment of Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) as an Independent Directors, for a second term of 5 ( five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRCM, considers at its meeting held on 14<sup>th</sup> March, 2019 that, given their background and experience and contributions made by them during their tenure, the continued association of both the directors would be beneficial to the company and it is desirable to continue to avail their services as an independent directors.

Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) are Independent Directors of the Company. It is proposed to re-appoint Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) as an Independent Directors under Section 149 of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to hold office for a further period of 5 (five) consecutive years for a second term up to 31st March, 2024.

Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director. The Company has received notices in writing from members under Section 160 of the Act proposing the candidatures of Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) for the office of Director of the Company.

The Company has also received declarations from Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659), fulfill the conditions for appointment as an independent Directors as specified in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) are independent of the management.

Brief resume of Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659), nature of their expertise in



specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below. Copy of the respective draft letters for appointment of Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalswamy (DIN: 00017659) as an independent Directors setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company. This statement may also be regarded as a disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Resolutions and Explanatory Statement are to be treated as an abstract under Section 190 of the Companies Act, 2013.

Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalswamy (DIN: 00017659) are interested in the resolutions set out

respectively at item Nos. 9 and 10 of the Notice with regard to their respective appointments.

The relatives of Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalswamy (DIN: 00017659) may be deemed to be interested in the resolutions set out respectively at item Nos. 9 and 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Resolution is therefore recommended by the Board of Directors to the shareholders to be passed as a Special Resolution set out at item Nos. 9 & 10 of the Notice for approval by the shareholders.

**Details of Directors Seeking appointment / re-appointment at the 28<sup>th</sup> Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on the General Meetings issued by the ICSI] :-**

Particulars	Shri Gaurav Goenka	Shri S. S. Poddar	Smt. Lalitha Kumaramangalam	Shri M. K. Sonthalia	Shri N. Gopalswamy	Shri R.K.Sureka
DIN	00375811	00058025	08259526	00021297	00017659	00058043
Date of Birth and Age	01.06.1975 & 44 Years	10.09.1949 & 70 Years	14.01.1958 & 61 Years	16.09.1957 & 62 Years	06.02.1932 & 87 Years	11.12.1956 & 62 Years
Date of Appointment	28.05.2016	28.02.1994	18.10.2018	28.02.1994	01.07.1994	30.05.1999
Qualifications	B.Sc. - Boston University	B.Sc. (Engg.)	B.A. (Economics Honours), M.B.A.	B. Com.	B. Sc./ B. E.	B.Com., F.C.A. & F.C.S.
Experience and expertise in specific functional area	Garments Manufacturing, Real Estate Development and SAP implementation.	Having wide industrial experience spanning over 47 years	She has expertise in H.R., Marketing Management, Gender Studies and Laws.	An Industrialist and having vast experience.	A senior member of the Institute of Industrial Engineers, U.S.A. and also the fellow of Institute of Engineers India. Having more than 6 decades of experience.	Having 40 years of experience. More specialized in running industry, forming strategy, corporate management and also having good experience in finance, taxation and other commercial matters.
Brief Resume	Resume is given in the Explanatory Statement and Corporate Governance forming part of Annual Report.	Resume is given in the Explanatory Statement and Corporate Governance forming part of Annual Report.	Resume is given in the Corporate Governance forming part of Annual Report.	Resume is given in the Corporate Governance forming part of Annual Report.	Resume is given in the Corporate Governance forming part of Annual Report.	Resume is given in the Corporate Governance forming part of Annual Report.
Relationship with other Directors, Manager and Other Key Managerial Personnel of the Company	Daughter's husband of Shri S. S. Poddar, Managing Director	Father of Smt. Mahima P. Agarwal, Director	-	-	-	-
Nature of appointment/ re-appointment	Appointment	Re-appointment	Appointment	Re-appointment	Re-appointment	Retires by rotation and offers himself for re-appointment.
Terms and Conditions of appointment/ re-appointment	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as	Appointment as a Non-Executive Independent Director	Appointment as a Non-Executive Independent Director	Appointment as a Non-Executive Independent Director	In terms of Section 152(6) of the Companies Act, 2013, appointed as a Director & CEO at the Annual General Meeting held on September



Particulars	Shri Gaurav Goenka	Shri S. S. Poddar	Smt. Lalitha Kumaramangalam	Shri M. K. Sonthalia	Shri N. Gopalaswamy	Shri R.K.Sureka
	the Company's website i.e. www.poddarpigments ltd.com. The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.	displayed on the Company's website i.e. www.poddarpigments ltd.com. The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.				20, 2018, is liable to retire by rotation and offers himself for re-appointment.
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Sitting fees paid and details is given in Corporate Governance Report and from 01.04.2019 as per approval in the members meeting on terms and conditions.	Remuneration last drawn is Rs 120.95 Lakhs in FY 2018-19 and As per existing approved terms and conditions.	Sitting fees paid and details is given in Corporate Governance Report. As an Independent Director, she is entitled to sitting fees for attending meetings of the Board/ Committee.	Sitting fees paid and details is given in Corporate Governance Report. As an Independent Director, he is entitled to sitting fees for attending meetings of the Board/ Committee.	Sitting fees paid and details is given in Corporate Governance Report. As an Independent Director, he is entitled to sitting fees for attending meetings of the Board /Committee.	Remuneration last drawn is Rs. 132.00 Lakh in FY 2018-19 and As per existing approved terms and conditions.
Shareholding in the Company	-	Holds 41000 Equity Shares	-	-	-	Holds 2563 Equity Shares
The number of meetings of the Board attended during the year	6 out of 7	7 out of 7	1 out of 4 (appointed additional director w.e.f. 18.10.2018)	3 out of 7	2 out of 7	4 out of 7
Directorships held in other public companies (excluding foreign companies and section 25 companies)	NIL	2	NIL	3	7	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	NIL	NIL	3	NIL

**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](mailto:jaipur@poddarpigmentsltd.com)  
Website: [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com)  
CIN: L24117RJ1991PLC006307

**By order of the Board**

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

**DATE: 23<sup>rd</sup> July, 2019**

**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 Board of Directors are pleased to present the Twenty Eighth Annual Report and the Audited Financial Statements for the year ended 31st March, 2019.

### FINANCIAL RESULTS (Summary of key data)

**Your Company's financial performance for the year ended 31st March, 2019 is summarized below:**

(Rs. in Lakhs)

Particulars	2018-2019	2017-2018
Revenue Receipts (Gross)	40404	37500
Other Income	438	745
Total Revenue Receipts including other income	40842	38245
Less: GST/ Excise Duty	4696	4085
Revenue Receipts including other income (Net)	36146	34160
Profit before Finance Cost, Depreciation & Tax	2720	3173
Less: Finance Cost	47	33
Depreciation	312	308
<b>Profit before tax</b>	<b>2361</b>	<b>2832</b>
Less: – Current Tax	740	856
– Deferred Tax	(33)	118
– Mat Credit Entitlement	0	(52)
<b>Profit after tax</b>	<b>1654</b>	<b>1910</b>
Balance brought forward from previous year	1045	240
Other Comprehensive income/(loss) – (Net of Tax) realized / paid	(20)	1145
Profit available for appropriations	2679	3295
<b>APPROPRIATION</b>		
Final Dividend on Equity Shares	371	106
Tax on Final Dividend	76	22
General Reserve	1804	2122
Balance Carried to Balance Sheet	428	1045

### 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 (Gross) increased to Rs. 40404 lakhs as against Rs. 37500 lakhs
- Profit After Tax is Rs. 1654 lakhs as against Rs. 1910 lakhs in the previous year

- Net Worth of the company has increased by 7.59% to Rs. 16820 lakhs
- Direct export turnover increased by 5.44% to Rs. 9901 lakhs as against Rs. 9390 lakhs.
- Domestic turnover increased by 8.51% to Rs. 30503 lakhs as against Rs. 28110 lakhs.

### REVIEW OF OPERATIONS

The Profit After Tax during the year is lower compared to the previous year was mainly due to lower other income including income on account of sale of fixed assets in the FY 2017-18.

Your Company's Total Revenue Receipts (Gross) including other income during the year under review was Rs. 40842 lakhs primarily on account of higher product price realization.

### EXPORT

Your Company achieved a direct export turnover of Rs. 9901 lakhs as compared to last year of Rs. 9390 lakhs, which is increased by 5.44%. International buyers show preference to your Company's product mainly because of its quality, technical support and 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

Your directors have recommended a Dividend of Rs. 3.00 (30%) per equity share of Rs. 10/- each for the year ended March 31, 2019. The total Dividend amount aggregates to Rs. 318.30 lakhs plus applicable Dividend Distribution Tax thereon if approved at the forthcoming Annual General Meeting will result in the out flow of Rs. 383.73 lakhs (i.e. Rs. 318.30 lakhs dividend amount plus Rs. 65.43 lakhs by way of dividend distribution tax).

### NEW PROJECT

Your Company has acquired land at Brijpura, Rajasthan to set up a new unit. The development work is under progress. Due to this the production capacity is expected to increase by 25% approx.

### 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 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.

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 masterbatches 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.

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

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri R. K. Sureka, (DIN: 00058043) retires by rotation at the ensuing 28<sup>th</sup> Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year Shri B. K. Bohra has been appointed as CFO of the company w.e.f. 01.07.2018.

Shri S. S. Poddar (DIN: 00058025) is Managing Director of the Company w.e.f. 01.07.2018.

During the year Smt. Lalitha Kumaramangalam (DIN: 08259526) has been appointed as non-executive independent director of the company w.e.f. 18.10.2018.

Shri Kishore Rungta has resigned from Directorship of the company w.e.f. 18.10.2018 due to pre-occupancy in his business.

During the year Shri M. K. Sonthalia (DIN: 00021297) and Shri N. Gopalaswamy (DIN: 00017659) has been re-appointed as non-executive independent director of the company w.e.f.

01.04.2019.

During the year Shri Gaurav Goenka (DIN: 00375811) has been appointed as Joint Managing Director of the Company w.e.f. 01.04.2019.

Your 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, Seven Board Meetings and five 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 AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance and the Management Discussion and Analysis Report as required under the Listing Regulations are provided in a separate section and forms part of the Annual Report. The requisite Certificate from the Auditors of the company confirming compliance with the conditions of Corporate Governance is attached to the report of the Corporate Governance.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by your Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance.

None of the transactions entered with related parties falls under the scope of Section 188(1) of the Act. Details of transactions with related parties as required under Section 134 (3) (h) of the





Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Note no. 34 to the Financial Statement and forms part of this Report. Your Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website at the web link: [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com).

Further, the Company has not entered into any material related party transaction during the year under review. Accordingly, the disclosure of related party transactions as required under Section 134 (3) (h) of the Act, in form AOC-2 is not applicable to your Company.

### COMPLIANCE WITH THE CODE OF CONDUCT

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

### FIXED DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

### 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 **Executive Directors** aspects such as achievement of financial health and driving-overall progress

balanced with 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

At the 26th Annual General Meeting held on 28<sup>th</sup> September, 2017, M/s. M. L. Garg & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 26<sup>th</sup> Annual General Meeting until the conclusion of the 31<sup>st</sup> 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 6<sup>th</sup> 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, 2019. Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

#### Secretarial Auditors

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, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 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. The Company considers it is essential to protect the Earth and limited natural resources as well as the health and well being of every person. Safety awareness is provided through regular safety awareness programs, basic fire safety training, mock drills etc. As a part of safety management system, a comprehensive safety manual has been developed for use by the operating and safety personnel. There haven't been any accidents reported during the year under review.

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

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

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

Your Company has spent Rs. 53.03 Lakhs (including Rs. 25.00 lakhs spent during current year) and balance of Rs. 1.74 Lakhs is in the process of being spent.

## **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**

Your Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com).

## **PREVENTION OF INSIDER TRADING**

Your 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**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

Your Company believes that these systems provide reasonable assurance that Company's internal financial controls are designed effectively and are operating as intended.

## **REPORTING OF FRAUDS:**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

## **PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT**

During the year, your Company had given inter-corporate deposit for a short period. The details of the investments made by





company are given in Note no. 4 & 8 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.

The extract of Annual Return in Form MGT 9 as per provisions of the Companies Act, 2013 and Rules thereto is available on the Company's website at <https://www.poddarpigmentsltd.com>.

### DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the company, the work performed by the Internal, Statutory, Cost and Secretarial Auditors including Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134 (3) (c) and 134(5) of the Act, based upon the certification from SMPs, the Board of Directors, to the best of their knowledge and ability, confirm:

- that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Company has selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as of 31<sup>st</sup> March, 2019 and of the profit of the Company for the period ended on that date;
- that the Company has 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 its assets and for preventing and detecting fraud and other irregularities;
- that the Annual Accounts have been prepared on a 'going concern' basis;
- that the Company has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and
- that the Company has 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. Transfer of Unclaimed Dividend to IEPF:

As required under Section 124 of the Act, the Unclaimed final Dividend amount aggregating to Rs 5,91,980 pertaining to the financial year ended on 31<sup>st</sup> March, 2011 lying with

the company for a period of seven years were transferred during the financial year 2018-19, to the Investor Education and Protection Fund (IEPF) established by the Central Government on 01.10.2018.

#### 2. Transfer of Shares to IEPF:

As required under Section 124 of the Act, the company has transferred 298463 equity shares related to interim dividend and 21223 Equity Shares related to final dividend for FY 2010-11, which has not been claimed by the members for seven consecutive years or more, have been transferred by the company to the Investor Education and Protection Fund (IEPF). Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

- Shareholders /claimants whose shares, unclaimed dividend, have been transferred to the aforesaid IEPF Suspense Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time.
- Further, the Company shall be transferring the unclaimed Dividend for the financial year 2011-2012 to the IEPF Account on or before October 2, 2019. The Company shall also be transferring the shares, on which the dividend has remained unclaimed for a period of seven consecutive years, to the IEPF Account simultaneously on the same date. The Company has sent individual letters to the shareholders for claiming the said dividend and has also advertised the same in the newspapers in accordance to the Rules. Members are therefore requested to ensure that they claim the dividends referred above, before they are transferred to the said Fund.
- Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our company website at <https://www.poddarpigmentsltd.com>. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

### SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the company.

### 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Any Scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.



3. Employees' Stock options Scheme (ESOS).
4. Holding or Subsidiary or Associate Company.
5. 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.
6. Issue of any sweat equity shares.
7. Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

Your Directors further state that during the year under review, there was 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 : CHENNAI**  
**DATE : 23<sup>rd</sup> July, 2019**

**M. K. Sonthalia**  
**DIRECTOR**  
(DIN: 00021297)

**S. S. Poddar**  
**MANAGING DIRECTOR**  
(DIN: 00058025)



## 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, 2019
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 Polyethylene based Algaecide and Fungicide Masterbatches
  - iii Improved FR Masterbatch for Polyester and Polypropylene yarn/ fiber.
  - iv Development of Hydrophilic Masterbatch for Polypropylene non-woven fabrics.
  - v Development Soft Feel Masterbatch for Polypropylene nonwoven fabrics.
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
  - 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 masterbatches to meet newer market requirements.

- ii To provide customer-valued solutions with the best products and services to make your company the first choice for masterbatches.
- iii Continuous updating of technology, R & D and monitoring facilities reckoning with latest development in the field of masterbatches, compounding and other such related areas.

#### 4. Expenditure on R&D

(a) Capital	Rs.0.83 lakhs
(b) Recurring	Rs. 531.29 lakhs
(c) Total	Rs. 532.12 lakhs
(d) Total R&D expenditure as a percentage of revenue receipt	1.32 %

### 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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (Rs.)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Shri S.S.Podar, Managing Director	1,20,94,610	(1.32)	29.40
2.	Shri R.K.Sureka, Director & CEO	1,32,00,000	34.26	32.08
3.	Shri Kishore Rungta- (resigned w.e.f. 18.10.18) Non-Executive Independent Director	30,000	(50)	0.07
4.	Smt. Mahima P. Agarwal Non-Executive Director	30,000	50	0.07
5.	Shri M.K.Sonthalia Non-Executive Independent Director	35,000	40	0.08
6.	Shri N.Gopalaswamy Non-Executive Independent Director	25,000	66.67	0.06



Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (Rs.)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
7.	Shri Gaurav Goenka Non-Executive Director upto 31.03.19 and Joint Managing Director w.e.f. 01.04.2019	60,000	0	0.15
8.	Sh. M. Mahadevan Non-Executive Independent Director	10,000	0	0.02
9.	Smt. Lalitha Kumaramangalam (appointed additional director w.e.f. 18.10.18) Non-Executive Independent Director	15,000	-	0.04
10.	Shri B. K. Bohra (appointed CFO w.e.f. 01.07.18) Chief Financial Officer	48,68,289	10.15	Not Applicable
11.	Shri Navin Jain Sr. GM (Legal) & Company Secretary	38,76,592	8.83	Not Applicable

- (ii) The median remuneration of employees of the Company during the financial year was Rs.4,11,442/-.
- (iii) In the financial year, there was an increase of 8.77% in the median remuneration of employees.
- (iv) There were 300 employees on the rolls of Company as on March 31, 2019.
- (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, 2019:

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 31<sup>ST</sup> MARCH, 2019

[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 31<sup>ST</sup> MARCH, 2019

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

I have conducted the secretarial audit pursuant to Section 204 of the Companies Act, 2013, on 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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 according to the provisions of:

- i) The Companies Act, 1956 (to the extent applicable) and 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, 2018 ;



- 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, 2018: and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

\* 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 on the Meetings of the Board of Directors, Committees and General Meetings 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.
- ix) I have also examined compliance with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the period, under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and 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 expressing 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, a Woman Director and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in accordance 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 the company has acquired land at Brijpura, Rajasthan to set up new unit. Due to this the production capacity is expected to increase by 25% Approx.

**Signature:**  
**Name of the Company Secretary**  
**in Practice: BABU LAL PATNI**

**Place : Kolkata**  
**Dated: 7<sup>th</sup> May, 2019**

**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 overhead water pipeline for water baths of all extruders in sitapura plant.
- Utilization of waste water of RO plant.
- Close monitoring of Utility equipment operation hours.

### (ii) the steps taken by the company for utilising alternate sources of energy; NIL

### (iii) the capital investment on energy conservation equipments;

Total investment on energy conservation Rs.1,87,157/-

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

## VI TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### 1 Efforts, in brief, made towards technology absorption, adaptation and innovation.

- Improvement and benchmarking of existing products to match international standards.
- Adoption of state-of-the-art technology practices to meet the stringent industry requirements & quality norms.
- Indigenization of products hitherto being imported in the industry.
- New mixing & improved masterbatch preparation techniques to help improve environment, productivity & quality.
- Continuous efforts to update, optimize, review and adopt the latest technologies and process improvement techniques.

### 2 Benefits derived as a result of the above efforts.

- Achievement of superior quality & cost effective production resulting in improved realization of finished goods.
- Introduction of new functional products.
- Leadership position in the market.
- Technology upgradation.

### 3 Technology imported during last five years. 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)

		2018-19	2017-18
1	Foreign Exchange Earned	8333.65	8876.43
2	Foreign Exchange Outgo	10989.42	11841.98

## 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 have approved the CSR Policy of the Company in their meeting held on 18.10.2014 and reviewed & updated in their meeting held on 24.05.2019 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 S.S.Podar, Chairman
- Shri R.K.Sureka, Member
- Smt. Lalitha Kumaramangalam 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)
2015-16	2510	2636
2016-17	2802	2912
2017-18	2832	2667
Average net profit	2715	2738

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

2% of 2738 lakhs i.e. 54.77 lakhs

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

- Total amount spent during the financial year 2018-19 i.e. Rs. 28.03 lakhs and balance spent on 15.7.2019 of Rs. 25.00 Lakhs. Total amount spent of Rs. 53.03 lakhs.
- Amount unspent, if any; Rs.1.74 lakhs
- Manner in which the amount spent is detailed below:



1	2	3	4	5	6	7	8
S. 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 Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	Spread of free Sanskrit education	Promoting education including special education	(1) Others Area (2) Pondicherry	2,00,000/-	2,00,000/-	2,00,000/-	Vraja Trust, work for the spread of free Sanskrit education and have five branches in Pondicherry, Nepal, Hatharas and at Rahana and Nagla Oza villages in Hathras District of U.P.
2	Education	Promoting Education	(1) Others Area, (2) Kolkata, West Bengal	1,00,000/-	1,00,000/-	3,00,000/-	Rotary India Literacy Mission
3	Education	Promoting education	(1) Others Area (2) Chennai	3,00,000/-	3,00,000/-	6,00,000/-	CIOSA
4	Health care	Promoting health care	(1) Others Area, (2) Mumbai, Maharashtra	1,00,000/-	1,00,000/-	7,00,000/-	Dr. Batras' Positive Health Foundation
5	School Meals programme	Eradicating hunger, poverty and malnutrition	(1) Local Area, (2) Jaipur, Rajasthan	10,00,000/-	10,00,000/-	17,00,000/-	The Akshaya Patra Foundation is working nationwide to end hunger of underserved children and facilitate their education
6	Library and Gaushala	Promoting Education and Animal Welfare	(1) Other Area, (2) Gorakhpur, UP	5,00,000/-	5,00,000/-	22,00,000/-	H.P.Smarak Samiti
7	Children welfare	Promoting education including special education and employment enhancing vocation skills especially among children	(1) Local Area, (2) Jaipur, Rajasthan	3,03,000/-	3,03,000/-	25,03,000/-	TAABAR Society (Training, Awareness and Behaviour Change About Health & Rehabilitation Society)
8	Health care	Promoting health care	(1) Others Area, (2) Chennai, Tamilnadu	3,00,000/-	3,00,000/-	28,03,000/-	Ramnath Goenka Charitable Trust for health care
9	Education	Promoting education	(1) Local Area, (2) Jaipur, Rajasthan	25,00,000/-	*25,00,000/-	53,03,000/-	Adarsh Shiksha Samiti, Janta Colony, Jaipur
	<b>TOTAL</b>					53,03,000/-	

\*spent on 15.7.2019 during current financial year.





- 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.**

The Company has spent Rs. 53.03 Lakhs (including Rs. 25.00 lakhs spent during current year) and balance of Rs. 1.74 Lakhs is in the process of being spent.

- 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.

**M. K. Sonthalia**  
**(DIRECTOR)**  
(DIN: 00021297)

**S. S. Poddar**  
**(MANAGING DIRECTOR AND**  
**CHAIRMAN OF CSR COMMITTEE)**  
(DIN: 00058025)



## IX EXTRACT OF ANNUAL RETURN

### FORM NO. MGT-9

As on the financial year ended on 31st March, 2019

[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: <a href="mailto:jaipur@poddarpigmentsltd.com">jaipur@poddarpigmentsltd.com</a>
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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the company
1	Specialty Masterbatches	32061900	44.90% (Rs. 16031.48/35708.70 lakhs)
		32049000	52.04% (Rs. 18584.58/35708.70 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:-

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% 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	2120766	0	2120766	19.9884	2120766	0	2120766	19.9884	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	4502892	0	4502892	42.4401	4502892	0	4502892	42.4401	0.0000
	Sub Total (A)(1)	6623658	0	6623658	62.4284	6623658	0	6623658	62.4284	0.0000



Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6623658	0	6623658	62.4284	6623658	0	6623658	62.4284	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	9732	11600	21332	0.2011	6432	1200	7632	0.0719	-0.1292
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	87800	0	87800	0.8275	109000	0	109000	1.0273	0.1998
(f)	Financial Institutions / Banks	4218	25100	29318	0.2763	0	25100	25100	0.2366	-0.0397
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	101750	36700	138450	1.3049	115432	26300	141732	1.3358	0.0309
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	0	0	0	0.0000	298463	0	298463	2.8130	2.8130
	Sub Total (B)(2)	0	0	0	0.0000	298463	0	298463	2.8130	2.8130
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1310068	884511	2194579	20.6841	1322558	549048	1871606	17.6400	-3.0441
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	759246	0	759246	7.1559	796375	0	796375	7.5059	0.3500
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	168487	0	168487	1.5880	176581	0	176581	1.6643	0.0763
	Non Resident Indians (Non Repat)	40135	0	40135	0.3783	17224	0	17224	0.1623	-0.2160
	Non Resident Indians (Repat)	46324	200	46524	0.4385	29313	200	29513	0.2782	-0.1603
	Clearing Member	50907	0	50907	0.4798	22662	0	22662	0.2136	-0.2662
	Bodies Corporate	547814	40200	588014	5.5421	614786	17400	632186	5.9584	0.4163
	Sub Total (B)(3)	2922981	924911	3847892	36.2667	2979499	566648	3546147	33.4227	-2.8440
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	3024731	961611	3986342	37.5716	3393394	592948	3986342	37.5716	0.0000
	Total (A)+(B)	9648389	961611	10610000	100.0000	10017052	592948	10610000	100.0000	0.0000



Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	9648389	961611	10610000	100.0000	10017052	592948	10610000	100.0000	

**(ii) Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	590,000	5.5608	-	590,000	5.5608	-	-
3	Mahima Poddar Agarwal	605,000	5.7022	-	605,000	5.7022	-	-
4	Shiv Shankar Poddar	41,000	0.3864	-	41,000	0.3864	-	-
5	Pluto Tradelinks Ltd-Transferor Company	20,54,300	19.3619	-	0	0	-	-19.3619*
6	G K S Holdings Ltd-Demerged Company	10,88,820	10.2622	-	0	0	-	-10.2622*
7	GKS Logistics Private Limited-Transferee Company/Resulting Company)	13,59,772	12.8159	-	45,02,892	42.4401	-	29.6241*
	Total	66,23,658	62.4284	-	66,23,658	62.4284	-	-

\*% of changes in shares holding during the year due to the order of the National Company Law Tribunal delivered on 06.09.2018, Chennai ("NCLT"), sanctioning the Composite Scheme of Arrangement including Amalgamation and demerger by operation of law.



**(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 - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the company	Date of Transactions	No. of Shares	No. of Shares held	% of total Shares of the company
1	PLUTO TRADE LINKS LTD	2,054,300	19.3619	-	-	-	-
	TRANSFER	-	-	07 Sep 2018	2,054,300	0	0
	AT THE END OF THE YEAR	-	-	-	-	0	0
2	GKS LOGISTICS PRIVATE LIMITED	13,59,772	12.8159	-	-	-	-
	TRANSFER	-	-	14 Sep 2018	3,143,120	4502892	42.4401
	AT THE END OF THE YEAR	-	-	-	-	4502892	42.4401
3	G K S HOLDINGS LTD	1,088,820	10.2622	-	-	-	-
	TRANSFER	-	-	07 Sep 2018	1,088,820	0	0
	AT THE END OF THE YEAR	-	-	-	-	0	0
4	KUSUM PODDAR	884,766	8.3390	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	884,766	8.3390
5	MAHIMA PODDAR AGARWAL	605,000	5.7022	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	605,000	5.7022
6	ROCHNA PODDAR	590,000	5.5608	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	590,000	5.5608
7	SHIV SHANKAR PODDAR	41,000	0.3864	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	41,000	0.3864

**(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 - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the company	Date of Transactions	No. of Shares	No. of Shares held	% of total Shares of the company
1	PRAMILA MAHESHKUMAR BANG	229553	2.1636	-	-	-	-
	Purchase	-	-	25 May 2018 to 25 Jan 2019	20500	250053	2.3568
	AT THE END OF THE YEAR	-	-	-	-	250053	2.3568
2	MANAN MAHESH BANG	217250	2.0476	-	-	-	-
	Purchase	-	-	06 Apr 2018 to 26 Oct 2018	10307	227557	2.1447
	Sale	-	-	11 May 2018	(1031)	226526	2.1350
	AT THE END OF THE YEAR	-	-	-	-	226526	2.1350
3	HIMSHIKHAR INVESTMENT LIMITED	202318	1.9069	-	-	-	-
	Sale	-	-	27 Apr 2018 to 18 May 2018	(8468)	193850	1.8270
	AT THE END OF THE YEAR	-	-	-	-	193850	1.8270



Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the company	Date of Transactions	No. of Shares	No. of Shares held	% of total Shares of the company
4	SUBRAMANIAN P	138,500	1.3054	-	-	-	-
	Purchase	-	-	29 Sep 2018 to 01 Mar 2019	6831	145331	1.3698
	AT THE END OF THE YEAR	-	-	-	-	145331	1.3698
5	INTEGRATED INVESTMENT MANAGEMENT SERVICES LLP	0	0	-	-	-	-
	Purchase	-	-	20 Jul 2018 to 22 Mar 2019	230145	230145	2.1691
	Sale	-	-	08 Mar 2019	(114409)	115736	1.0908
	AT THE END OF THE YEAR	-	-	-	-	115736	1.0908
6	GYMKHANA PARTNERS L.P.	87800	0.8275	-	-	-	-
	Purchase	-	-	06 Apr 2018 to 08 Jun 2018	31200	119000	1.1216
	Sale	-	-	29 Mar 2019	(10000)	109000	1.0273
	AT THE END OF THE YEAR	-	-	-	-	109000	1.0273
7	MAHESH G BANG HUF .	76568	0.7217	-	-	-	-
	Purchase	-	-	06 Apr 2018 to 30 Mar 2019	7132	83700	0.7889
	AT THE END OF THE YEAR	-	-	-	-	83700	0.7889
8	JAI MAA VINIMAY PVT. LTD.	56558	0.5331	-	-	-	-
	Purchase	-	-	11 May 2018 to 09 Nov 2018	20815	77373	0.7292
	Sale	-	-	18 May 2018 to 13 Jul 2018	(3507)	73866	0.6962
	AT THE END OF THE YEAR	-	-	-	-	73866	0.6962
9	MAHESHKUMAR GHANSYAM BANG	41904	0.3949	-	-	-	-
	Purchase	-	-	11 May 2018 to 29 Mar 2019	23569	65473	0.6171
	Sale	-	-	04 May 2018 to 22 Mar 2019	(4130)	61343	0.5782
	AT THE END OF THE YEAR	-	-	-	-	61343	0.5782
10	VC CORPORATE ADVISORS PVT. LTD.	41709	0.3931	-	-	-	-
	Purchase	-	-	29 Sep 2018 to 11 Jan 2019	19868	61577	0.5804
	Sale	-	-	27 Apr 2018 to 01 Feb 2019	(35936)	25641	0.2417
	AT THE END OF THE YEAR	-	-	-	-	25641	0.2417
11	DALMIA BHARAT LIMITED	50,000	0.4713	-	-	-	-
	Sale	-	-	29 Mar 2019	(50,000)	0	0
	AT THE END OF THE YEAR	-	-	-	-	0	0



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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the company	Date of Transactions*	No. of Shares	No. of Shares held	% of total Shares of the company
1	MAHIMA PODDAR AGARWAL	6,05,000	5.7022	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	6,05,000	5.7022
2	SHIV SHANKAR PODDAR	41,000	0.3864	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	41,000	0.3864
3	RAMESH KUMAR SUREKA	2563	0.0242	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	2563	0.0242
4	*BIPIN KUMAR BOHRA	-	-	-	-	-	-
	PURCHASE	-	-	14 Sep 2018 to 15 Feb 2019	510	510	0.0048
	AT THE END OF THE YEAR	-	-	-	-	510	0.0048

\*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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</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 (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	1,08,00,000 15,00,000 -	60,00,000 28,78,028 -	1,68,00,000 43,78,028 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- -	24,96,582 -	24,96,582 -
5	Others, please specify	-	-	-
	Total (A)	1,23,00,000	1,13,74,610	2,36,74,610
	Ceiling as per the Act			2,49,65,821

### B. Remuneration to other directors:

(Amount In Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	1. Independent Directors	Shri N. Gopalaswamy	Shri M. K. Sonthalia	Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Shri M. Mahadevan	Smt. Lalitha Kumaramangalam (Appointed w.e.f.18.10.18)		
2	• Fee for attending board and committee meetings • Commission • Others, please specify	25,000 - -	35,000 - -	30,000 - -	10,000 - -	15,000 - -		1,15,000 - -
3	Total (1)	25,000	35,000	30,000	10,000	15,000		1,15,000
4	2. Other Non-Executive Directors						Smt. Mahima P. Agarwal	Shri Gaurav Goenka upto 31.03.19 and Joint Managing Director w.e.f. 01.04.19
5	• Fee for attending board committee meetings • Commission • Others, please specify						30,000 - -	60,000 - -
6	Total (2)						30,000	60,000
7	Total (B) = (1 + 2)	25,000	35,000	30,000	10,000	15,000	30,000	60,000
8	Total Managerial Remuneration ( A+ B)							2,38,79,610
9	Overall Ceiling as per the Act							2,49,65,821



### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd:

(Amount In Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	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	43,70,289 2,49,600 -	33,06,592 3,75,600 -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total	46,19,889	36,82,192

### 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			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<b>D. Penalty</b>					
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 : 23<sup>RD</sup> July, 2019

**S.S. Poddar**  
**MANAGING DIRECTOR**  
(DIN: 00058025)



## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial and Operational Performance

Your Company registered a sale of Rs. 40404 Lakhs for the year ended 31.03.19, as against Rs. 37500 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: 2015 standards, reflecting its commitment towards quality and customer satisfaction.

### Industry Structure and Developments

Versatile polymers inspire innovations that help make life better, healthier and safer every day for millions of people. Polymers enable the manufacture of ultra-light, high strength car bodies. Polymers in carpets, blankets and pillows keep us comfortable in our homes. Strong, lightweight and mouldable plastics are used in thousands of products that add comfort, convenience, and safety to our everyday lives.

The power of polymers lies in the versatility of their composition, which can be tweaked to adapt them perfectly to the intended application. Beyond the broad selection of available polymer types, the real power of polymers comes from the special characteristics that masterbatches add to their applications. With the benefit of highly customisable formulas, additives and colorant masterbatches can help to adjust a polymer properties to specifically suit a user's needs, whether functional or aesthetic.

Your Company manufactures color & additive Masterbatches for the dope dyeing of man-made fibers (MMF), various plastic applications and engineering plastics & compounds. These are essential products required for textile and plastic products. Your Company also produces a whole host of smart products, which impart various forms of functionality to the end products, be it textiles or plastics. This is a promising product segment for the future.

Due to increased domestic consumption, India is fast emerging as one of the focus destinations for plastics and downstream players worldwide. There is tremendous potential for growth of the sector, catalyzed by drivers such as a growing middle-class, higher disposable income and urbanization. Improved standards of living have led to an increase in consumption of a wide range of consumer goods from packaged food to automobiles. Investments in infrastructure and agriculture have also fueled the demand for plastics and related products in India. Hence, it is rational to expect the demand for plastic products to further increase in the future.

The Government of India is playing its part in encouraging investments into the petrochemical sector, with a view to double

the per capita consumption of Polymers to 20 kg a person by 2022. Currently, the average per capita consumption of polymers in India is 10 kg., a small number when compared to world average of 32 kg. Further, although India's population is comparable to China, its polymer demand at only one-fifth that of China. This hints at a strong growth potential for the Indian plastics industry.

Sectors such as automobiles, consumer goods, infrastructure and irrigation are expected to drive the growth. Further, the packaging industry has witnessed a complete replacement of old age products with the new ones.

As the Indian plastics industry grows, the consumption of masterbatches, which is linked to the consumption of polymers and synthetic dope dyed fibers, is also expected to grow at the same rate. This also suggests that the scope for innovative products in plastics and textile segments is large, which will further contribute to the growth of the masterbatch industry in years to come.

India is poised to strengthen its global foothold, with its production rising from the current 8% to 10% of the global volume. The Indian polyester industry will be at 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 enjoys a comparative advantage in terms of skilled manpower and cost of production, relative to major textile producers.

India's domestic textile market is also in a very strong position and rising income levels drive textile demand locally. At the same time, growth in building and construction will continue to drive demand for non-clothing textiles.

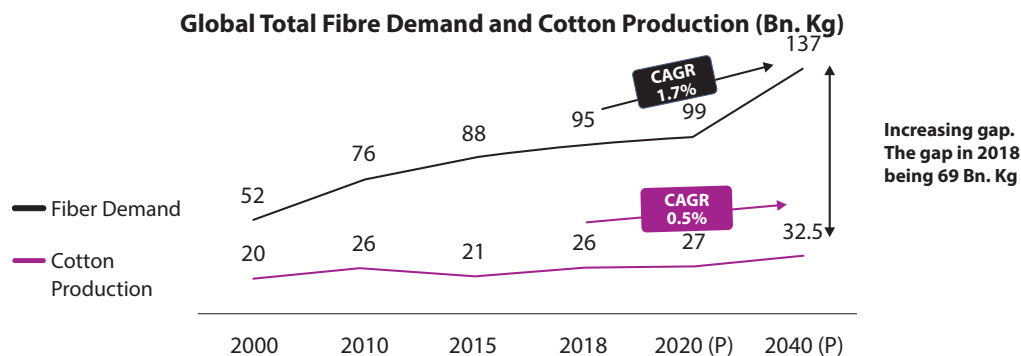
While the global per capita consumption of man-made fiber is around 12 kg per annum, it is merely 3.5 kg in India, hence providing significant scope for the increase in domestic consumption. It is expected that the Indian textile industry will reach US\$315 Billion by 2025 i.e. @ 14% CAGR, ( up from US\$ 68 Billion in 2013) and exports will reach US\$ 185 Billion by 2025 i.e. @14% CAGR, ( up from US\$ 40 Billion in 2013).

The consumption of polyester fibers is gaining momentum due to factors such as the fluctuation in cotton prices, increased presence & sourcing by global brands where polyester fiber dominates, growth of women's wear segment, growth of value retail etc.

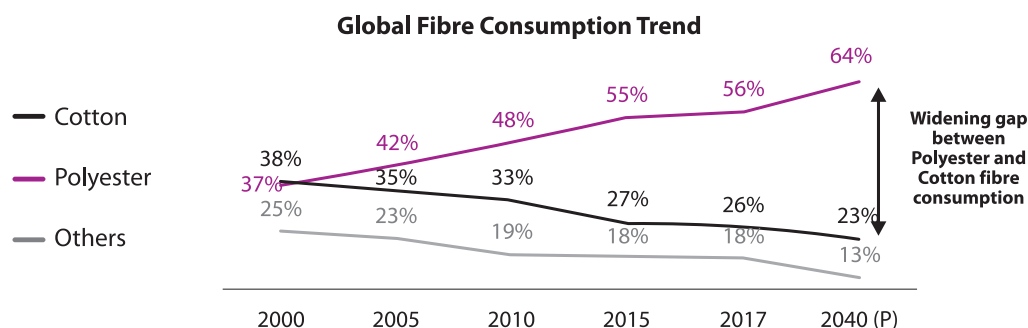
Your company's major product range comprises of masterbatches for the polyester textile segment.



Polyester, the most widely used manmade fibre, has seen a growth in demand in recent years. It is projected that polyester demand will be almost three times to that of cotton in 2040. It accounts for around 70% of the total manmade fibre consumption in India, which makes it the most used fiber of the manmade fibre group.



The gap is expected to widen as global fiber demand is projected to grow faster than cotton production.



Hence, overall we are very optimistic that the masterbatch market in India is likely to grow at a CAGR of over 11% until 2025 from now, on account of strong growth in plastics and textile segments.

### New world of manmade fibres

While cotton is typically more comfortable in hot and humid weather, recent technological developments in fabrics made with manmade fibres have bridged this gap, with added other advantages like strength, elasticity, color, absorption etc.

The key to staying ahead in this race is continuous research & development, to stay tuned to the changing needs of consumers. Your Company has developed various products that are antimicrobial, flame retardant, soft to touch, hydrophilic, UV resistance, etc. and is continuously interacting with customers to further develop new products. Your company's thrust on the continuous development of new and innovative products and market-focused application development will enable it to stay ahead of the competition.

Your company has also 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.

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

All these numbers clearly indicate that the market for master batches is poised for significant growth in the next few years. Hence, in order to serve this growing market, Your Company has planned for an expansion with a new site, which will add an enhanced capacity of approx. 20-25% to its capabilities.

### Opportunities and Threats

#### Key Opportunity:

Due to the low per capita polymer and polyester consumption in India, this segment is likely to experience an increase in demand. Your Company is a pioneer in the manufacture of masterbatches for the synthetic fiber industry, based on polyesters, nylons and polypropylenes, for specialty and general purpose applications such as automobiles, carpets, home-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 Your Company. It 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.

Your 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 2018-19 was 300 (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 underprivileged 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**

**M.K. Sonthalia**  
**DIRECTOR**  
(DIN: 00021297)

**S. S. Poddar**  
**MANAGING DIRECTOR**  
(DIN: 00058025)

**DATE : 23<sup>RD</sup> July, 2019**  
**PLACE : CHENNAI**



## 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

Your Company is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information ;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent Directors on the Board.

### 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 upto 31.03.19 & three (3) executive w.e.f. 01.04.19 and six (6) non-executive upto 31.03.19 & five (5) non-executive w.e.f. 01.04.19 Directors representing the optimum combination of professionalism, knowledge and business experience.

#### 2.1 Composition of the Board:

In the Year 2018-19, Seven Board meetings were held on 19.05.2018, 29.06.2018, 08.08.2018, 18.10.2018, 24.01.2019, 14.03.2019 and 19.03.2019.

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 7 held	Attendance at last AGM held on 20.09. 2018	No. of other Directorship as on 31.03.2019			No. of committees in which Chairman/ Member of other companies as on 31.03.2019			
					No.	Name of Listed company	Category	Member	Chairman	Name of Listed company	Category
(i)	SHRI S. S. PODDAR, MANAGING DIRECTOR	\$	7	YES	3	-	-	-	-	-	-
(ii)	SHRI R. K. SUREKA, DIRECTOR & CEO	#	4	YES	1	-	-	-	-	-	-
(iii)	SHRI N. GOPALASWAMY	&	2	NO	7	Dalmia Bharat Limited	Independent Director	8	5	Dalmia Bharat Limited	Chairman- Audit Committee
						Dalmia DSP Limited	Independent Director			Dalmia Bharat Limited	Chairman- Nomination and Remuneration Committee
										Dalmia Bharat Limited	Member- Risk Management Committee
										Dalmia Bharat Limited	Member- Stakeholders Relationship Committee





Sl. No	Name of the Director	Category of Directorship @	No. of Board meeting attended out of 7 held	Attendance at last AGM held on 20.09. 2018	No. of other Directorship as on 31.03.2019			No. of committees in which Chairman/ Member of other companies as on 31.03.2019			
					No.	Name of Listed company	Category	Member	Chairman	Name of Listed company	Category
(iv)	SHRI M.K. SONTHALIA	&	3	NO	9	-	-	1	-	-	-
(v)	SMT. MAHIMA P. AGARWAL	*	3	NO	1	-	-	-	-	-	-
(vi)	SHRI KISHORE RUNGTA (Resigned w.e.f. 18.10.18)	&	1	YES	NA	NA	NA	NA	NA	NA	NA
(vii)	SHRI GAURAV GOENKA (Joint Managing Director w.e.f. 01.04.19)	**	6	YES	3	-	-	-	-	-	-
(viii)	SHRI M. MAHADEVAN	&	1	NO	5	-	-	-	-	-	-
(ix)	SMT. LALITHA KUMARAMANGALAM (Appointed w.e.f. 18.10.18)	&	1	NA	-	-	-	-	-	-	-

@ Category of Directors:

\$ Executive Promoter Director

# Executive Director

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

& Non-Executive Independent Director

\*\* Non-Executive Director upto 31.03.19 and Executive Director w.e.f. 01.04.19 and Son-in-law of Shri S. S. Poddar, Managing Director

## 2.2 Composition of Nomination and Remuneration Committee:

Shri Kishore Rungta resigned w.e.f. 18.10.18.

On 18.10.18 the Nomination and Remuneration Committee reconstituted and consists of Smt. Lalitha Kumaramangalam (appointed w.e.f. 18.10.18), Shri M. Mahadevan (w.e.f. 24.01.19), Shri N. Gopalaswamy, and Shri M. K. Sonthalia. Smt. Lalitha Kumaramangalam is the Chairperson w.e.f. 18.10.18. Shri M.K.Sonthalia was the Chairman upto 18.10.18.

During the year ended 31.03.19, five meetings of the Nomination and Remuneration Committee were held on 04.05.18, 26.05.18, 18.10.18, 08.03.19 and 19.03.19. 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
Smt. Lalitha Kumaramangalam (Appointed w.e.f. 18.10.18)	Chairperson - Non Executive & Independent Director	-
Shri M. K. Sonthalia (Chairman upto 18.10.18)	Member - Non Executive & Independent Director	5
Shri N. Gopalaswamy	Member- Non Executive & Independent Director	5
Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Member- Non Executive & Independent Director	-
Shri M. Mahadevan (Appointed w.e.f. 24.01.19)	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 31.03.19 are as follows:



Particulars	Shri S. S. Poddar, Managing Director	Shri R. K. Sureka, Director & CEO
Salary and Allowances	60,00,000	1,08,00,000
Contribution to Provident Fund	7,20,000	9,00,000
Value of other perquisites as per Income Tax Rules	28,78,028	15,00,000
Commission on Profit	24,96,582	-
<b>Total (Rs.)</b>	<b>1,20,94,610</b>	<b>1,32,00,000</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	30.09.2021	-	-

#### 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. 25000/- 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 31.03.19:

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 :

Your 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, Policy on material events, 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>.

## 2.10 Chart or a matrix setting out the skills/expertise/competence of the board of directors:

Sr. No.	Areas of expertise Required	Description	Skill areas actually available with the Board
1	Strategy and planning	Ability to think strategically; identifies and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities.	Yes
2	Governance, Risk and Compliance	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.	Yes
3	Financial	Comprehensive understanding of financial accounting, reporting and internal controls and analysis	Yes
4	Sales, Marketing & Brand building	Experience in developing policies to grow sales and market share, create brand awareness and equity, and enhance enterprise reputation on sustainable basis.	Yes

## 2.11 Confirmation:

In the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

## 2.12 Resignation of an independent director:

Shri Kishore Rungta resigned from the post of Director and all the Committees of the Board of Directors of the Company w.e.f. 18.10.2018 due to pre-occupancy in his business.

## 3 Audit Committee:

Shri Kishore Rungta resigned w.e.f. 18.10.18.

On 18.10.18, the Audit Committee reconstituted and consists of Smt. Lalitha Kumaramangalam (appointed w.e.f. 18.10.18), Shri M. K. Sonthalia and Shri R. K. Sureka. Smt. Lalitha Kumaramangalam is the Chairperson w.e.f. 18.10.18.

During the year ended 31.03.19, five meetings of the Audit Committee were held on 18.05.18, 14.06.18, 23.07.18, 17.10.18 and 24.01.19. 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
Smt. Lalitha Kumaramangalam (Appointed w.e.f. 18.10.18)	Chairperson- Non Executive & Independent Director	1
Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Chairman- Non Executive & Independent Director	4
Shri M. K. Sonthalia	Member- Non Executive & Independent Director	-
Shri R. K. Sureka	Member- Director & CEO	5



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.
- To review forex exposure.

#### 4 Stakeholders Relationship Committee:

Upto 17.10.18, the Stakeholders Relationship Committee comprises of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and three Non-Executive Directors namely Shri Kishore Rungta, Shri N. Gopalaswamy and Smt. Mahima P. Agarwal. Shri Kishore Rungta was the Chairman of the committee. Shri Kishore Rungta resigned w.e.f. 18.10.18.

On 18.10.18, the Stakeholders Relationship Committee was reconstituted and comprised of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and two Non-Executive Directors namely Shri Gaurav Goenka and Smt. Mahima P. Agarwal. Smt. Mahima P. Agarwal appointed the Chairperson of the committee w.e.f. 18.10.18.

On 24.01.19, the Stakeholders Relationship Committee was reconstituted and comprised of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and three Non-Executive Directors namely Shri Gaurav Goenka (Non -Executive Director upto 31.03.19 and Executive Director w.e.f. 01.04.19), Smt. Mahima P. Agarwal and Smt. Lalitha Kumaramangalam (appointed w.e.f. 24.01.19). Shri Gaurav Goenka was the Chairman of the committee w.e.f. 24.01.19.

On 19.03.19, the Stakeholders Relationship Committee was reconstituted and comprised of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and three Non-Executive Directors namely Smt. Lalitha Kumaramangalam, Smt. Mahima P. Agarwal and Shri Gaurav Goenka (Non-Executive Director upto 31.03.19 and Executive Director w.e.f. 01.04.19). Smt. Lalitha Kumaramangalam is the Chairperson of the committee w.e.f. 19.03.19. The Committee met 38 times during the financial year ended March 31, 2019.

During the year ended 31.03.19, meetings of the Stakeholders Relationship Committee were held on 02.04.18, 13.04.18, 25.04.18, 03.05.18, 18.05.18, 25.05.18, 04.06.18, 09.06.18, 13.06.18, 26.06.18, 03.07.18, 09.07.18, 21.07.18, 27.07.18, 08.08.18, 03.09.18, 06.09.18, 12.09.18, 20.09.18, 11.10.18, 15.10.18, 19.10.18, 23.10.18, 30.10.18, 02.11.18, 17.11.18, 01.12.18, 21.12.18, 25.12.18, 03.01.19, 17.01.19, 29.01.19, 04.02.19, 13.02.19, 21.02.19, 13.03.19, 19.03.19 and 29.03.19. 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
Smt. Lalitha Kumaramangalam (Appointed w.e.f. 18.10.18)	Chairperson-Non Executive Director & Independent Director	-
Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Chairman-Non Executive & Independent Director	3
Shri S. S. Poddar	Member-Managing Director	37



Name of Members	Designation	No. of Meetings Attended
Smt. Mahima P. Agarwal (Chairperson from 18.10.18 to 23.01.19)	Member - Non Executive Director	32
Shri N. Gopalaswamy (Member till 17.10.18)	Member - Non Executive & Independent Director	1
Shri R. K. Sureka	Member- Director & CEO	6
Shri Gaurav Goenka (Member w.e.f. 18.10.18)	Member - Non-Executive Director (From 18.10.18 to 23.01.19) Chairman- Non-Executive Director from 24.01.19 to 18.03.19 Member - Non-Executive Director (From 19.03.19 to 31.03.19) and Member- Executive Director w.e.f. 01.04.19	15

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	4	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) are the compliance officer.

## 5 Corporate Social Responsibility Committee

Shri Kishore Rungta resigned w.e.f. 18.10.18.

On 18.10.18, the Corporate Social Responsibility Committee reconstituted and comprises of two Executive Director namely, Shri S. S. Poddar, Shri R. K. Sureka and one Non -Executive Director namely, Smt. Lalitha Kumaramangalam. Shri S. S. Poddar is the Chairman of the committee. The Committee met 5 times during the financial year ended March 31, 2019.

During the year ended 31.03.19, five meetings of the Corporate Social Responsibility Committee were held on 18.05.18, 12.07.18, 17.10.18, 24.01.19 and 14.03.19. 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 S. S. Poddar	Chairman Managing Director (w.e.f. 18.10.18)	5
Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Chairman- Non Executive & Independent Director (upto 17.10.18)	3
Shri R. K. Sureka	Member- Director & CEO	5
Smt. Lalitha Kumaramangalam (Appointed w.e.f. 18.10.18)	Member - Non Executive & Independent Director (w.e.f. 18.10.18)	1



## 6 Performance Evaluation Committee

Shri Kishore Rungta resigned w.e.f. 18.10.18.

On 18.10.18, the Performance Evaluation committee was reconstituted and now it consist of Smt. Lalitha Kumaramangalam, Shri M. Mahadevan, Shri N. Gopalswamy and Shri M. K. Sonthalia. The Committee met once during the Financial Year ended March 31, 2019.

During the year ended 31.03.19, meeting of the Performance Evaluation Committee was held on 04.05.18. 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. Gopalswamy	Member- Non Executive & Independent Director	1
Shri Kishore Rungta (Resigned w.e.f. 18.10.18)	Member- Non Executive & Independent Director	-
Smt.Lalitha Kumaramangalam (Appointed w.e.f. 18.10.18)	Member - Non Executive & Independent Director	-
Shri M. Mahadevan (Appointed w.e.f. 18.10.18)	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
2015-2016	Regd. Office at RIICO Industrial Area, Sitapura, JAIPUR	09.08.2016	11.00 A.M	For Revision of remuneration and Re-appointment of Managing Director & CFO
2016-2017	Do	28.09.2017	11.30 A.M	-
2017-2018	Crowne Plaza, Sitapura Industrial Area, Tonk Road, JAIPUR	20.09.2018	11.00 A.M.	1. For Revision of remuneration and Re-appointment of Director & CEO 2. For increase in the limits applicable for making investments/ extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate.

No Special Resolution was passed through Postal Ballot during the FY 2018-19. None of the businesses proposed to be transacted in the ensuing AGM require passing a special resolution through Postal Ballot.

## 9 Disclosures:

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

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

### b) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity:





Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Rent Paid to M/s G K S Holdings Limited	18.00	18.50
Rent / Electricity Expenses received from M/s Pluto Tradelinks Ltd.	0.27	0.74
Rent / Electricity Expenses received from M/s G K S Holdings Limited	0.66	0.63
Rent / Electricity Expenses received from M/s GKS Logistics Pvt. Ltd.	1.05	0.84

**c) 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 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.

Your Company has its own Website i.e. [www.poddarpigmentsltd.com](http://www.poddarpigmentsltd.com). The Quarterly Financial Results of Your 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 31.03.19.

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

## 11 General Shareholders Information:

<b>11.1</b>	AGM : Date, Time and Venue	21 <sup>st</sup> September, 2019 at 10.30 A.M. at Crowne Plaza, Sitapura Industrial Area, Tonk Road, Jaipur-302022.
<b>11.2</b>	Financial Calendar (Tentative)	Financial Year: 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020 Results for the quarter ending: June 30, 2019 - Third week of July, 2019 September 30, 2019 - Second week of November, 2019 December 31, 2019 - Second week of February, 2020 March 31, 2020 - Fourth week of May, 2020
<b>11.3</b>	Date of Book Closure	14.09.2019 to 21.09.2019
<b>11.4</b>	Final Dividend Payment Date	05.10.2019
<b>11.5</b>	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. 2019-20 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 2018-2019

Period	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2018	298.80	272.00	298.00	273.35
May, 2018	301.00	266.00	303.30	265.45
June, 2018	276.75	221.55	274.90	216.65
July, 2018	270.15	228.00	272.00	228.00
August, 2018	262.95	232.00	262.50	232.05
September, 2018	250.00	210.00	248.00	215.00
October, 2018	229.50	167.10	228.70	171.00
November, 2018	230.40	175.05	224.90	175.00
December, 2018	203.95	174.00	196.95	170.05
January, 2019	194.30	161.25	194.00	162.30
February, 2019	178.65	143.00	179.00	144.00
March, 2019	198.00	150.00	197.95	150.40

**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 not allowed w.e.f. 01.04.2019. However, old Transfer Form along with Transfer deed executed prior to 1st December, 2015 needs to be considered and processed for Transfer based on certain conditions mentioned in SEBI Circular dated 6th November, 2018. 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 were entirely satisfactory.



#### 11.11 Distribution of Shareholding as on 31.03.19 :-

No. of equity Share held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	8707	92.65	1180635	11.13
501-1000	412	4.38	329040	3.10
1001-2000	130	1.38	195658	1.84
2001-3000	56	0.60	139645	1.32
3001-4000	25	0.27	86281	0.81
4001-5000	18	0.19	83978	0.79
5001-10000	16	0.17	115495	1.09
10001 & above	34	0.36	8479268	79.92
<b>Grand Total</b>	<b>9398</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)	1	0.01	4502892	42.44
Resident Individuals (Promoters)	4	0.04	2120766	19.99
Resident Individuals (other than Promoters)	8867	94.35	2667981	25.14
Domestic Companies (other than Promoters)	128	1.36	632186	5.96
Non Resident Indians	165	1.76	46737	0.44
Mutual Funds/ FIs	3	0.03	32732	0.31
Foreign Portfolio Investors (Corporate)	1	0.01	109000	1.03
Government (IEPF)	1	0.01	298463	2.81
Others	228	2.43	199243	1.88
<b>Total</b>	<b>9398</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 which remain unclaimed for seven years is transferred to Investor Education and Protection Fund established by the Central Government under Section 124 of the Companies Act, 2013. Accordingly, the company transferred the unpaid or unclaimed final dividend for F.Y. 2010-11 to the Investor Education and Protection Fund (IEPF) on 01.10.2018. 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, 2019	Due for transfer on
2011-12	Final	25.09.2012	15,35,492	02.11.2019
2012-13	Final	17.09.2013	13,23,368	24.10.2020
2013-14	Final	23.08.2014	14,60,129	30.09.2021
2014-15	Final	11.09.2015	16,71,454	18.10.2022
2015-16	Interim	15.03.2016	16,40,008	22.04.2023
2016-17	Interim	12.02.2017	16,97,278	19.03.2024
2016-17	Final	28.09.2017	7,13,531	05.11.2024
2017-18	Final	20.09.2018	30,61,208	27.10.2025

**11.14** Dematerialisation of Shares & liquidity 94.41 % shares have been dematerialized as on 31<sup>st</sup> March, 2019.

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

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

Particulars	Shri Gaurav Goenka	Shri S. S. Poddar	Smt. Lalitha Kumaramangalam	Shri M. K. Sonthalia	Shri N. Gopalaswamy	Shri R.K. Sureka
Date of Birth	01.06.1975	10.09.1949	14.01.1958	16.09.1957	06.02.1932	11.12.1956
Date of Appointment	28.05.2016	28.02.1994	18.10.2018	28.02.1994	01.07.1994	30.05.1999
Qualifications	B.Sc. - Boston University	B.Sc. (Engg.)	B.A. (Economics Honours), M.B.A.	B. Com.	B. Sc./ B. E.	B.Com., F.C.A. & F.C.S.
Expertise in specific functional area	Garments Manufacturing, Real Estate Development and SAP implementation.	Having wide industrial experience spanning over 47 years.	She has expertise in H.R., Marketing Management, Gender Studies and Laws.	An Industrialist and having vast experience.	A senior member of the Institute of Industrial Engineers, U.S.A. and also the fellow of Institute of Engineers India. Having about 6 decades of experience.	Having 40 years of experience. More specialized in running industry, forming strategy, corporate management and also having good experience in finance, taxation and other commercial matters.

**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

**11.18** List of credit Rating obtained by the Company 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.



## 12. Other Disclosure:

### 12.1 Certificate from a company secretary in practice

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Shri Babulal Patni, Company Secretary in practice, is annexed to this Report.

As required by Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate dated 07.05.2019 from Shri Babulal Patni, Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### 12.2 Acceptance of recommendation of any committee of the board which is mandatorily required, in the relevant financial year

The Board has accepted all the recommendations of the committees

### 12.3 Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Company has paid Rs. 300000/- to M/s M. L. Garg & Co., Chartered Accountants, Statutory Auditor for Audit Fee and Rs. 95000/- for reimbursement during the F. Y. 2018-19.

### 12.4 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- a. Number of complaints filed during the financial year - NIL
- b. Number of complaints disposed of during the financial year - NIL
- c. Number of complaints pending as on end of the financial year - NIL

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

**PLACE : CHENNAI**  
**DATE : 23<sup>RD</sup> July, 2019**

**M. K. Sonthalia**  
**DIRECTOR**  
(DIN: 00021297)

**S. S. Poddar**  
**MANAGING DIRECTOR**  
(DIN: 00058025)



## ANNEXURE TO THE CORPORATE GOVERNANCE REPORT

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON DIRECTORS

**BABU LAL PATNI**  
**COMPANY SECRETARY**

**51, NALINI SETT ROAD**  
**5<sup>TH</sup> FLOOR, ROOM NO 19**  
**KOLKATA – 700 007**  
**TEL NO: 2259-7715/6**  
**Email Id: patnibl@yahoo.com**

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Poddar Pigments Limited having CIN L24117RJ1991PLC006307 and having registered office at E-10-11, F-14-16 Riico Industrial Area, Sitapura, Jaipur 302022 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	MR. NAGARAJAN GOPALASWAMY	00017659	01/07/1994
2.	MR. MANOJ KUMAR SONTALIA	00021297	28/02/1994
3.	MR. SHIV SHANKAR PODDAR	00058025	28/02/1994
4.	MR. RAMESH KUMAR SUREKA	00058043	30/05/1999
5.	MR. GAURAV GOENKA	00375811	28/05/2016
6.	MR. MAHADEVAN	00786991	17/06/2016
7.	MS. MAHIMA PODDAR AGARWAL	03588809	25/07/2011
8.	MS. LALITHA KUMARAMANGALAM	08259526	18/10/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

**Place: Kolkata**  
**Dated: 7<sup>th</sup> May, 2019**

**Signature:**  
**Name: BABU LAL PATNI**  
Membership No.: FCS 2304  
C.P. Number: 1321





## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**PODDAR PIGMENTS LIMITED**

1. We, **M.L. GARG & 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 31<sup>st</sup> March, 2019, 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 Securities and Exchange Board of India (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 the Listing Regulations.

### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. 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.
4. We have examined relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), and 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 31<sup>st</sup> March, 2019.
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.

PLACE: NEW DELHI  
DATE: 23<sup>RD</sup> JULY, 2019

FOR M.L. GARG & COMPANY  
CHARTERED ACCOUNTANTS  
FRN 001604N

(M.L. GARG)  
PARTNER  
M.NO. 96238



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PODDAR PIGMENTS LIMITED

#### I. Report on the Audit of the Standalone Ind AS Financial Statements FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

##### 1. Opinion

- A. We have audited the accompanying Standalone Ind AS Financial Statements of **Poddar Pigments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### 2. Basis for Opinion

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

##### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no matter which is required to be described as key audit matter to be communicated in our report.

##### 4. Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. Our opinion on the standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### 5. Management's Responsibility for the Standalone Ind AS Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



- B. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **6. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v) Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - D. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - E. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - F. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - G. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 litigations on its financial position in its Standalone Ind AS Financial Statements.
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

PLACE OF SIGNATURE: NEW DELHI  
DATE: 24<sup>TH</sup> May, 2019

FOR M.L. GARG & COMPANY  
CHARTERED ACCOUNTANTS  
FRN 001604N

(MANISH K. GARG)  
PARTNER  
M.NO. 96238



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF PODDAR PIGMENTS LIMITED**

**(Referred to in paragraph (II 1F) under ‘Report on other Legal and Regulatory Requirements’ of our report of even date)**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

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

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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, 2019, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”

**PLACE OF SIGNATURE: NEW DELHI**

**DATE: 24<sup>TH</sup> May, 2019**

**FOR M.L. GARG & COMPANY**

**CHARTERED ACCOUNTANTS**

**FRN 001604N**

**(MANISH K. GARG)**

**PARTNER**

**M.NO. 96238**





## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure "B" referred to in paragraph (II) 2 of our report of even date to the members of **Poddar Pigments Limited** on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2019.

- 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. There is structured programme for verification to cover the entire assets over a period of 3 years. 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 inventories.
- 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 no Investment, Loans and guarantees which required compliance of provisions of section 185 and 186 of the Companies Act, 2013, and hence paragraph of 3 (iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits during the year and hence paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records of the Company under clause (d) of Sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We are, however, not required to and have not carried out any detailed examination of such accounts and records with a view to determining whether they are accurate or complete.
- vii) (a) According to the records examined by us , the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues wherever applicable.

According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last date of the financial year for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the details of dues in respect of Income tax and Service tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sl. No.	Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act	Disallowance of Expenses	21.24	AY 2007-08 and AY 2014-15	Commissioner of Income tax (Appeals)/ ITAT
2.	Service tax Act	Disallowance of Cenvat credit on services in connection with transport/ insurance/ sales commission	20.36	FY 2015-16 & FY 2016-17	Asstt. Commissioner/ Commissioner (Appeal)/ Addl. Commissioner CESTAT

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



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

**PLACE OF SIGNATURE: NEW DELHI**  
**DATE: 24<sup>TH</sup> May, 2019**

**FOR M.L. GARG & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN 001604N**

**(MANISH K. GARG)**  
**PARTNER**  
**M.NO. 96238**



## Balance Sheet as at 31<sup>st</sup> March, 2019

		(Rs. in lakhs)	
Particulars	Notes No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	3,763.92	2,562.03
Capital work in progress	2	32.53	1.29
Intangible Assets	3	30.28	35.98
<b>Financial Assets</b>			
Investments	4	6,485.29	5,522.71
Other Financial Assets	5	76.39	58.90
Other Non -Current Assets	6	551.85	25.33
<b>Total Non Current Assets</b>		<b>10,940.26</b>	<b>8,206.24</b>
<b>CURRENT ASSETS</b>			
Inventories	7	4,916.17	4,727.03
<b>Financial Assets</b>			
Investments	8	2,253.85	2,649.83
Trade receivables	9	4,702.16	4,790.09
Cash and cash equivalent	10	988.26	817.57
Other Bank Balances	11	131.01	106.27
Loans	12	180.00	180.00
Other Financial Assets	13	80.59	119.70
Current Tax Assets (Net)	14	116.93	62.38
Other Current Assets	15	276.89	582.66
<b>Total Current Assets</b>		<b>13,645.86</b>	<b>14,035.53</b>
<b>Total Assets</b>		<b>24,586.12</b>	<b>22,241.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	1,061.00	1,061.00
Other Equity	17	20,803.07	18,655.99
<b>Total Equity</b>		<b>21,864.07</b>	<b>19,716.99</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)	18	503.03	492.83
<b>Total Non Current Liabilities</b>		<b>503.03</b>	<b>492.83</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Trade payables	19	-	-
Total Outstanding Dues of Micro Enterprises & Small Enterprises		-	-
Total Outstanding Dues of Creditors Other than Micro Enterprises & Small Enterprises		1,423.07	1,303.09
Other-Financial Liabilities	20	558.63	590.08
Provisions	21	7.78	7.78
Other Current Liabilities	22	229.54	131.00
<b>Total Current Liabilities</b>		<b>2,219.02</b>	<b>2,031.95</b>
<b>Total Equity and Liabilities</b>		<b>24,586.12</b>	<b>22,241.77</b>

Company overview, basis of preparation & significant accounting policies & the accompanying notes (Notes no. 1 to 40) are integral part of the financial statements.

As per our report of even date  
For M.L. GARG & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 001604N

MANISH K. GARG  
PARTNER  
Membership No. 96238  
PLACE : New Delhi  
DATE : 24th May, 2019

NAVIN JAIN  
SR. GM (LEGAL) &  
COMPANY SECRETARY  
B.K. BOHRA  
CFO

For and on behalf of the Board of Directors

R.K. SUREKA  
DIRECTOR & CEO  
DIN : 00058043  
S.S. PODDAR  
MANAGING DIRECTOR  
DIN : 00058025



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019

(Rs. in lakhs)

Particulars	Notes No.	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>INCOME</b>			
Revenue from operations (Gross)	23	40,404.30	37,499.87
Less- GST		(4,695.60)	(3,414.90)
Revenue from Operations (Net)		35,708.70	34,084.97
Other income	24	437.85	744.84
<b>Total Revenue</b>		<b>36,146.55</b>	<b>34,829.81</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	28,040.36	26,521.40
Changes in inventories of finished good & work-in-progress	26	(89.98)	(832.30)
Excise duty on sales			670.11
Employee benefits expense	27	2,364.04	2,132.01
Finance costs	28	46.55	33.04
Depreciation and amortization expense	2	312.14	308.21
Other expenses	29	3,112.34	3,165.11
<b>Total expenses</b>		<b>33,785.45</b>	<b>31,997.58</b>
<b>Profit/(loss) before tax</b>		<b>2,361.10</b>	<b>2,832.23</b>
<b>Tax expense</b>			
(1) Current tax		739.90	856.12
(2) Deferred tax (Credit)		(32.68)	117.61
(3) Mat Credit Entitlement		-	(52.00)
<b>Total Tax Expenses</b>		<b>707.22</b>	<b>921.73</b>
<b>Profit for the year</b>		<b>1,653.88</b>	<b>1,910.50</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit &amp; loss</b>			
a) Remeasurement of defined benefit obligations		(30.81)	(35.01)
Income tax relating to these items		10.77	12.12
b) Change in fair value of investment in equities carried at fair value through OCI		962.58	1,920.51
Income tax relating to these items		(1.65)	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>940.89</b>	<b>1,897.62</b>
<b>Total Comprehensive Income for the year</b>		<b>2,594.77</b>	<b>3,808.12</b>
<b>Earnings per share</b>			
<b>Basic (Rs.)</b>		<b>15.59</b>	<b>18.01</b>
<b>Diluted (Rs.)</b>		<b>15.59</b>	<b>18.01</b>

Company overview, basis of preparation & significant accounting policies & the accompanying notes (Notes no. 1 to 40) are integral part of the financial statements.

As per our report of even date  
For M.L. GARG & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 001604N

MANISH K. GARG  
PARTNER  
Membership No. 96238

PLACE : New Delhi  
DATE : 24th May, 2019

For and on behalf of the Board of Directors

NAVIN JAIN  
SR. GM (LEGAL) &  
COMPANY SECRETARY

B.K. BOHRA  
CFO

R.K. SUREKA  
DIRECTOR & CEO  
DIN : 00058043

S.S. PODDAR  
MANAGING DIRECTOR  
DIN : 00058025



## Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2019

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	2,361.10	2,832.23
<b>Adjustments for:</b>		
Depreciation and impairment of property, plant and equipment	312.14	308.21
Actuarial (loss)/gains on defined benefit obligations	(30.81)	(35.01)
Net (Gain)/Loss on disposal of property, plant and equipment	13.26	(211.07)
Unrealized (Gain)/Loss on Exchange-Net	(6.32)	(62.10)
Net (Gain)/Loss on sale of Investments	(21.38)	(41.79)
Income from investment (non trade) Dividend	(9.03)	(5.96)
Interest income	(22.92)	(31.83)
Finance costs	46.55	33.04
(Gain)/Loss on fair valuation of investment through FVTPL	(71.55)	(94.60)
Liabilities written back	(11.22)	(1.68)
<b>Cash generated from operations before working capital changes</b>	<b>2,559.82</b>	<b>2,689.43</b>
<b>Working capital adjustments:</b>		
(Increase)/decrease in trade receivables	94.24	447.90
(Increase)/decrease in non current financial assets	(17.49)	3.69
(Increase)/decrease in non current assets	1.22	(0.63)
(Increase)/decrease in other current financial assets	39.11	(34.28)
(Increase)/decrease in other current assets	305.77	166.25
(Increase)/decrease in inventory	(189.14)	(1,502.82)
Increase/(decrease) in other current financial liabilities	(44.96)	58.03
Increase/(decrease) in other current liabilities	98.54	(45.95)
Increase/(decrease) in trade payables	119.98	(233.93)
Increase/(decrease) in non current provisions	-	(30.77)
<b>Cash generated from operations</b>	<b>2,967.09</b>	<b>1,516.92</b>
Income tax paid	742.45	819.05
<b>Net cash flows from operating activities (A)</b>	<b>2,224.64</b>	<b>697.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITY</b>		
Proceeds from sale of property, plant and equipment	32.57	286.40
Purchase of property, plant and equipment	(2,113.14)	(219.94)
Purchase of Intangibles Assets	-	(36.00)
(Purchase)/Sale of current investment	488.91	(1,277.10)
Interest received	22.92	31.83
Short Term Loan given	-	(180.00)
Dividend Received	9.03	5.96
(Purchase)/Sale of non-current investments	-	745.76
<b>Net cash flows used in investing activities (B)</b>	<b>(1,559.71)</b>	<b>(643.09)</b>



(Rs. in lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>		
Proceeds from/(Repayment of) Short Term Borrowings	-	(114.19)
Interest Paid	(46.55)	(33.04)
Dividends paid to equity holders	(371.36)	(106.10)
Dividend Distribution Tax	(76.33)	(21.60)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(494.24)</b>	<b>(274.93)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>170.69</b>	<b>(220.15)</b>
Cash and cash equivalents at the beginning of the year	817.57	1,037.72
<b>Cash and cash equivalents at the year end</b>	<b>988.26</b>	<b>817.57</b>

**Notes:**

(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

(ii) Cash and cash equivalent includes:

In Current Account	198.96	272.13
In EEFC Account	789.30	545.44
<b>Cash and cash equivalents at year end</b>	<b>988.26</b>	<b>817.57</b>

(iii) Previous year figures have been regrouped/rearranged to make them comparable, wherever considered necessary, with those of the current year.

As per our report of even date  
For M.L. GARG & COMPANY  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 001604N

MANISH K. GARG  
PARTNER  
Membership No. 96238

PLACE : New Delhi  
DATE : 24th May, 2019

NAVIN JAIN  
SR. GM (LEGAL) &  
COMPANY SECRETARY  
B.K. BOHRA  
CFO

For and on behalf of the Board of Directors

R.K. SUREKA  
DIRECTOR & CEO  
DIN : 00058043  
S.S. PODDAR  
MANAGING DIRECTOR  
DIN : 00058025





## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019

### A. Equity Share Capital

For the year ended 31<sup>st</sup> March, 2019

(Rs. in lakhs)

Balance as at 1 <sup>st</sup> April, 2018	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2019
1,061.00	-	1,061.00

For the year ended 31<sup>st</sup> March, 2018

(Rs. in lakhs)

Balance as at 1 <sup>st</sup> April, 2017	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2018
1,061.00	-	1,061.00

### B. Other Equity

For the year ended 31<sup>st</sup> March, 2019

(Rs. in lakhs)

Particulars	Reserve and surplus			Remeasurement of Defined Benefit Plan	Equity Instruments through OCI	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance at the beginning of the 1 <sup>st</sup> April, 2018	159.00	13,368.60	1,045.28	-	4,083.11	18,655.99
Profit for the period	-	-	1,653.88	-	-	1,653.88
Other comprehensive income	-	-	-	(20.04)	960.93	940.89
<b>Total Comprehensive Income for the Year</b>	<b>159.00</b>	<b>13,368.60</b>	<b>2,699.16</b>	<b>(20.04)</b>	<b>5,044.04</b>	<b>21,250.76</b>
Final dividend	-	-	(371.36)	-	-	(371.36)
Dividend distribution tax on Final dividend	-	-	(76.33)	-	-	(76.33)
Transferred to retained earnings	-	-	(20.04)	20.04	-	-
Transferred to General Reserve	-	1,803.70	(1,803.70)	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>159.00</b>	<b>15,172.30</b>	<b>427.73</b>	<b>-</b>	<b>5,044.04</b>	<b>20,803.07</b>

For the year ended 31<sup>st</sup> March 2018

(Rs. in lakhs)

Particulars	Reserve and surplus			Remeasurement of Defined Benefit Plan	Equity Instruments through OCI	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings			
Balance at the beginning of the 1 <sup>st</sup> April, 2017	159.00	11,246.60	239.72	-	3,330.25	14,975.57
Profit for the period	-	-	1,910.50	-	-	1,910.50
Other comprehensive income	-	-	-	(22.89)	1,920.51	1,897.62
<b>Total Comprehensive Income for the Year</b>	<b>159.00</b>	<b>11,246.60</b>	<b>2,150.22</b>	<b>(22.89)</b>	<b>5,250.76</b>	<b>18,783.69</b>
Interim dividend	-	-	(106.10)	-	-	(106.10)
Dividend distribution tax on Interim dividend	-	-	(21.60)	-	-	(21.60)
Transferred to retained earnings	-	-	(22.89)	22.89	(1,167.65)	(1,167.65)
Gain on sale of equity instrument (Net of tax) during the year	-	-	1,167.65	-	-	1,167.65
Transferred to General Reserve	-	2,122.00	(2,122.00)	-	-	-
<b>Balance as at March 31, 2018</b>	<b>159.00</b>	<b>13,368.60</b>	<b>1,045.28</b>	<b>-</b>	<b>4,083.11</b>	<b>18,655.99</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019

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

#### Corporate Information

Poddar Pigments Limited (the Company) is a public limited company domiciled in India, incorporated under the provisions of Companies Act, 1956 and presently being governed by the Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a manufacturer of Color & Additive Master batches for dope dyeing of man-made fibers, various plastic applications. These financial statement have been authorised for issue with a resolution of the Board of Directors on 24th May, 2019.

#### Basis of preparation

##### A Statement of Compliance

Company has adopted Indian accounting Standard (Referred to as "Ind AS") as notified by Companies (Indian Accounting Standards) Rules 2015 (as amended) read with Section 133 of the Companies Act, 2013 with effect from 1 April 2017. For all periods up to and including for the year ended 31 March 2019, the company's financial statements prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The accounting policies are applied consistently to all the periods presented in the financial statements.

##### B Basis of Measurement

The Financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The standalone financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakh (Rs. 00,000) and two decimals thereof, except as stated otherwise.

##### C 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.

##### D Basis of Classification Current and Non-current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

#### Significant accounting policies

##### A Property Plant & Equipment

###### A.1 Initial recognition and measurement

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are recognized separately. Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized. Property, Plant and Equipments which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital Work-In-Progress'. The company had applied for the one time transition exemption of all considering the cost of the transition date i.e. 01 April 2016 as the deemed cost under Ind-AS. Hence, regarded thereafter as historical cost.

###### A.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

### A.3 Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### A.4 Depreciation/amortization

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment. Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Depreciation on property, plant and equipment except leasehold land is provided on their estimated useful life as prescribed by Schedule II of Companies Act, 2013.

## B Capital Work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

## C Intangible Assets and Intangible Assets under Development

### C.1 Recognition and measurement

Intangible assets are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can

be measured reliably.

### C.2 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

### C.3 Amortization

Intangible assets having definite life are amortized on straight line method in their useful life.

## D Inventories

Inventories are valued 'at lower of cost or net realizable value' except stock of residual products and scrap which are valued at net realizable value. The cost is computed on the weighted average basis. In case of finished goods and stock in process, cost is determined by considering material, labour, related overheads and duties thereon.

## E Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

## F Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### F.1 Financial assets:

#### F.1.1 Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs are attributable to the acquisition or issue of the financial asset, otherwise charged to Statement of Profit & Loss.

#### F.1.2 Subsequent measurement

Financial assets are subsequently classified and measured at:

- Financial assets at amortised cost
- Financial assets at fair value through profit and loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI).

#### a) Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

interest rate (EIR) method net of any expected credit losses wherever applicable. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

### **b) Debt instruments**

#### **i) Measured at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met: (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

#### **ii) Measured at FVTOCI (Fair Value through OCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **iii) Measured at FVTPL (Fair value through profit or loss)**

Debt instruments does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. The Company elects to classify the debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### **c) Equity instruments:**

All investments in equity instruments measured at fair value.

Equity instrument valued at FVTOCI, and all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment as the company transfers cumulative gain or loss within the equity.

Equity instruments if classified as FVTPL category are measured at fair value i.e. at NAV with all changes recognized in the profit and loss.

### **F.1.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the asset.

### **F.1.4 Impairment of financial asset**

Expected credit losses are recognized for all financial assets subsequent to initial recognition in Statement of Profit & Loss other than financials assets in FVTPL category.

For recognition of impairment loss on financial assets other than Trade receivables, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

significantly, 12-month ECL is used to provide impairment loss. However, If credit risk is increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-Month ECL.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### F.2 Financial liabilities

#### F.2.1 Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### F.2.2 Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### F.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### F.3 Derivative financial instruments

The Company uses forwards to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### G Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### H Impairment of Non-Financial Assets

The Company, in accordance with the Indian Accounting Standard (Ind AS) 36 "Impairment of Assets", 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.





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### I Provisions & Contingent Liabilities

#### (i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting period and are adjusted to reflect the current best estimate.

#### (ii) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized in financial statements but are disclosed, if any.

### J Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and it is probable that future economic benefits will flow to the entity. Amount of sales are net of goods and service tax, sale returns, trade discounts and rebates but inclusive of excise duty. Revenue from sale of products is recognized when the significant risks and rewards of ownership of the products have been transferred to the buyer, and the amount of revenue can be measured reliably.

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.

Interest income is recognised, when no significant uncertainty as to measurability or collectibility exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

### K 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. Monetary assets and liabilities denominated in foreign

currency as on Balance Sheet date are translated into functional currency 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.

### L Income Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to any business combination or to an item which is recognised directly in equity or in other comprehensive income.

#### a) Current tax

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.

#### b) Deferred tax

Deferred tax charge or credit reflects the tax effects of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 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 law. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is recognised in other comprehensive income or directly in equity, respectively.

#### c) Minimum alternative tax (MAT)

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement.

### **M Employee Benefits**

#### **(i) Defined contribution plan**

Employee benefits in the form of Provident Fund (with Government Authorities) are considered as defined contribution plan and the contributions are charged to the statement of Profit & Loss of the year when the contributions to the respective funds are due.

#### **(ii) Defined benefit plan**

Retirement benefits in the form of Gratuity and Long term compensated leaves are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Other short term absences are provided based on past experience of leave availed. Actuarial Gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. All other expenses related to defined benefit plans are recognized in Statement of Profit and Loss as employee benefit expenses.

### **N Borrowing Cost**

General and Specific Borrowing Cost that are directly attributable to the acquisition or construction or production of qualifying assets are capitalized as part of the cost of such assets upto the date when such assets are ready for intended use. Qualified assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are charged as expenses in the year in which they are incurred. Investment income earned on the temporary investment of specific

borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

### **O Earning Per Share**

Basic Earning Per Share is calculated by dividing the net profit 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.

### **P Leases**

#### **Accounting for finance leases**

Leases of Property, Plant and Equipment, if any, where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

#### **Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term.

### **Q Research & Development**

Research and development costs are recognized as expense in the period in which it is incurred. The company does not incur any development expenditure which are eligible for capitalisation under Para 57 of Ind AS-38.

### **R Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

A pyramid diagram illustrating the hierarchy of the business model. The pyramid is divided into four horizontal layers. From top to bottom, the layers are: 1. A single purple triangle. 2. Two purple trapezoids. 3. Three purple squares. 4. Four purple rectangles. The entire pyramid is composed of these shapes, with the base layer being the widest and the top layer being the narrowest.

**As at 31<sup>st</sup> March, 2019**

**As at 31<sup>st</sup> March, 2018**

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## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Notes:

2.1 Plant & Machinery and Office Equipment include Rs. 1515.25 Lakhs (31.03.2018 Rs. 1514.42 Lakhs ) being R & D Equipment out of which Rs.0.83 lakh (31.03.2018 Rs.128.59 Lakhs) were purchased during the year.

2.2 Amount in Plant & machinery included Rs.116.09 lakhs (P.Y. Rs. 10.35 Lakhs) mandatory Capital Spare capitalised.

### Note No. 3 : NON CURRENT ASSETS: INTANGIBLE ASSETS

(Rs.in lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April 2018	Additions	Disposals	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018	Depreciation charged during the year	Deductions	As at 31 <sup>st</sup> March 2019	Net Carrying Amount as on 31.03.19	Net Carrying Amount as on 31.03.18
Computer Software	36.00	-	-	36.00	0.02	5.70	-	5.72	30.28	35.98
Total	36.00	-	-	36.00	0.02	5.70	-	5.72	30.28	35.98

(Rs.in lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April 2017	Additions	Disposals	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017	Depreciation charged during the year	Deductions	As at 31 <sup>st</sup> March 2018	Net Carrying Amount as on 31.03.18	Net Carrying Amount as on 31.03.17
Computer Software	-	36.00	-	36.00	-	0.02	-	0.02	35.98	-
<b>Total</b>	<b>-</b>	<b>36.00</b>	<b>-</b>	<b>36.00</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>	<b>35.98</b>	<b>-</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 4 : NON CURRENT FINANCIAL ASSETS : INVESTMENTS

(Rs. In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Equity Instruments (fully paid-up-unless otherwise stated)		
Quoted (designated at fair value through other comprehensive income)		
50,00,000 Nos (31.03.18 50,00,000 Nos.) Equity Share of Rs. 10/- of Hindustan Oil Exploration Company Limited	6,485.00	5,522.50
	<u>6,485.00</u>	<u>5,522.50</u>
Unquoted		
Equity Instruments (fully paid-up-unless otherwise stated)		
Unquoted at cost		
80000 Nos (31.03.18 Nil) Equity Share of Re 0.10 of Chennai Super Kings Cricket Limited	0.08	-
	<u>0.08</u>	<u>-</u>
Investment in Government Securities		
6 Years National Savings Certificates	0.21	0.21
	<u>0.21</u>	<u>0.21</u>
<b>TOTAL</b>	<b><u>6,485.29</u></b>	<b><u>5,522.71</u></b>
Aggregate amount of Quoted Investments (Cost)	1,439.38	1,439.38
Aggregate amount of Quoted Investment (Market Value)	6,485.00	5,522.50
Aggregate amount of Unquoted Investment	0.29	0.21

Note 4.1 Investment has been valued as per accounting policy as mentioned in para F.1.c

Note 4.2 During the year gain of Rs. Nil Lakhs (P.Y. Rs. 1167.65 Lakhs) has been transferred to retained earnings relating to the disposal of investment which is measured through other comprehensive income (net of tax).

### Note No. 5 : NON CURRENT ASSETS - OTHER FINANCIAL ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	76.39	58.90
<b>TOTAL</b>	<b><u>76.39</u></b>	<b><u>58.90</u></b>

### Note No. 6 : NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Advances	545.09	17.35
Advances other than Capital Advances:		
Advance against supply of Goods and Services	0.43	1.15
Balances with Government & Statutory Authorities	5.67	5.68
Others	0.66	1.15
<b>TOTAL</b>	<b><u>551.85</u></b>	<b><u>25.33</u></b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 7 : CURRENT ASSETS - INVENTORIES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	2,970.94	3,030.91
Work-in-Progress	320.73	350.99
Finished Goods	1,128.91	1,008.67
Consumable Stores	495.59	336.46
<b>TOTAL</b>	<b>4,916.17</b>	<b>4,727.03</b>

### Note No. 8 : CURRENT FINANCIAL ASSETS - INVESTMENT

(Rs. in lakhs)

Particulars	Number of Unit Current year/ (previous year)	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unquoted (measured at fair value through profit or loss)</b>			
<b>Investment in Mutual Fund</b>			
SBI Treasury Advantge Fund-Regular Plan-Growth	10,999.14 (79,793.08)	228.76	959.09
UTI Treasury Advantge Fund-institutional Plan-Growth	22,293.17 (22,293.17)	574.77	533.94
SBI Regular Saving Fund-Regular Plan-Growth	Nil (1,389,947.31)	-	419.69
SBI Magnum Insta Cash Fund-Liquid Floater Plan-Growth	5,185.15 (5,185.15)	160.34	150.84
Reliance Regular Saving Fund-Monthly dividend Plan	1,699,554.57 (1,699,554.57)	181.61	185.64
UTI Liquid Cash Plan Institutional-Growth	3,271.14 (14,122.34)	100.12	400.63
SBI Liquid Fund Regular Plan-Growth	34,572.94 Nil	1,008.25	-
<b>TOTAL</b>		<b>2,253.85</b>	<b>2,649.83</b>
Aggregate amount of Unquoted Investment (Cost)		2,150.00	2,550.00
Aggregate amount of Unquoted Investment (NAV)		2,253.85	2,649.83

Note no 8.1 Investment have been Valued as per Accounting Policy of the Company as mentioned in F.1.c

Note no 8.2 Investment are Unquoted and valued at Net Assets Value

### Note No. 9 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade Receivable		
a) Trade Receivable considered good-Secured	955.19	1,282.60
b) Trade Receivable considered good-Unsecured	3,746.97	3,507.49
<b>TOTAL</b>	<b>4,702.16</b>	<b>4,790.09</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 10 : CURRENT FINANCIAL ASSET - CASH AND CASH EQUIVALENT

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Banks:		
In Current/Cash Credit Account	198.96	272.13
EEFC Account	789.30	545.44
<b>TOTAL</b>	<b>988.26</b>	<b>817.57</b>

### Note No. 11 : CURRENT FINANCIAL ASSET - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENT

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Bank balance in Unpaid Dividend Account	131.01	106.27
<b>TOTAL</b>	<b>131.01</b>	<b>106.27</b>

### Note No. 12 : CURRENT FINANCIAL ASSETS - SHORT TERM LOANS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Loans Receivables - Considered good-Unsecured	180.00	180.00
<b>TOTAL</b>	<b>180.00</b>	<b>180.00</b>

### Note No. 13 : CURRENT FINANCIAL ASSET - OTHER CURRENT FINANCIAL ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advance recoverable in cash or kind or for value to be received</b>		
Discount & Commission Receivable	22.11	70.64
Misc. Receivable	39.98	2.55
Advance to Employee (Refer Note No. 13.1)	8.77	7.63
Deposit to Others	-	2.00
Security Deposit with Shipping Line	4.70	4.15
Claim Receivables from RIICO	-	19.33
Other Claims Receivable	5.03	13.40
<b>TOTAL</b>	<b>80.59</b>	<b>119.70</b>

Note No.13.1 Advance given to employees are measured at amortised cost.





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 14 : CURRENT ASSETS - CURRENT TAX ASSETS (NET)

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advance Tax	6,238.13	5,502.52
Tax deducted at Source	43.25	36.41
Less: Provision For Tax	(6,164.45)	(5,476.55)
<b>TOTAL</b>	<b>116.93</b>	<b>62.38</b>

### Note No. 15 : CURRENT ASSET - OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advances to Suppliers	126.17	155.01
Statutory and Other Receivables	142.34	415.42
Others	8.38	12.23
<b>TOTAL</b>	<b>276.89</b>	<b>582.66</b>

### Note No. 16 : EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorised Share Capital</b>		
1,25,00,000 (Previous year 1,25,00,000) Equity Shares of Rs. 10/- each	1,250.00	1,250.00
	<b>1,250.00</b>	<b>1,250.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
1,06,10,000 (Previous year 1,06,10,000) Equity Share of Rs. 10/- each fully paid up	1,061.00	1,061.00
	<b>1,061.00</b>	<b>1,061.00</b>

#### 16.1 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

#### 16.2 Terms/Rights attached to Equity Shares:

The Company has only one class of issued shares i.e., Ordinary Shares having par value of Rs. 10 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### 16.3 Details of Equity Shareholders holding more than 5% shares in the Company.

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Pluto Trade Links Ltd.	-	-	2,054,300	19.36%
G.K.S Logistic Private Limited	4,502,892	42.44%	1,359,772	12.82%
G.K.S. Holdings Ltd.	-	-	1,088,820	10.26%
Kusum Poddar	884,766	8.34%	884,766	8.34%
Mahima Poddar Agarwal	605,000	5.70%	605,000	5.70%
Rochna Poddar	590,000	5.56%	590,000	5.56%

### Note No. 17 : OTHER EQUITY

(Rs. in lakhs)

Particulars	Refer Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
General Reserve	17.1	15,172.30	13,368.60
Capital Redemption Reserve	17.2	159.00	159.00
Retained Earnings	17.3	427.73	1,045.28
Other Reserves	17.4	5,044.04	4,083.11
<b>TOTAL</b>		<b>20,803.07</b>	<b>18,655.99</b>

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>17.1 General Reserve</b>		
Balance at the beginning of the year	13,368.60	11,246.60
Add: Transferred from Retained Earnings	1,803.70	2,122.00
<b>Balance at the end of the year</b>	<b>15,172.30</b>	<b>13,368.60</b>
<b>17.2 Capital Redemption Reserve</b>		
Opening Balance	159.00	159.00
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>159.00</b>	<b>159.00</b>
<b>17.3 Retained Earnings</b>		
Balance at the beginning of the year	1,045.28	239.72
Add: Profit for the year	1,653.88	1,910.50
Gain on sale of equity instrument	-	1,167.65
	<b>2,699.16</b>	<b>3,317.87</b>
Less: Appropriation		
Final Dividend	371.36	106.10
Dividend Distribution Tax on Final Dividend	76.33	21.60
Transferred to General Reserve	1,803.70	2,122.00
	<b>2,251.39</b>	<b>2,249.70</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Items of other comprehensive income recognised directly in retained earnings		
Net actuarial gain/(loss) on defined benefit plan, net of tax	(20.04)	(22.89)
<b>Balance at the end of the year</b>	<b>427.73</b>	<b>1,045.28</b>
<b>17.4 Other Reserves</b>		
Equity instrument through Other Comprehensive Income		
Balance at the beginning	4,083.11	3,330.25
Add/(Less): Change in Fair Value	960.93	1,920.51
Add/(Less): Transferred to retained earnings on disposal of Equity instrument	-	(1,167.65)
<b>Balance at the end of the year</b>	<b>5,044.04</b>	<b>4,083.11</b>
<b>Total Other Equity</b>	<b>20,803.07</b>	<b>18,655.99</b>

### 17.5 Events occurring after the Balance Sheet date:

Dividends Proposed to be distributed

The Board has recommended dividend of Rs. 3.00 per share (Previous year Rs. 3.50 per share) payable subject to the approval of shareholders in the ensuing Annual General Meeting. Total outgo on this accounts will be Rs. 383.73 lakhs (previous year Rs. 447.69 lakhs) inclusive of dividend distribution tax.

**17.6** The company has elected to recognise changes in the fair value of certain investment in equity securities in the other comprehensive income. These changes are accumulated within FVTOCI reserve with equity. The company has transferred Rs. NIL (31.03.18 Rs. 1167.65 lakhs) from FVTOCI reserve to retained earnings at the time of disposal of securities.

## Note No. 18 : NON CURRENT LIABILITIES - DEFERRED TAX LIABILITIES (NET) (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Arising on account of:</b>		
Accelerated Depreciation on		
Property Plant & Equipments including Research & Development Equipments	490.57	522.40
Fair Valuation of Mutual Funds	23.03	34.56
Others	1.65	-
	<b>515.25</b>	<b>556.96</b>
Less: Deferred Tax Assets		
<b>Arising on account of:</b>		
Section 43B of Income-tax Act, 1961	12.22	12.13
Mat Credit Entitlement	-	52.00
	<b>12.22</b>	<b>64.13</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>503.03</b>	<b>492.83</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 19 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade Payables for goods and services		
Total outstanding dues of micro and small enterprises (Refer note 19.1)	-	-
Others-Trade Payables for goods and services	1,423.07	1,303.09
<b>TOTAL</b>	<b>1,423.07</b>	<b>1,303.09</b>

#### 19.1 Details of supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 and which have furnished the information regarding filing of necessary memorandum with appointed authority is as under:-

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### Note No. 20 : OTHER CURRENT FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Unpaid and unclaimed dividends (Note no. 20.1)	131.02	106.27
Security Deposits Dealer (Unsecured)	83.50	71.50
Security Deposits Other (Unsecured)	5.45	3.63
Employees related Liabilities	57.72	54.97
Discount/Commission Payable	133.96	189.13
Expenses Payable	146.80	164.40
Others	0.18	0.18
<b>TOTAL</b>	<b>558.63</b>	<b>590.08</b>

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



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 21 : CURRENT LIABILITIES - PROVISION

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits	7.78	7.78
<b>TOTAL</b>	<b>7.78</b>	<b>7.78</b>

### Note No. 22 : CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Statutory dues	29.40	21.75
TDS Payable	23.49	10.17
Others advances from customer	176.65	99.08
<b>TOTAL</b>	<b>229.54</b>	<b>131.00</b>

### Note No. 23 : REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Sale of Products (Gross)(net of Rebate &amp; Discounts)</b>	<b>39,820.63</b>	<b>36,923.14</b>
Less-GST	(4,695.60)	(3,414.90)
	<b>35,125.03</b>	<b>33,508.24</b>
<b>Other Operating Revenues</b>		
Export Benefits	573.75	565.95
Miscellaneous Sale	9.92	10.78
	<b>583.67</b>	<b>576.73</b>
<b>TOTAL</b>	<b>35,708.70</b>	<b>34,084.97</b>

#### 23.1 Details of Sale of Products

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Special Master Batches	35,030.21	33,491.34
Others	94.82	16.90
<b>TOTAL</b>	<b>35,125.03</b>	<b>33,508.24</b>

#### 23.2 Sales are Net of Rebate and Discounts.

#### 23.3 Miscellaneous Sales Includes Sale of Production Waste



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 24 : OTHER INCOME

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Interest Income</b>		
On Short Term Loan	55.92	18.38
On Others	4.43	12.52
<b>Dividend Income</b>	9.03	5.96
<b>Net Gain/ (Loss) on sale of Investments</b>		
On Current investments	21.38	41.79
<b>Gain/(Loss) on fair valuation of investment at FVTPL</b>	71.55	94.60
<b>Other Non Operating Income</b>		
Gain on sale/discard of PPE (Net of Loss)	-	211.07
Excess Provision /liabilities no longer required written back	11.22	3.40
Net Gain/(Loss) on Foreign currency transaction and translation	208.28	301.25
Insurance and Other Claims (Net)	15.59	17.13
Miscellaneous Income	40.45	38.74
<b>TOTAL</b>	<b>437.85</b>	<b>744.84</b>

### Note No. 25 : COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Raw Material Consumed (Refer Note No.- 25.1 & 25.2)	28,040.36	26,521.40
<b>TOTAL</b>	<b>28,040.36</b>	<b>26,521.40</b>

#### 25.1 Details of Raw Material Consumed

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Polymer Resins	8,607.92	7,615.18
Pigments	18,159.52	17,776.53
Waxes	926.82	873.72
Others	346.10	255.97
<b>TOTAL</b>	<b>28,040.36</b>	<b>26,521.40</b>

#### 25.2 Details of Imported & Indigenous Raw Material Consumed:

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Amount	%	Amount	%
Imported	11,096.02	39.57%	11,807.20	44.52%
Indigenous	16,944.34	60.43%	14,714.20	55.48%
<b>TOTAL</b>	<b>28,040.36</b>	<b>100.00%</b>	<b>26,521.40</b>	<b>100.00%</b>





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 26 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

(Rs. in lakhs)		
Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,008.67	291.95
Work-In-Progress	350.99	235.41
	<u>1,359.66</u>	<u>527.36</u>
<b>Inventories at the end of the year</b>		
Finished Goods	1,128.91	1,008.67
Work-In-Progress	320.73	350.99
	<u>1,449.64</u>	<u>1,359.66</u>
<b>TOTAL</b>	<u>(89.98)</u>	<u>(832.30)</u>

### Note No. 27 : EMPLOYEE BENEFITS EXPENSE

(Rs. in lakhs)		
Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Salaries ,Wages & Allowances etc.	2,150.63	1,939.47
Contribution to Provident and Other Funds	118.41	110.74
Staff Welfare Expenses & other benefits	95.00	81.80
<b>TOTAL</b>	<u>2,364.04</u>	<u>2,132.01</u>

### Note No. 28 : FINANCE COST

(Rs. in lakhs)		
Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Interest Expenses</b>		
To Banks on Working Capital Loans	17.48	9.99
On Security Deposits and Others	6.52	7.41
<b>Other Borrowing Costs</b>		
Other Financial Charges	22.55	15.64
<b>TOTAL</b>	<u>46.55</u>	<u>33.04</u>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 29 : OTHER EXPENSES

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Manufacturing Expenses</b>		
Stores, Spare Consumed	185.87	153.85
Packing Material Consumed	174.12	176.96
Power & Fuel	572.42	587.45
Repairs to Buildings	13.12	14.97
Repairs to Machinery	26.72	23.43
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	-	(30.77)
Water Charges	11.72	13.21
Other Manufacturing Expenses	7.06	4.40
	<b>991.03</b>	<b>943.50</b>
<b>Selling Expenses</b>		
Commission on Sales	339.56	325.96
Sales Promotion Expenses	8.79	9.92
Transport & Forwarding Expenses	406.02	388.02
	<b>754.37</b>	<b>723.90</b>
<b>Administration Expenses</b>		
Bank Charges	46.00	47.32
Insurance	51.02	51.16
Rent	26.69	24.72
Repairs & Maintenance	34.39	40.08
Rates & Taxes	11.59	15.53
Advertisement	4.45	4.24
Directors' Fees	2.05	1.90
Auditors' Remuneration (Refer Note No. - 29.1)	3.95	2.54
Charity & Donation	0.41	0.41
Corporate Social Responsibility Expenses (Refer Note No. - 29.2)	28.03	52.60
Loss on sale/discard of PPE (Net)	13.26	-
R & D Expenses (Refer Note No. - 29.3)	531.29	520.09
Travelling Expense	201.19	222.33
Printing & Stationary	16.13	15.15
Legal & Professional Expenses	149.87	240.77
Other Expenses	246.62	258.88
	<b>1,366.94</b>	<b>1,497.71</b>
<b>TOTAL</b>	<b>3,112.34</b>	<b>3,165.11</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### 29.1 Payment to Statutory Auditors:

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Audit Fees	3.00	2.50
Reimbursements	0.95	0.04
<b>TOTAL</b>	<b>3.95</b>	<b>2.54</b>

### 29.2 Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of Companies Act, 2013 read with Schedule VII.

Total expenditure required to be spent on CSR	54.77	52.60
- Expenditure incurred during the year towards CSR	28.03	52.60
- Unspent amount	26.74	-

### 29.3 Details of Research & Development Expenses:

(Rs. in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Material Consumed	85.27	85.27
Salary, Wages and Bonus	353.35	333.37
Power & Fuel Expenses	55.00	52.09
Others (Net of Sales realisation)	37.67	49.36
<b>TOTAL</b>	<b>531.29</b>	<b>520.09</b>

## Note No. 30 : DISCLOSURE AS PER IND AS 2 'INVENTORIES'

Inventory Consumed of Rs. 374.77 Lakhs (PY 343.38 Lakhs) have been recognised as expense. The details are as under:

(Rs. in lakhs)

Particulars	2018-19	2017-18
Fuel & Oil	14.78	12.57
Packing Material	174.12	176.96
Store & Spares	185.87	153.85
<b>TOTAL</b>	<b>374.77</b>	<b>343.38</b>

## Note No. 31 : DISCLOSURE AS PER IND AS 12 'INCOME TAX'

### a) Tax Expense

#### i) Income Tax recongnised in statement of profit & loss.

(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
<b>Current Tax Expenses</b>		
Current year	739.90	856.12
Deferred Tax Expenses	(32.68)	117.61
Mat Credit Entitlement	-	(52.00)
<b>Total Tax expenses</b>	<b>707.22</b>	<b>921.73</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### ii) Income tax recognised in other comprehensive income (Rs. in lakhs)

Particular	31 <sup>st</sup> March, 2019			31 <sup>st</sup> March, 2018		
	Gross amount	Tax (expense)/Benefit	Net of tax	Gross amount	Tax (expense)/Benefit	Net of tax
-Net actuarial gain/(loss) on defined benefit plan	(30.81)	10.77	(20.04)	(35.01)	12.12	(22.89)
- Net gain/(loss) on fair value of equity instrument	962.58	(1.65)	960.93	1,920.51	-	1,920.51

### iii) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate (Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
<b>Profit before tax</b>	<b>2,361.10</b>	2,832.23
Tax using the domestic tax rate of 34.944% (Previous Year 34.608%)	825.06	980.18
<b>Tax effect of :</b>		
Non deductible tax expenses including effect of deferred tax	113.97	270.99
Deductable tax expenses including weighted deductions	(231.81)	(329.44)
<b>Total tax expenses in the statement of profit and loss</b>	<b>707.22</b>	<b>921.73</b>

### iv) Movement in Deferred Tax Balances

#### 31<sup>st</sup> March, 2019 (Rs. in lakhs)

Particulars	Net balance 01.04.2018	Recognised in Profit & Loss	Recognised in OCI	Net balance 31.03.2019
Difference in written down value as per the books of accounts and Income Tax	522.40	(31.83)	-	490.57
Fair valuation of Mutual fund	34.56	(11.53)	-	23.03
Others	-	-	1.65	1.65
<b>Tax assets/liabilities</b>	<b>556.96</b>	<b>(43.36)</b>	<b>1.65</b>	<b>515.25</b>
Less : Deferred Tax Assets	(12.13)	(0.09)	-	(12.22)
Less : Mat Credit Entitlement	(52.00)	52.00	-	-
<b>Net tax (assets) liabilities</b>	<b>492.83</b>	<b>8.55</b>	<b>1.65</b>	<b>503.03</b>

#### 31<sup>st</sup> March, 2018 (Rs. in lakhs)

Particulars	Net balance 01.04.2017	Recognised in Profit & Loss	Recognised in OCI	Net balance 31.03.2018
Difference in written down value as per the books of accounts and Income Tax	435.34	87.06	-	522.40
Fair valuation of Mutual fund	3.93	30.63	-	34.56
<b>Tax (assets)/liabilities</b>	<b>439.27</b>	<b>117.69</b>	<b>-</b>	<b>556.96</b>
Less : Deferred Tax Assets	(12.05)	(0.08)	-	(12.13)
Less : Mat Credit Entitlement	-	(52.00)	-	(52.00)
<b>Net tax (assets)/liabilities</b>	<b>427.22</b>	<b>65.61</b>	<b>-</b>	<b>492.83</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 32 : DISCLOSURE AS PER IND AS 19 'EMPLOYEE BENEFIT'

#### A) Defined contribution plan

During the year company has recognised the following amounts in the statement of profit and loss. (Rs. in lakhs)

Particulars	2018-19	2017-18
Benefits (Contributed to)		
Provident fund	86.62	76.39
Employee state insurance	11.22	12.19
Employees pension scheme 1995	32.87	32.51
<b>TOTAL</b>	<b>130.71</b>	<b>121.09</b>

#### B) Defined benefits plan

##### Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of 5 years or more is entitled to gratuity at 15 day salary ( $15/26 \times$  last drawn basis salary) for each completed year for five years or more on superannuation, resignation, termination, disablement or on death.

##### Leave encashment

The company has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no of leaves not availed.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
<b>Present Value of obligation as at the beginning of the period</b>	<b>584.57</b>	<b>155.72</b>	<b>431.72</b>	<b>130.77</b>
Current service cost	45.52	14.52	41.64	12.60
Interest cost	45.60	12.15	34.54	10.46
Past Service Cost	-	-	45.08	-
Actuarial (gain)/loss	29.17	26.41	35.76	2.76
Benefit paid	(13.32)	(19.98)	(4.17)	(0.87)
<b>Present value of obligation as at period ended</b>	<b>691.54</b>	<b>188.81</b>	<b>584.57</b>	<b>155.72</b>

#### Changes in the Fair Value of Plan Assets

(Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
<b>Fair value of plan assets, at the beginning of the period</b>	<b>547.30</b>	<b>153.37</b>	<b>463.08</b>	<b>140.48</b>
Actual Return on plan assets	41.05	11.50	37.80	7.33
Employer's contributions	111.48	15.38	50.60	6.43
Benefits paid	(13.32)	(2.98)	(4.17)	(0.87)
<b>Fair value of plan assets, end of the year</b>	<b>686.50</b>	<b>177.27</b>	<b>547.30</b>	<b>153.37</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

**Amount recognized in the balance sheet consists of:** (Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of defined benefit obligation	691.54	188.81	584.57	155.72
Fair value of plan assets	686.50	177.27	547.30	153.37
<b>Net liability</b>	<b>(5.03)</b>	<b>(11.54)</b>	<b>(37.26)</b>	<b>(2.35)</b>
<b>Amounts in the balance sheet:</b>				
Current Liability	97.54	2.98	23.92	10.87
Non-current liabilities	593.99	185.83	560.65	144.85
<b>Net liability</b>	<b>691.54</b>	<b>188.81</b>	<b>584.57</b>	<b>155.72</b>

**Total amount recognized in profit or loss consists of:** (Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Total Service Cost	45.52	14.52	86.73	12.60
Interest Income	2.91	0.18	(2.51)	(0.78)
<b>Net Interest</b>	<b>48.43</b>	<b>14.71</b>	<b>84.22</b>	<b>11.82</b>

**Amount recognized in other comprehensive income consists of:** (Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Actuarial Gain/(Loss) on Obligation	(29.17)	-	(35.76)	-
Actuarial Gain/(Loss) on Assets	(1.64)	-	0.75	-
<b>Total Actuarial Gain/(Loss) recognised in (OCI)</b>	<b>(30.81)</b>	<b>-</b>	<b>(35.01)</b>	<b>-</b>

**Actuarial Gain/(Loss) on obligation consists:** (Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Actuarial (gains)/losses arising from changes in demographic assumptions	18.34	1.35	-	-
Actuarial gain/(loss) arising from changes in financial assumptions	(22.38)	(7.03)	(25.55)	(14.34)
Actuarial gain/(loss) arising from changes in experience adjustments on plan liabilities	(25.13)	(20.72)	(10.21)	11.58
<b>Total Actuarial Gain/(Loss)</b>	<b>(29.17)</b>	<b>(26.41)</b>	<b>(35.76)</b>	<b>(2.76)</b>





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets: (Rs. in lakhs)

Particulars	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at period ended	691.54	188.81	584.57	155.72
Fair value of plan assets at period end	686.50	177.27	547.30	153.37
Unfunded status excess of Actual over estimated.	(5.03)	(11.54)	(37.27)	(2.35)
<b>Assets/(Liabilities) recognized in the Balance Sheet</b>	<b>(5.03)</b>	<b>(11.54)</b>	<b>(37.27)</b>	<b>(2.35)</b>

### C) Defined benefit Obligation

#### I) Actuarial assumption

The following were the principal actuarial assumption at the reporting date.

Particulars	31.03.2019	31.03.2018
Discount rate*	7.61%	7.80%
Salary escalation rate**	7.90%	7.50%
Valuation Methodology	Projected Unit Credit Method	Projected Unit Credit Method

\* The discount rate assumed is 7.61% 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

#### II) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have effected the defined benefit obligation by the amount shown below.

Particulars	(Rs. in lakhs)			
	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	25.00	26.61	17.64	16.66
Salary escalation rate (0.50% movement)	23.48	22.33	14.55	14.25

#### III) Expected maturity analysis of the defined benefits plan in future years

(Rs. in lakhs)

Particulars	First Year	Second year	Two to Third year	More than 3 Years
Gratuity	97.54	96.94	9.11	487.95
<b>TOTAL</b>	<b>97.54</b>	<b>96.94</b>	<b>9.11</b>	<b>487.95</b>

#### IV) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over the time. As such company is exposed to various risks as follow:-

- Salary Cost Inflation Risk – The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.
- Investment Risk – Assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

- D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### Note No. 33 : DISCLOSURE AS PER IND AS 21 'THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES'

The amount of exchange differences (net) credited to the Statement of Profit & Loss is Rs. 208.28 Lakhs (31 March 2018: Rs. 301.25 Lakhs).

### Note No. 34 : DISCLOSURE AS PER IND AS 24 'RELATED PARTY DISCLOSURES'

#### A) List of Related Party

##### i) Parties holding significant influence

- I) Pluto Tradelinks Ltd.  
II) GKS Logistics Pvt. Ltd.  
III) G.K.S. Holdings Ltd.

##### ii) Key management personnel

Shri S.S. Poddar	- Managing Director
Shri R.K. Sureka	- Director & CEO
Shri Kishore Rungta	- Non Executive & Independent Director
Smt. Mahima P. Agarwal	- Non Executive Director
Shri M.K. Sonthalia	- Non Executive & Independent Director
Shri N. Gopalaswamy	- Non Executive & Independent Director
Shri Gaurav Goenka	- Non Executive Director
Shri M. Mahadevan	- Non Executive & Independent Director
Smt. Lalitha Kumaramangalam	- Non Executive & Independent Director

##### 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
Ms. Rochna Poddar	- Daughter of Managing Director

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

##### i) Related Parties/Parties Holding Significant Influence

(Rs. in lakhs)

Particulars	2018-19	2017-18
Rent Paid [net of recovery of Rs.18.00 lakhs (Previous year Rs. 11.85 lakhs)] to Smt. Sushma Sureka	15.00	12.15
Rent Paid to M/s GKS Holdings Limited	18.00	18.50
Maintenance/Travelling Expenses Paid to Adroit Urban Developers Pvt. Ltd.	9.95	10.25
Consultancy fee/Travelling Expenses paid to Ms. Rochna Poddar	10.61	4.25
Rent/Electricity Expenses received from M/s Pluto Tradelinks Ltd.	0.27	0.74
Rent/Electricity Expenses received from M/s GKS Holdings Limited	0.66	0.63
Rent/Electricity Expenses received from M/s GKS Logistics Pvt. Ltd.	1.05	0.84



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### ii) Key Management Personnel Compensation

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	2018-19	2017-18
Short Term Employee Benefits		
Salaries & Allowances	168.00	139.00
Contribution to Provident Fund	16.20	13.68
Others-perquisites value	43.78	41.53
Commission on Profit to the Managing Director	24.97	26.67
<b>TOTAL</b>	<b>252.95</b>	<b>220.88</b>

### iii) Sitting Fees paid to Non executive/Independent Director Rs. 2.05 Lakhs (Previous Year Rs. 1.90 Lakhs)

#### Terms and conditions:

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable on demand.

## Note No. 35 : DISCLOSURE AS PER IND AS 33 'EARNING PER SHARE'

Particulars	Units	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Basic Earning per Share</b>			
Basic net earnings per share Attributable to Equity Shareholders	Rs. Lakhs	1,653.88	1,910.50
Number of shares outstanding	No.	106.10	106.10
Basic Earnings per share	Rs.	15.59	18.01
<b>Diluted Earning per Share</b>			
Diluted net earnings per share Attributable to Equity Shareholders	Rs. Lakhs	1,653.88	1,910.50
Number of shares outstanding	No.	106.10	106.10
Diluted Earning Per Share	Rs.	15.59	18.01

## Note No. 36 : DISCLOSURE AS PER IND AS 37 'PROVISIONS & CONTINGENT LIABILITIES.

### (i) Movement in provision

(Rs. In lakhs)

Particulars	Provision for excise duty on stock	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Carrying amount at the beginning of the year	-	30.77
Addition during to year	-	-
Amount used during the year	-	-
Reversal/Adjustment during the year	-	30.77
<b>Carrying amount at the end of the year</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### (ii) Contingent liabilities to the extent not provided for in respect of (Rs. in lakhs)

Particulars	2018-19	2017-18
<b>(A) Claims against company not acknowledged as Debts:-</b>		
(i) Income Tax matters in appeals	41.99	58.28
(ii) Service Tax demand not admitted by the company and for which appeals have been filed with appropriate authorities.	20.36	29.34
<b>(B) Guarantees:-</b>		
(i) Letter of Credit against purchase of raw materials	714.11	1,065.02
(ii) Bonds Executed with Customs & Excise Authorities	30.00	30.00
(iii) Bank Guarantees	0.52	3.10

### (iii) Commitments

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 2089.43 lakhs (2017-18 Rs. 149.23 lakhs), and advance given Rs. 564.97 lakhs (previous year Rs. 17.35 lakhs)
- Other Commitment : NIL

## Note No. 37 : DISCLOSURE AS PER IND AS 107 'FINANCIAL INSTRUMENT DISCLOSURE'

### A) Capital Management

For the purpose of Company's Capital Management, Capital includes issued equity share capital.

### B) Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Board of Directors. The Company's principal financial liabilities comprise trade payables and other payables. The company's principal financial assets include trade & other receivables and cash and short term deposits.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables	Ageing analysis, Credit Ratings	Credit limits, Escrow Cover, letters of credit, Export Credit risk insurance
	Financial assets measured at Amortised cost and cash & cash equivalents	Credit ratings	
Liquidity risk	Borrowing and other liabilities	Rolling cash flows forecast	Availability of committed credit lines and borrowing facilities

### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations may result into a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### a) Carrying amount of maximum credit risk as on reporting date

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)		
Non-current Investment	6,485.29	5,522.71
Other Non-Current Financial Assets	76.39	58.90
Current Investment	2,253.85	2,649.83
Cash & Cash Equivalent	988.26	817.57
Bank balances other than cash and cash equivalents	131.01	106.27
Current Loan	180.00	180.00
Other Current Financial Assets	80.59	119.70
	<b>10,195.39</b>	<b>9,454.98</b>
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)		
Trade Receivables	4,702.16	4,790.09
<b>TOTAL</b>	<b>14,897.55</b>	<b>14,245.07</b>

### b) Provision for expected credit or loss

- (i) Financial assets for which loss allowance is measured using 12 month expected credit losses.  
The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.
- (ii) Financial assets for which loss allowance is measured using life time expected credit losses  
The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

### c) Ageing of trade receivables

The Ageing of trade receivables is as below:

(Rs. in Lakhs)

Ageing	Not Due	<0-180 days	>180 days	Total
Gross Carrying amount as on 31.03.2019	3,170.53	1,332.80	198.83	4,702.16
Impairment loss recognised on above	-	-	-	-
Gross Carrying amount as on 31.03.2018	3,399.75	1,297.93	92.41	4,790.09
Impairment loss recognised on above	-	-	-	-

### ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

The following are the contractual maturities of financial liabilities based on contractual cash flows.

(Rs. in Lakhs)

Contractual Maturities of Financial Liabilities as at 31.03.2019	3 Month or less	3-12 months	1-2 years	2-5 years	More than 5 year	Total
Trade payable	1,412.12	5.42	5.53	-	-	1,423.07
Other financial liabilities	78.33	480.30	-	-	-	558.63
<b>TOTAL</b>	<b>1,490.45</b>	<b>485.72</b>	<b>5.53</b>	<b>-</b>	<b>-</b>	<b>1,981.70</b>

Contractual Maturities of Financial Liabilities as at 31.03.2018	3 Month or less	3-12 months	1-2 years	2-5 years	More than 5 year	Total
Trade payable	1,131.18	171.91	-	-	-	1,303.09
Other financial liabilities	408.50	181.58	-	-	-	590.08
<b>TOTAL</b>	<b>1,539.68</b>	<b>353.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,893.17</b>

### iii) Market risk

Market Risk mainly relates to the investment & deposits. There is no regular business of company for making investment & deposits. However, company manages the cash resources, borrowings strategies and ensuring compliance of the same with the guidelines & directions of the Higher Management.

#### A) Foreign currency risk

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The company evaluate exchange rate exposure arising from foreign currency transaction and the company follow established risk management policies. Foreign exchange exposure risk is largely covered by natural hedging by linking export proceeds with import payments since company has exposures for both exports & imports and also uses the derivative like foreign exchange forward contracts to hedge exposure to foreign risk to minimise the risk of any possible adverse impact.

(Rs. in Lakhs)

Foreign currency exposure as at 31.03.2019	USD	Amount	EURO	Amount
Trade receivable	20.14	1,392.89	4.76	369.98
Trade payable	9.04	624.95	2.35	182.55
<b>Net exposure</b>	<b>11.10</b>	<b>767.94</b>	<b>2.41</b>	<b>187.43</b>

Foreign currency exposure as at 31.03.2018	USD	Amount	EURO	Amount
Trade receivable	29.98	1,954.12	4.79	386.84
Trade payable	7.67	499.78	1.31	106.23
<b>Net exposure</b>	<b>22.31</b>	<b>1,454.34</b>	<b>3.48</b>	<b>280.61</b>

#### B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

#### C) Other price risk

The company's exposure towards price risk arises from investments held in equity shares & Mutual Fund are classified in balance sheet at fair value through other comprehensive income & Fair value through Profit and Loss respectively. All of the company's equity investments are publically traded and are listed on NSE and BSE.





## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 38 : DISCLOSURE AS PER IND AS 113 'FAIR VALUE MEASUREMENT'

#### Fair Value Hierarchy

#### Valuation Techniques used to determine fair values:

Specific valuation technique is used to determine the fair value of the financial instruments which include:

- For Investments in Equity Investments - Quoted Market prices are used.
- For Investments in Mutual funds - Closing NAV is used.
- The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same at their Fair values, due to their short term nature.

#### A) Financial Instruments by Category

(Rs. in Lakhs)

Particulars	31.03.2019		
	FVTPL	FVTOCI	Amortized cost i.e. carrying value
<b>Financial Assets:</b>			
Investments			
Equity instrument	-	6,485.00	-
Mutual fund	2,253.85	-	-
National saving certificate	-	-	0.21
Trade Receivables	-	-	4,702.16
Loan	-	-	180.00
Cash and Cash Equivalents	-	-	988.26
Bank balances other than cash and cash equivalent	-	-	131.01
Security deposit	-	-	81.09
Other Financial Assets	-	-	75.89
<b>Total Financial Assets</b>	<b>2,253.85</b>	<b>6,485.00</b>	<b>6,158.62</b>
<b>Financial Liability:</b>			
Trade Payables	-	-	1,423.07
Other Financial Liabilities	-	-	558.63
<b>Total Financial Liability</b>	<b>-</b>	<b>-</b>	<b>1,981.70</b>

Particulars	31.03.2018		
	FVTPL	FVTOCI	Amortized cost i.e. carrying value
<b>Financial Assets:</b>			
Investments			
Equity instrument	-	5,522.50	-
Mutual fund	2,649.83	-	-
National saving certificate	-	-	0.21
Trade Receivables	-	-	4,790.09
Loan	-	-	180.00
Cash and Cash Equivalents	-	-	817.57
Bank balances other than cash and cash equivalent	-	-	106.27
Security deposit	-	-	63.05
Other Financial Assets	-	-	115.55
<b>Total Financial Assets</b>	<b>2,649.83</b>	<b>5,522.50</b>	<b>6,072.74</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

(Rs. in Lakhs)

Particulars	31.03.2018		
	FVTPL	FVTOCI	Amortized cost i.e. carrying value
<b>Financial Liability:</b>			
Borrowings	-	-	-
Trade Payables	-	-	1,303.09
Other Financial Liabilities	-	-	590.08
<b>Total Financial Liability</b>	-	-	<b>1,893.17</b>

### B) Fair Value Hierarchy

As at 31<sup>st</sup> March, 2019

(Rs. in Lakhs)

Financial Instrument measured at Fair Value - recurring fair value measurement	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Equity Instruments	6,485.00	-	-	6,485.00
Investments in Mutual Funds	-	2,253.85	-	2,253.85
<b>TOTAL</b>	<b>6,485.00</b>	<b>2,253.85</b>	-	<b>8,738.85</b>

As at 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Financial Instrument measured at Fair Value - recurring fair value measurement	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Equity Instruments	5,522.50	-	-	5,522.50
Investments in Mutual Funds	-	2,649.83	-	2,649.83
<b>TOTAL</b>	<b>5,522.50</b>	<b>2,649.83</b>	-	<b>8,172.33</b>

### C) Fair value of Financial Assets and Liabilities Measured at Amortised Cost

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade receivables	3	4,702.16	4,702.16
Loans	3	180.00	180.00
Cash and cash equivalent	3	988.26	988.26
Other Bank Balances	3	131.01	131.01
Other Financial Assets	3	75.89	75.89
Security Deposits	3	81.09	81.09
<b>Financial Liabilities</b>			
Trade payables	3	1,423.07	1,423.07
Other-Financial Liabilities	3	558.63	558.63



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

(Rs. in Lakhs)

Particulars	As at 31 March 2018		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade receivables	3	4,790.09	4,790.09
Loans	3	180.00	180.00
Cash and cash equivalent	3	817.57	817.57
Other Bank Balances	3	106.27	106.27
Other Financial Assets	3	115.55	115.55
Security Deposits	3	63.05	63.05
<b>Financial Liabilities</b>			
Borrowings	3	-	-
Trade payables	3	1,303.09	1,303.09
Other-Financial Liabilities	3	590.08	590.08

### Basis of Fair Value Hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty. The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value. There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

## Note No. 39 : DISCLOSURE AS PER IND AS 108 'OPERATING SEGMENT'

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	(Rs. in Lakhs)	
	For the year ended as on 31 <sup>st</sup> March, 2019	For the year ended as on 31 <sup>st</sup> March, 2018
Revenue from external customers	9,901.19	9,389.72
India	30,503.11	28,110.15
<b>TOTAL</b>	<b>40,404.30</b>	<b>37,499.87</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 (contd.)

### Note No. 40 : DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135 of companies act the company is required to spend in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial year in accordance with its CSR policy.

- A. Gross amount required to be spent by the Company during the year 2018-19 - Rs. 54.77 Lakhs (Year 2017-18 - Rs. 52.60 Lakhs) out of which Rs. 26.74 Lakhs is unspent and balance Rs. 28.03 Lakhs is spent.
- B. Amount spent during the year on:

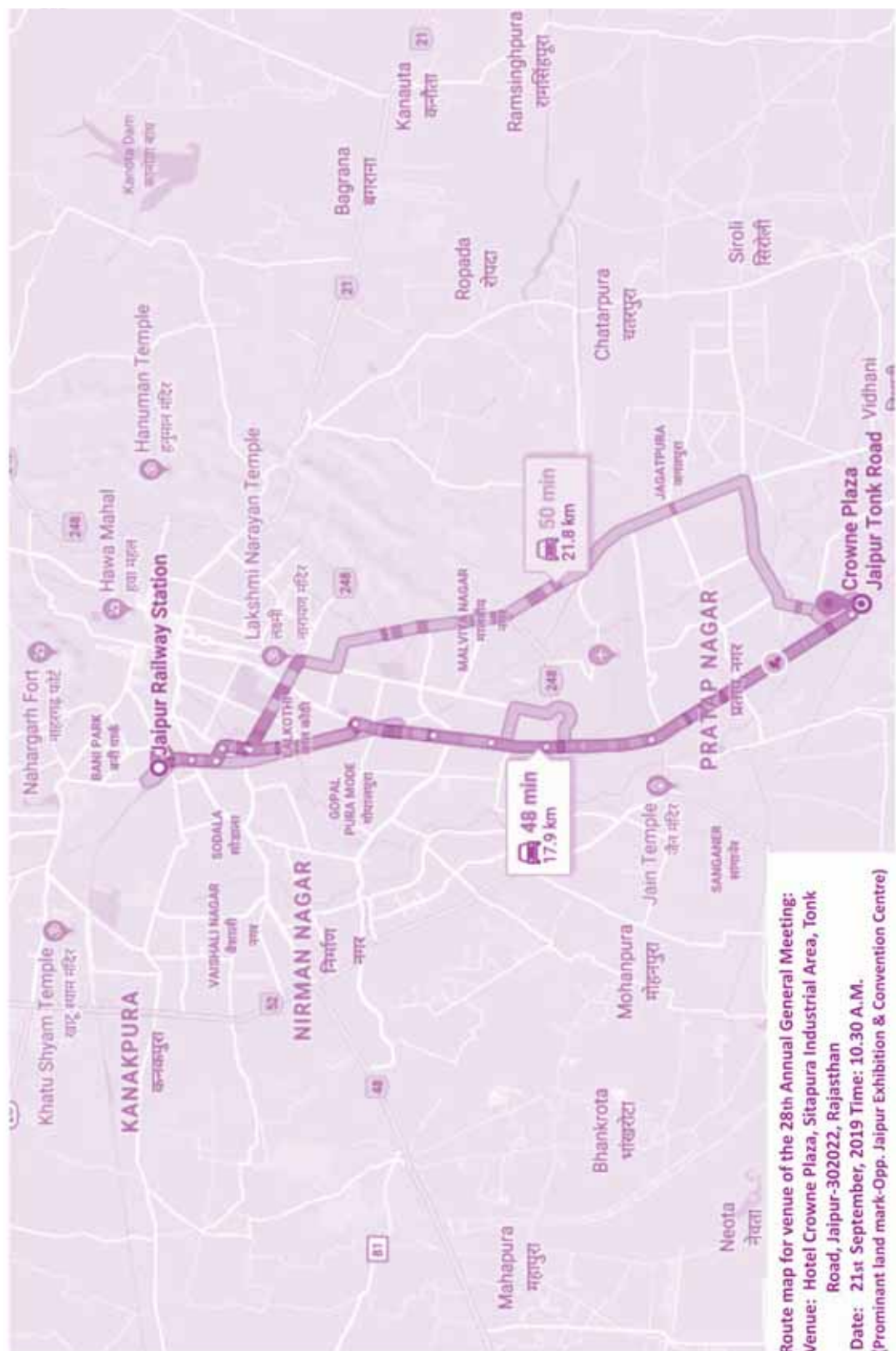
(Rs. in Lakhs)

Particulars	Year 2018-19			Year 2017-18		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
i) Construction/Acquisition of any assets	-	-	-	-	-	-
ii) Purposes other than (i) above	28.03	-	28.03	52.60	-	52.60

\* Pl. refer Note no. 29.2



## ROUTE MAP





## 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: .....

or failing him

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Eighth Annual General Meeting of the Company, to be held on Saturday, the 21st September, 2019 at 10.30 A.M. at Crowne Plaza, 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, 2019 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.		
2	To declare Final Dividend on Equity Shares for the financial year ended March 31, 2019.		
3	To appoint a Director in place of Shri R.K.Sureka, Director & CEO, who retires by rotation and being eligible, offers himself for re-appointment.		
4	To Ratification of remuneration to Cost Auditor.		
5	To Approval for appointment of Joint Managing Director for a period of three years.		
6	To Approval for revision in remuneration and re-appointment of Managing Director for a period of five years.		
7	To Approval for Managerial Remuneration in excess of the limits specified in Section 197 of the Companies Act, 2013.		
8	To Approval appointment of Smt. Lalitha Kumaramangalam as an independent Director for period of five year.		
9	To Approval re-appointment of Shri M.K. Sonthalia as an independent Director for further period of five year (second term).		
10	To Approval re-appointment of Shri N.Gopalaswamy as an independent Director for further period of five year (second term).		

Signed this.....day of.....2019

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

Revenue  
Stamp of  
Rs. 1/-

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







## PODDAR PIGMENTS LIMITED

CIN: L24117RJ1991PLC006307

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

### ATTENDANCE SLIP

TWENTY EIGHTH ANNUAL GENERAL MEETING- 21st SEPTEMBER, 2019

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

I /We hereby record my/ our presence at the Twenty Eighth Annual General Meeting of the Company held on Saturday, the 21st September, 2019 at 10.30 A.M. at Crowne Plaza, Sitapura Industrial Area, Tonk Road, Jaipur-302022 (Rajasthan).

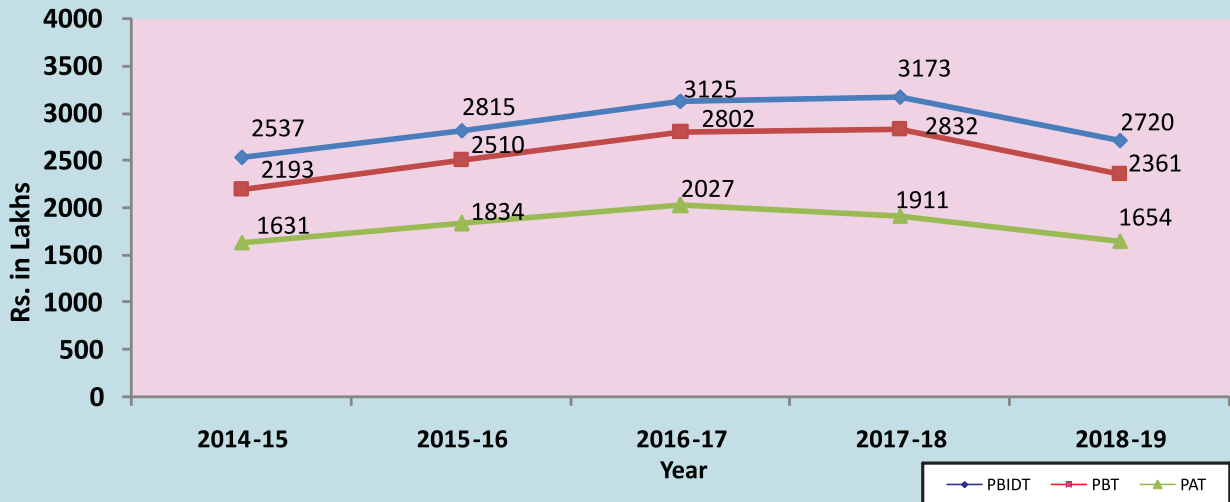
For Physical Holding	For Electronic Form (Demat) NSDL/ CDSL		No. of shares
LF No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

.....  
SIGNATURE OF THE MEMBER/  
JOINT MEMBER(S)/ PROXY

### E-VOTING INFORMATION

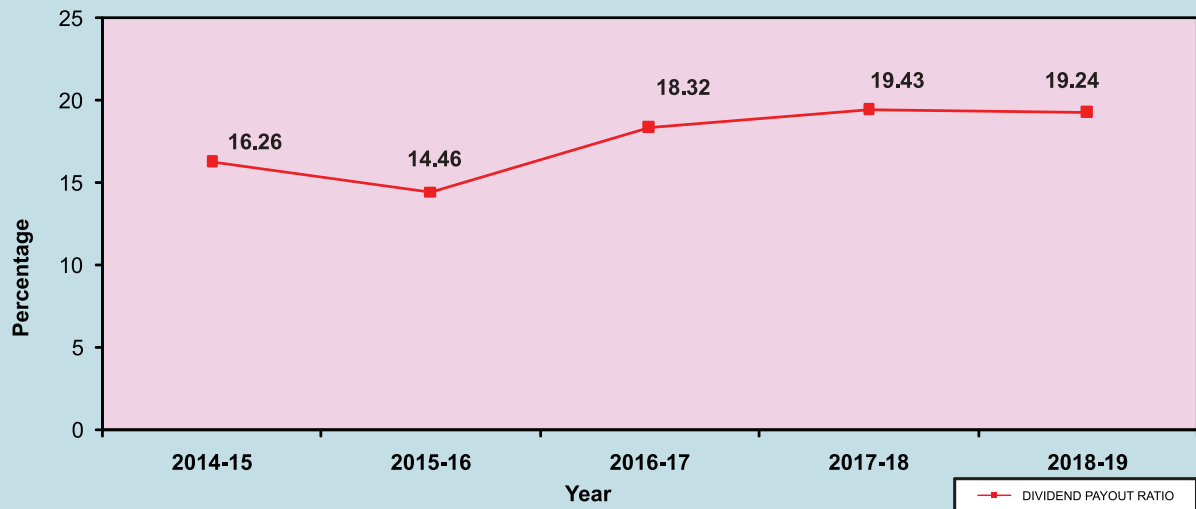
EVS (Electronic Voting Sequence Number)	User ID	Password

### PBIDT PBT PAT



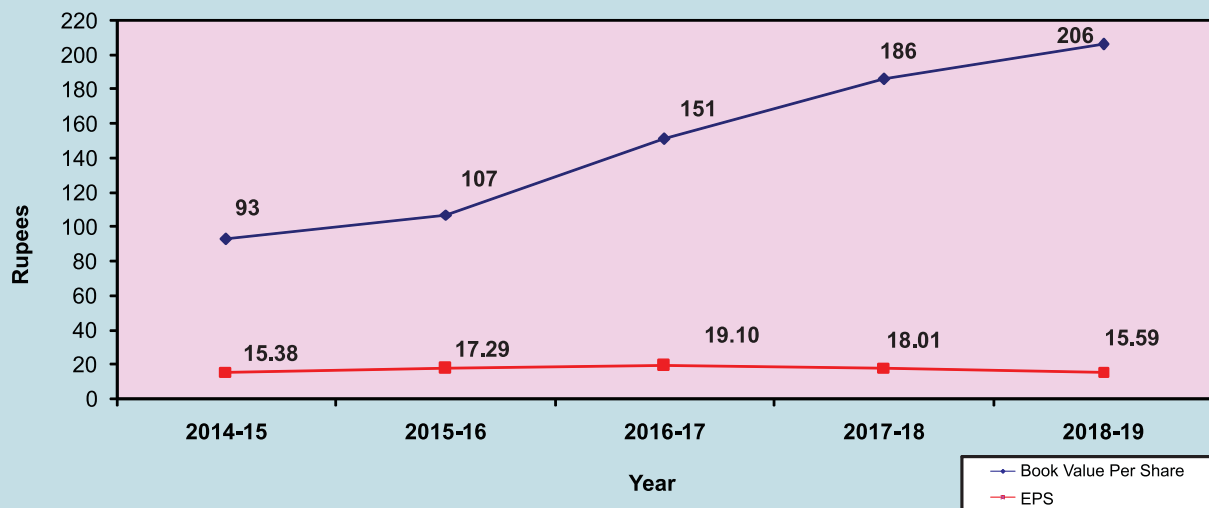
Figures for the year 2014-15 and 2015-16 considered as per IGAAP, and 2016-17 to 2018-19 as per Ind AS

### DIVIDEND PAYOUT RATIO



Figures for the year 2014-15 and 2015-16 considered as per IGAAP, and 2016-17 to 2018-19 as per Ind AS

### BOOK VALUE PER SHARE & EPS



**Corporate Office:**

302, Nanak Chambers, 3<sup>rd</sup> 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, 3<sup>rd</sup> Floor, 8, M.G.Road, Chennai - 600 034

Tel: (91) 44-28269247, 28260929

Telefax : (91) 44-28253316

**KOLKATA**

Mangalam-B, 2<sup>nd</sup> Floor, 26, Hemanta Basu Sarani,  
Kolkata-700 001

Tel: (91) 33-22318147/48

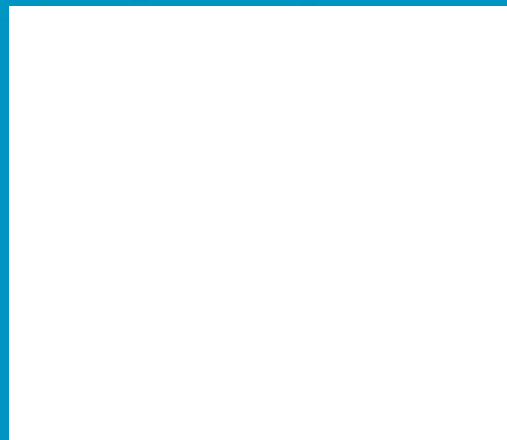
Telefax : (91) 33-22318290

**NEW DELHI**

A-283, Ground Floor, Okhla Industrial Area, Phase-I,  
New Delhi - 110 020

Tel: (91) 11-26816368

Telefax : (91) 11-26816370

**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 : 2015 COMPANY**

Ref : PPL/SECT/2019-20

Date: 23.08.2019

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 2018-19**

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report for the F. Y. 2018-19.

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**