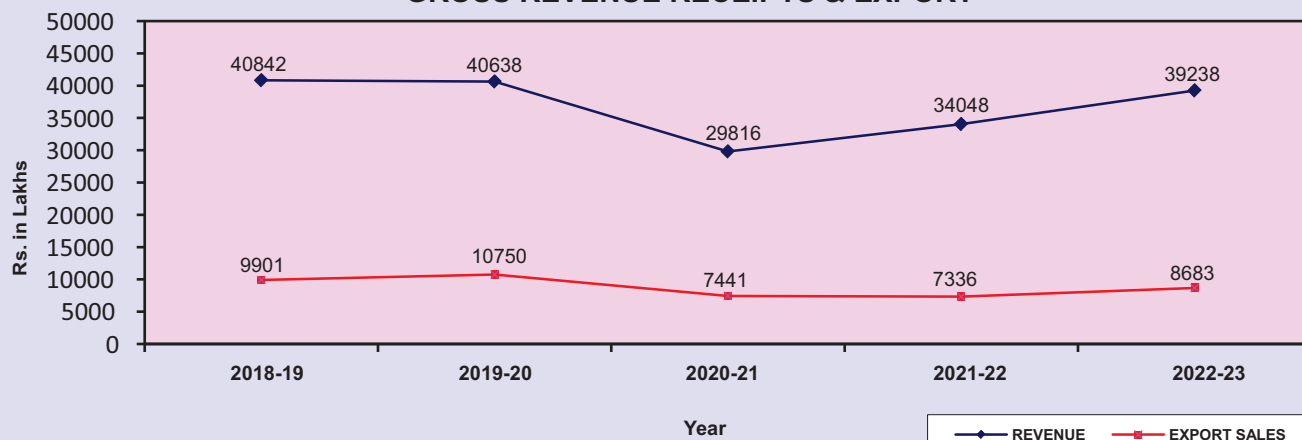


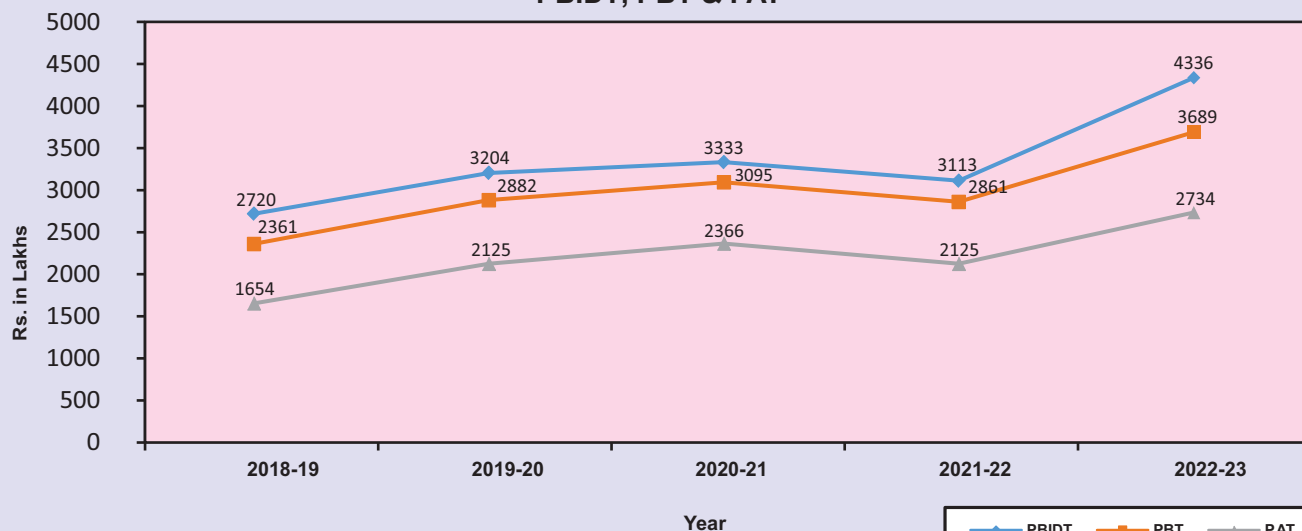
ANNUAL REPORT

2022-23

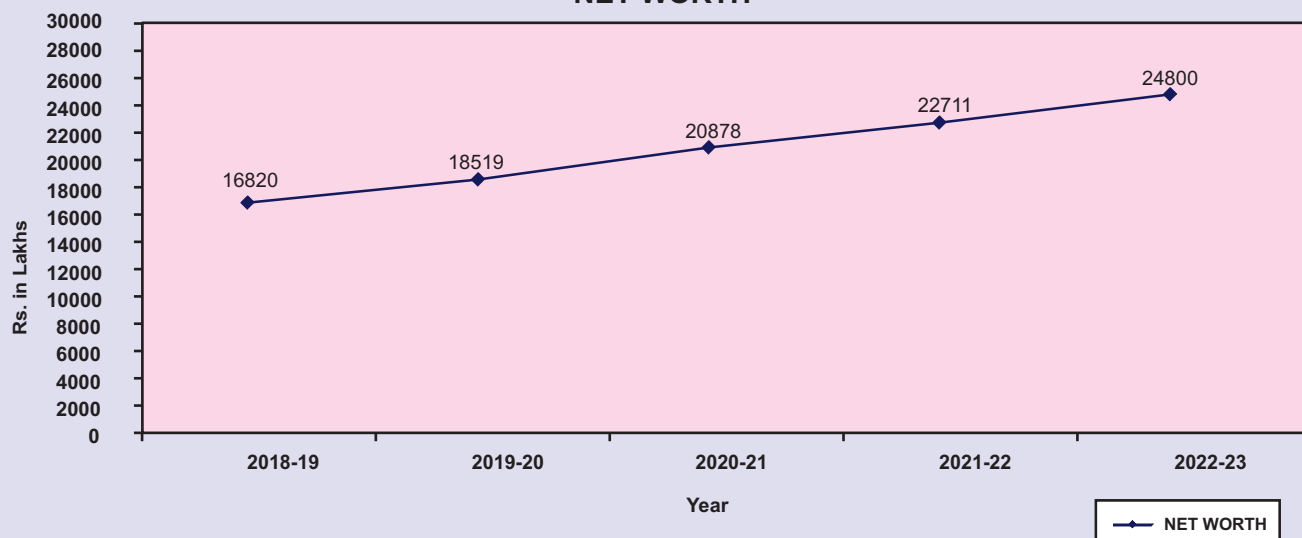
GROSS REVENUE RECEIPTS & EXPORT



PBIDT, PBT & PAT



NET WORTH





Board of Directors



Shri Shiv Shankar Poddar
Managing Director



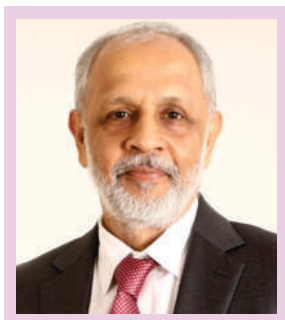
Shri Gaurav Goenka
Joint Managing Director



Smt. Mahima P. Agarwal
Non-Executive Director



Shri N. Gopalaswamy
Independent Director



Shri M. K. Sonthalia
Independent Director



Shri M. Mahadevan
Independent Director



Smt. Lalitha Kumaramangalam
Independent Director



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BOARD OF DIRECTORS

Shri S.S. Poddar, Managing Director
Shri Gaurav Goenka, Joint Managing Director
Smt. Mahima P. Agarwal, Non-Executive Director
Smt. Lalitha Kumaramangalam, Independent Director
Shri M.K. Sonthalia, Independent Director
Shri N. Gopalaswamy, Independent Director
Shri M. Mahadevan, Independent Director

AUDITORS

M/s. K.N. Gutgutia & Company,
Chartered Accountants,
New Delhi - 110008

BANKERS

State Bank of India
Punjab National Bank
ICICI Bank
HDFC Bank

REGISTERED OFFICE & WORKS - SITAPURA

Poddar Pigments Limited
CIN : L24117RJ1991PLC006307
E-10-11 & F-14 to 16, RIICO Industrial Area,
Sitapura, Jaipur - 302 022 (Rajasthan)
Telephone Number : 0141-2770202/203
Email : com.sec@poddarpigmentsltd.com
Website : www.poddarpigmentsltd.com

WORKS - CHAKSU

Greater Sitapura Industrial Park,
National Highway 12 (Jaipur-Tonk Road),
Village - Brijpura (Chaksu),
Jaipur - 303901 (Rajasthan)

CORPORATE OFFICE

Rosy Tower, 3rd Floor,
8, M.G. Road, Nungambakkam,
Chennai - 600034 (Tamil Nadu)

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai - 400083 (Maharashtra)
Telephone Number : 022-49186000
Fax Number : 022-49186060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in



Board's Report

Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report of Poddar Pigments Limited ("the Company") together with the audited financial statements for the financial year ended 31st March, 2023.

FINANCIAL PERFORMANCE

The financial performance of your Company for the financial year ended 31st March, 2023 is summarized below:

(Rs. in Lakhs)

Particulars	2022-2023	2021-2022
Revenue Receipts (Gross)	38,680	33,590
Other Income	558	458
Total Revenue Receipts including other Income	39,238	34,048
Less: GST	4,612	4,036
Revenue Receipts including other Income (Net)	34,626	30,012
Total Expenses excluding Depreciation and Finance Cost	30,290	26,900
Profit before Finance Cost, Depreciation & Tax	4,336	3,112
Less: Finance Cost	27	38
Less: Depreciation	620	213
Profit before tax	3,689	2,861
Less: Current Tax	818	617
- Deferred Tax	127	119
- Adjustment	10	-
Profit after tax	2,734	2,125

KEY FINANCIAL HIGHLIGHTS

The key highlights of the financial performance of the Company during the financial year 2022-23 are as follows:

- Revenue from operations (Gross) has increased to Rs. 38,680 Lakhs from Rs. 33,590 Lakhs of previous year, increased by 15.15%.
- Profit before Tax has increased to Rs. 3,689 Lakhs from Rs. 2,861 Lakhs of previous year, increased by 28.94%.
- Profit after Tax has increased to Rs. 2,734 Lakhs from Rs. 2,125 Lakhs of previous year, increased by 28.66%.

OPERATIONAL REVIEW AND THE STATE OF THE COMPANY'S AFFAIRS

During the year under review, your Company performed well in all areas of its operations with impressive top line growth and consistent earnings, reflecting the effective corporate strategy of creating multiple drivers of growth. Your Company has maintained its leadership, due to continuous thrust on Research, Development and Technology up-gradation innovative products and is expected to further improve its performance in forthcoming years. The growth in sales volume, despite a subdued economical scenario, was made possible due to focus on value added and quality products.

FUTURE OUTLOOK

India is witnessing large changes in the Master batches space and it's time now to change and adapt, to expand our horizons and cater to the

brand-conscious customers with a global outlook. The Company is reviewing the various business segments with a view to consolidate, focus and grow in core businesses and improve its margins on a sustainable basis. There is a need for consolidation of the domestic businesses and to drive economies of scale to continuously remain competitive in the challenging environment being faced by the industry. The Company is also focusing on right sizing of capacities with a view to optimize the return on capital employed. As a part of the strategy to enlarge our presence in the diverse domestic & global market, your Company has already increased its production capacities through installation of latest equipments. This will enable us to utilize unutilized and underutilized production capacity. With a firm and consistent focus on quality products, the Company anticipates better operational performance in the current year.

CHANGE IN NATURE OF BUSINESS

During the period under review, there has been no change in the nature of the Company's business. Your Company continues to be a leading Masterbatches manufacturer and a world-class partner delivering innovative products.

EXPORT

During the year under review, the exports of the Company was Rs. 8,683 Lakhs (including export benefits) as compared to Rs. 7,336 Lakhs of previous financial year. Your Company is expected to achieve higher export sale in the years to come.

MARKETING

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

RESEARCH AND DEVELOPMENT

The Company has Robust Research & Development which facilitates development of value added products as per demand in various segments with Constant Innovation. Due to R&D facility, we are consistently able to produce superior quality products at competitive price. Your Company makes continuous efforts to adopt and implement new technologies and to improve the product-mix/processes, to create higher value items at lower costs, to widen its range of new generation masterbatches and to facilitate the production of customised products.

QUALITY INITIATIVES

Your Company is continuously focusing on improvement of quality products as per the domestic and global demand of customers through its Research & Developments mechanism to continue as market leader of the products. To achieve this, your Company has taken various quality initiatives to meet or exceed the expectations of its customers in the domestic as well as global market. It has invested in various pilot plants and state-of-the-art testing equipment in order to carry out all relevant tests for masterbatches, which support the smooth running of its customers' production process as well.

CHANGE IN SHARE CAPITAL

As on 31st March, 2023, the authorized share capital of the Company is Rs. 1,250 Lakhs divided into 1,25,00,000 equity shares of Rs. 10/- each and the total paid-up equity share capital of your Company was Rs. 1,061 Lakhs divided into 1,06,10,000 equity shares of Rs. 10/- each



fully paid-up. During the year under review, there was no change in the share capital of the Company.

TRANSFER TO GENERAL RESERVE

During the period under review, the Company has transferred an amount of Rs. 2,122 Lakhs to the General Reserves of the Company for the financial year ended 31st March, 2023.

DIVIDEND

During the year under review, the Board of Directors at their meeting held on 14th March, 2023 declared an interim dividend of Rs. 3.50 per Equity Share (face value of Rs. 10/- per Equity Share) for the financial year 2022-23, to the eligible equity shareholders of the Company. Total cash outflow for the interim dividend payout was Rs. 371.35 Lakhs. The interim dividend of Rs. 3.50 per Equity Share, declared by the Board of Directors is the final dividend for the financial year 2022-23.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURES

As on 31st March, 2023, the Company does not have any subsidiary, joint venture or associate Company as defined under the Companies Act, 2013.

STAR EXPORT HOUSE STATUS AND CREDIT RATING

Your Company has maintained its Two Star Export House Status under the Foreign Trade Policy 2015-2020. The Company's Credit Rating for Long Term Bank Loan Facilities is A/Stable and for short term bank loan facilities is A1, as reaffirmed by CRISIL (Credit Rating Agency), which signifies a strong degree of safety with regard to timely payments.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Director Retiring by Rotation - In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Gaurav Goenka (DIN:00375811), Joint Managing Director is retiring by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The Board recommends for his re-appointment. A detailed profile of Shri Gaurav Goenka (DIN:00375811) with additional information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the Notice of ensuing Annual General Meeting.

Independent Directors - In terms of Section 149 of the Companies Act, 2013, Smt. Lalitha Kumaramangalam (DIN:08259526), Shri Manoj Kumar Sonthalia (DIN:00021297), Shri Nagarajan Gopalaswamy (DIN:00017659) and Shri M. Mahadevan (DIN:00786991) are the Independent Directors of the Company during the financial year 2022-23. Shri M.K. Sonthalia (DIN:00021297), Shri N. Gopalaswamy (DIN:00017659) and Smt. Lalitha Kumaramangalam (DIN:08259526) will be completing their terms on 31st March, 2024. Therefore, in terms of the provisions of Section 149 and Schedule IV of the Companies Act, 2013 read with applicable Rules made thereunder, Regulation 17 & 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have recommended for the appointment of Shri Gajendra Kumar Bhandari (DIN:00649176) and Shri R. Mohan (DIN:01492721) as Independent Directors of the Company, not liable to retire by rotation, with effect from 1st October, 2023 for a period of five consecutive years, to members for their approval in the ensuing Annual General Meeting.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2, forms part of the Notice convening the 32nd Annual General Meeting.

In accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each Independent Director (including the proposed Independent Directors) have given a declaration to the Company confirming that they meet the criteria of Independence as specified under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also confirmed the compliance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding inclusion of their names in the data bank of Indian Institute of Corporate Affairs (IICA).

In the opinion of the Board, the Independent Directors proposed for appointment in the ensuing Annual General Meeting, possesses the requisite qualification, expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the management.

Key Managerial Personnel - Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons are the Key Managerial Personnel (KMP) of the Company:

1. Shri Shiv Shankar Poddar - Managing Director (DIN:00058025)
2. Shri Gaurav Goenka - Joint Managing Director (DIN:00375811)
3. Shri B.K. Bohra - Chief Financial Officer

During the year under review, Shri Navin Jain, AVP (Legal) & Company Secretary of the Company has resigned with effect from 16th January, 2023. Shri Anil Kumar Sharma was appointed as Company Secretary of the Company with effect from 29th May, 2023.

FAMILIARIZATION PROGRAMME FOR DIRECTORS

As a practice, all new Directors including Independent Directors inducted to the Board go through a structured orientation programme. Presentations are made by the Company to the Independent Directors covering the Role, Duties and Responsibilities of Independent Directors, the Company's strategy, business model, operations, markets, organizational structure, products, etc. Independent Directors get an opportunity to interact with the Company's management during Board/Committee meetings, wherein Key Managerial Personnel ("KMP") & Senior Management Personnel ("SMP") update about the business strategy, business models, performance of the Company, etc. New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Company's Code of Conduct for Prevention of Insider Trading to let them have an insight of the Company's present status and their regulatory requirements. The details of familiarization programmes imparted to the Independent Directors are available on the website of the Company at <https://poddarpigmentsltd.com/details-familiarization-programmes-imparted-independent-directors.html>

NOMINATION AND REMUNERATION POLICY

Your Company has formulated the Nomination and Remuneration policy for its Directors, Key Managerial Personnel and Senior Management Personnel of the Company. This Policy sets out the guiding principles for the Nomination and Remuneration Committee of the Company to recommend the Board, for the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Nomination and Remuneration Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial



Personnel (KMP) and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the Board for their appointment, re-appointment and removal including remuneration based upon the need of the Company. The Nomination and Remuneration policy of the Company is available on website of the Company at <https://poddarpigmentsltd.com/pdf/7E.%20Nomination%20and%20Remuneration%20Policy.pdf>

MEETINGS OF THE BOARD

The Board of Directors of the Company met six times during the year under review. The meeting were held on 4th May, 2022, 26th May, 2022, 31st July, 2022, 27th October, 2022, 16th January, 2023 and 14th March, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Performance Evaluation Committee. The details of the composition of these Committees, number of meetings held, attendance of Committee members thereof during the year under review, etc. are provided in the Corporate Governance Report and forms an integral part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of four members with majority of Independent Directors. The constitution of the Audit Committee is Smt. Lalitha Kumaramangalam (DIN:08259526), Chairperson of the Committee and Shri Gaurav Goenka (DIN:00375811), Shri Manoj Kumar Sonthalia (DIN:00021297) and Shri M. Mahadevan (DIN:00786991), are members of the Audit Committee. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The Company undertakes its CSR initiatives as per the activities covered in the CSR Policy of the Company and can be accessed from website of the Company at <https://poddarpigmentsltd.com/pdf/7D.%20CSR%20Policy.pdf>

Further, the CSR Committee comprises of members namely, Shri Shiv Shankar Poddar (DIN:00058025), Chairperson, Shri Gaurav Goenka (DIN:00375811) and Smt. Lalitha Kumaramangalam (DIN:08259526). During the year under review, your Company was required to make CSR expenditure of Rs. 66.92 Lakhs which was two percent of the average net profits of your Company made during the three immediately preceding financial years and the Company has spent Rs. 67.00 Lakhs on CSR activities/programs. Further, the Board has taken on record the certificate issued by the Chief Financial Officer confirming that the CSR spends of the Company for financial year 2022-23 have been utilized for the purpose and in the manner as approved by the Board of Directors of the Company.

The Annual Report on CSR activities of financial year 2022-23 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is annexed herewith as **Annexure - A** to this Report.

CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by the Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) including the certificate from Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance, forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company has formulated Related Party Transactions Policy ("RPT Policy") for identifying, reviewing, approving and monitoring of Related Party Transactions of the Company and the same is available on the Company's website at <https://poddarpigmentsltd.com/pdf/Related%20Party%20Transactions%20Policy.pdf>

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval has been obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on arm's length basis. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. There were no material related party transactions, contracts and arrangements entered into by the Company during the year under review.

The details of related party transactions pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and is annexed herewith as **Annexure - B** to this Report.

DEPOSITS

During the year under review, your Company has not accepted any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. The Company has not accepted any deposits in the earlier years and as such question of unpaid or unclaimed deposit and defaults in repayment does not arise.

PARTICULARS OF EMPLOYEES

The statement of disclosure pertaining 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 herewith as **Annexure - C** to this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is



being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

HUMAN RESOURCES

The Company appreciates the contribution of its human capital and recognizes them as a key asset for the business performance. Their caliber and commitment is our inherent strength. The Company has a focused approach towards employee experience by promoting high performance culture through robust PMS process, key deliverables on learning & development and system driven HR processes & practices.

The Company is evolving and has started adopting global best practices in HR domain. HR is becoming more of a strategic partner by ensuring that the Company hires the right talent, identifying future core capabilities and making a more focused approach towards the growth of the Company. The Company is focusing on HR deliverables by continuously improving and automating the system, effectively reskilling and upskilling of the employees through continuous improvement programs, driving leadership, culture and experience.

SUCCESSION POLICY

Your Company has put in place a policy on succession to make a plan for orderly succession for appointment to the Board, Senior Management and to the Middle Level Management. The Nomination and Remuneration Committee works with the Board of Directors on the leadership succession plan to ensure orderly succession in appointments to the Board, Senior Management positions and Middle level Management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

BOARD DIVERSITY

The Company recognises and grips the importance of a diverse Board for its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Nomination and Remuneration Policy of the Company, Nomination and Remuneration Committee of the Board of Directors of the Company specified the manner for effective evaluation of performance of the Board, its Committees and Individual Directors.

Based on the same, the Nomination and Remuneration Committee and the Board has evaluated the performance of the Committees of the Board which are required to be constituted as per the provisions of the Companies Act, 2013, the Board as a whole and individual Directors including Independent Directors. The performance of the Board as a whole was evaluated on the basis of criteria such as the Board size, structure, expertise of the Board, development of suitable strategies and business plans, obligations, governance, efforts to learn about the Company and its business, etc. The performance of the Committees of the Board was evaluated on the basis of criteria such as the composition of committees, appropriate number of meetings, confidentiality of its discussions/decisions, suggestions & recommendations to the Board, etc.

Performance of individual Directors was evaluated on the basis of

criteria such as the Appropriateness of qualification, knowledge, skills and experience, participation in Board functioning, extent of diversity in knowledge and industry expertise, attendance and participations in the meetings and working thereof, initiative to maintaining high level of integrity and ethics, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. The quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties was also evaluated in the said meeting.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. K.N. Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E), were appointed as Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of 31st Annual General Meeting held on 29th September, 2022 until the conclusion of 36th Annual General Meeting of the Company to be held in the year 2027. The Auditors have issued an unmodified opinion on the Financial Statements of the Company, for the financial year ended 31st March, 2023 and it does not contain any qualification, reservation or adverse remark which requires any clarification/explanation. The said Auditors' Report for the financial year ended 31st March, 2023 on the Financial Statements of the Company, forms part of this Annual Report.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain its cost records and get the same audited by a Cost Accountant in practice. Accordingly, the cost records are made and maintained by the Company as required under Section 148(1) of the Companies Act, 2013.

During the period under review, the cost audit report for the financial year 2021-22 was filed with the Registrar of Companies (Central Government) and there is no qualification(s) or adverse remark(s) in the cost audit report which require any clarification/explanation. Further, M/s. K.G. Goyal & Associates, Cost Accountants, Jaipur, were appointed as Cost Auditors of the Company to submit the cost audit report for the financial year 2022-23 and the same will be filed with the Registrar of Companies (Central Government) in due course.

The Board has, based on the recommendation of the Audit Committee, approved the appointment of M/s. K.G. Goyal & Associates, Cost Accountants, Jaipur as Cost Auditors of the Company for conducting the audit of cost records maintained by the Company for the financial year 2023-24.

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to Cost Auditors (as recommended by the Audit Committee and approved by the Board) is being sought from the members of the Company at the ensuing Annual General Meeting. The details of the same is provided in the Notice convening the ensuing Annual General Meeting.

Secretarial Auditors

The Board of Directors had appointed Shri Babu Lal Patni, Company Secretary in Practice as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2022-23. He has submitted his report in the prescribed format and the same is annexed herewith as



Annexure - D to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company continues to accord high priority to health and safety of employees and workmen at both the manufacturing locations. Annual medical check-up of all employees at all sites is being carried out. The Company also conducted safety training programmes and mock-drills for increasing disaster preparedness awareness among all employees at the plants. There was no casualty at any site during the year. Our strong commitment to sustainability and a keen focus on compliance with EHS standards is demonstrated in the stringent quality, environment and employee safety norms that your Company follows.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure - E** which forms part of this Report.

RISK MANAGEMENT

The Company has put in place a Risk Management framework and Policy based on the domestic and globally recognized standards. The objective of the policy is to ensure Organizational growth, sustenance and growth of strong relationships with customers and suppliers, expanding the presence in existing markets and penetrating new geographic markets, high quality production, enhance capabilities through technology alliances and acquisitions, etc. Further details on the Company's Risk Management framework is provided in the Management Discussion and Analysis Report, forms an integral part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/Whistle Blower Policy in terms of the provisions of Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors to approach the Audit Committee of the Company and disclose unethical and improper practices or any other alleged wrongful conduct in the Company. The Audit Committee of the Board is entrusted to supervise the implementation of this policy including receipt of disclosures and investigation of matters. During the year under review, no personnel was denied access to the Audit Committee. The Vigil Mechanism/Whistle Blower Policy of Company is available on website of the Company at <https://poddarpigmentsltd.com/pdf/7G.%20Whistle%20Blower%20Policy.pdf>

PREVENTION OF INSIDER TRADING

Pursuant to the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a Codes of Fair Disclosures and Conduct for Insider Trading and the same is available on website of the Company at https://poddarpigmentsltd.com/pdf/PIT%20Policy_final.pdf

DIRECTORS & OFFICERS (D&O) LIABILITY INSURANCE

The Company has in place the Directors and Officers Liability Insurance (D&O) for all its Directors (including Independent Directors) and Officers of the Company against the risk of third-party claims arising out of their actions/decisions in the normal course of discharge of their duties, which may result in financial loss to any third party.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM WITH REFERENCE TO THE FINANCIAL STATEMENTS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company uses an established Oracle system to record day to day transactions for accounting and financial reporting.

The Audit Committee deliberated with the members of the Management, considered the systems as laid down to ascertain their views on the internal financial control systems. The Audit Committee satisfied itself as to the adequacy and effectiveness of the internal financial control systems as laid down and kept the Board of Directors informed. However, the Company recognizes that no matter how the internal control framework is, it has inherent limitations and accordingly, periodic audits and reviews ensure that such systems are updated on regular intervals.

Your Company's system and process relating to internal controls and procedures for financial reporting provide a reasonable assurance to the Statutory Auditors regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable Indian Accounting Standards, the Companies Act, 2013 read with the Rules made thereunder, SEBI Regulations and all other applicable regulatory/statutory guidelines, etc.

REPORTING OF FRAUD

During the financial year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loan or guarantee or provided any security. The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements of the Company.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 read with the applicable Rules made thereunder, Annual Return of the Company is hosted on website of the Company at <https://poddarpigmentsltd.com/Annual-return.html>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm for the year ended 31st March, 2023, that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with



the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors of the Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("IEPF Rules"), any money transferred to the unpaid dividend account, if not claimed/paid for a period of seven years from the date of such transfer, are liable to be transferred to the IEPF established by the Central Government.

Further, all the shares in respect of which dividend has remained unclaimed/unpaid for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the demat account of IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends reminders to the shareholders from time to time, to claim their dividends in order to avoid transfer of dividends/shares to the IEPF. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF, are uploaded on the Company's website at <https://poddarpigmentsltd.com/IEPF-details.html>

During the year under review, the Company has transferred dividend amount of Rs. 16,33,979/- which remained unpaid/unclaimed for the financial year 2014-15 pursuant to the provisions of Section 124 of the Companies Act, 2013 and also transferred 22,560 Equity Shares of Rs. 10/- each against which dividend remained unpaid/unclaimed for consecutive seven years to the IEPF pursuant to the provisions of Section 124(6) of the Companies Act, 2013 within the prescribed time.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS- 1) and General Meetings (SS-2).

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards sexual harassment at the workplace and continues to follow robust policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. The Company has a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") read with the rules framed thereunder and has formed an Internal Complaints Committee for its workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. During the year under review, no complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

AWARDS AND RECOGNITIONS

The Company has received various awards and recognitions in the area of industrial relations, excellence in compliances, highest recognition for exports, etc. Some of the key ones are as follows:

1. Special Jury Trophy 2022 for outstanding contribution in Best Industrial Relations and Excellence in Compliances in Best Employer Award by Employers' Association of Rajasthan on 24th December, 2022 from Shri Kalraj Mishra, Governor of Rajasthan and Smt. Sakuntala Rawat, Minister of Industries, Rajasthan.
2. Special Recognition for Exemplary Contribution in Strengthening CII from Confederation of Indian Industry (CII) on 2nd March, 2023.

OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of shares including sweat equity shares to employees of the Company under any Scheme.
3. There were no material changes and commitments in terms of Section 134(3)(l) of the Companies Act, 2013, affecting the financial position of the Company between the end of the financial year to which this financial statement relates on the date of this report.
4. There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.
5. There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016.
6. The requirement of disclosure of details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the period under review.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

ACKNOWLEDGEMENT

Your Board of Directors wishes to place on record their gratitude and sincere appreciation for the valued support and assistance extended to the Company by the Shareholders, Banks, Financial Institutions and Government Authorities and look forward to their continued support. Your Directors also express their appreciation for the dedicated and sincere services rendered by employees of the Company.

For and on behalf of the Board of Directors

Manoj Kumar Sonthalia
Independent Director
(DIN:00021297)

Gaurav Goenka
Joint Managing Director
(DIN:00375811)

Place : Chennai

Date : 5th August, 2023