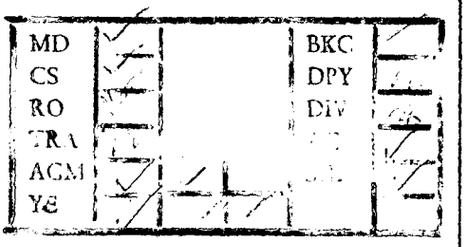
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Annual Report 1996-97



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PODDAR PIGMENTS LTD.

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BOARD OF DIRECTORS

Shri Avadhesh K. Jhalani, RIICO Nominee
Shri Anubhav Poddar
Shri A.K. Mittal
Shri G.S. Poddar
Shri M.K. Sonthalia
Shri M. Sivaram
Shri M. Parasaran
Shri N. Gopalaswamy
Shri R.G. Nathani, IDBI Nominee
Shri S.S. Poddar, Managing Director

EXECUTIVE DIRECTOR

Shri R.K. Sureka

GENERAL MANAGER (PLANT)

Dr. M.S. Yajnik

AUDITORS

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

BANKERS

State Bank of India
Canara Bank

REGD. OFFICE & WORKS

Plot No. E-10, 11 & F-14 to 16
RIICO Industrial Area, Sitapura,
P.O. Shri Ram Ki Nagal, Via Vatika
Jaipur-303 905 (Rajasthan).

HEAD OFFICE

Rosy Tower, 3rd Floor
No. 8, Nungambakkam
High Road
Chennai - 600 034

CONTENTS

	PAGES
Report of the Directors	1 - 3
Report of the Auditors	4 - 5
Balance Sheet	6
Profit & Loss Account	7
Schedule 1 to 13	8 - 19
Cash Flow Statement	20 - 21

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PODDAR PIGMENTS LTD

NOTICE

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held at the Registered Office of the Company at **E-10,11 & F-14 TO 16 RIICO INDUSTRIAL AREA, SITAPURA, P.O. SHRI RAM KI NAGAL, VIA VATIKA, JAIPUR-303905 (RAJASTHAN) ON TUESDAY, THE 30TH SEPTEMBER, 1997, AT 4.00 P.M.** to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 1997 and Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri G.S. Poddar who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Shri Anubhav Poddar who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a Director in place of Shri M Parasaran who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint, M/s K. N. Gutgutia & Co., Chartered Accountants, the statutory auditors of the company to hold office from the conclusion of this meeting until the conclusion of next annual general meeting and to authorise Board of Directors to fix their remuneration.

By Order of the Board

S.N. MAHAWAR

New Delhi
30.06.97

Dy. General Manager (Legal) &
Dy. Company Secretary.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The Register of Members and Share Transfer Books of the company shall remain closed from **23rd September, 1997 to 30th September, 1997 (both days inclusive)**
3. Members are requested -
   (a) to bring their copy of the Annual Report at the Meeting
   (b) to notify any change in their address to the Company
4. The instrument of Share Transfer complete in all respect should reach the Registered Office of the Company prior to the closure of the Register of Members as stated above
5. The copies of relevant documents can be inspected at the Registered Office of the company on any working day till 30th September, 1997 between 10.30 A.M. to 12.30 P.M.

By Order of the Board

S.N. MAHAWAR

New Delhi
30.06.97

Dy. General Manager (Legal) &
Dy. Company Secretary.

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PODDAR PIGMENTS LIMITED

Regd. Office : Plot Nos. E- 10, 11 & F- 14 to 16, RIICO Industrial Area, Sitapura, P.O. Shri Ram Ki Nagal, Via Vatika, Jaipur- 303 905 (Rajasthan).

PROXY FORM

Regd. Folio No .....

I/We ..... of.....

being a member/members of the above named company hereby appoint.....

of..... or failing him ..... of.....

as my/our proxy to vote for me/us on my/our behalf at the **SIXTH ANNUAL GENERAL MEETING** of the company to be held on 30th September, 1997 at 4.00 P.M. and at any adjournment thereof

Signed this ..... day of 1997.

AFFIX 1 Rupee Revenue Stamp

Signature.....

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

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DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their Sixth Annual Report on the affairs of the Company together with Audited Accounts of your Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended on 31st March, 1997 are as under :-

(Rs.in Lacs)

Particulars	1996-97	1995-96
Sales including other income	2301.19	1719.92
Operating Profit before Interest, Depreciation & Tax	330.69	408.31
Interest	220.88	165.02
Depreciation	63.20	60.64
Misc.Exp. written off	28.05	12.86
Net Profit before Tax	18.56	169.79
Provision for Tax	2.39	-
Net Profit after Tax	16.17	169.79
Balance brought forward from previous year	169.98	15.19
Total	186.15	184.98
APPROPRIATIONS		
Transfer to General Reserve		15.00
Balance Carried Forward to Balance Sheet	186.15	169.98

OPERATIONS

The Company's technology has been continuously upgraded at par with International Standards and the speciality grade Masterbatches i.e. PP Fibre Grade (fine deniers), Polyester POY/Fibre, PET Bottles, etc.have been well accepted by the customers. The sales in the sector has been continuously rising. In view of the reduction in prices by international competitors in India, the Company's returns were not proportionate to the increased sales. The Directors hope to do substantially better both in terms of higher sales and profitability during the current year.

The Directors are pleased to inform you that the new extruder is expected to be installed and commissioned before the end of the Financial Year.

MARKETING

A strong network has been established all over the country for marketing of the Company's products. The Company has appointed authorised dealers throughout the Country.

DIRECTORS

Shri G.S. Poddar, Shri Anubhav Poddar and Shri M. Parasaran retire by rotation pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible offer themselves for re-appointment.

AUDITORS

M/s. K. N. Gutgutia & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure - I forming part of this Report.

PERSONNEL

Information pursuant to section 217 (2A) (b) (ii) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are given in the Annexure - II forming part of this Report.

STATEMENT OF PROJECTED AND ACTUAL PROFITABILITY PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES IS AS UNDER

(Rs. in Lacs)

Particulars	Projections	Actual
1. Sales Including Other Income	8364.00	2301.19
2. Gross Profit	1205.00	330.69
3. Net Profit	442.00	16.17

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a) Commercial Production commenced on 1st March, 1995 instead of April,1994.

b) Company's product being of hightech nature, penetrating the market in phases and also due to general recession in man - made fibre industry (end user).

ACKNOWLEDGEMENT

The Directors wish to thank and acknowledge the co-operation and assistance extended by the Government of India, State Government of Rajasthan, Reserve Bank of India, Financial Institutions, Bankers, Investors and all those associated with the Company during the year under review.

The Directors also put on record their appreciation for the sincere efforts put in by all the employees of the company without whom these results would not have been possible.

For and on behalf of the Board of Directors

S. S. Poddar
Managing Director

A.K. Mittal
Director

New Delhi
30.06.97

ANNEXURE - I

I - CONSERVATION OF ENERGY

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

(A) **Power & Fuel consumption**

	Current Year ended on 31.03.97	Previous Year ended on 31.03.96
ELECTRICITY		
(a) Purchased		
Units (Nos)	17585.00	20442.00
Total Amount (Rs.)	40861.00	92513.00
Rate / Unit (Rs.)	2.32	4.53
(b) Own generation :		
Through Diesel		
Units (Nos)	1344208.00	1283910.00
Units per ltr of Diesel Oil	3.11	3.80
Cost / Unit (Rs.)	2.45	1.96

(B) **Consumption per unit of production**

Production of Masterbatches (M.T.)	1256.58	906.29
Electricity consumed per (M.T.) of production (Units)	1083.73	1439.22

II - RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the company.	Development of new Range/ Shades of Masterbatches.
2. Benefits derived as a result of the above R&D.	Developed new Range/Shades of the Masterbatches
3. Future plan of action	To continue development of new range/shades of Masterbatches.
4. Expenditure on R&D	
(a) Capital	NIL
(b) Recurring	Rs.10.27 Lacs
(c) Total	Rs.10.27 Lacs
(d) Total R&D expenditure as a percentage of total turnover.	0.47 per cent on sales.

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III - TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief made towards technology absorption, adaptation and innovation.	By training our man-power abroad and absorbed the tech-nology fully.
2. Benefits derived as a result of the above efforts, g. product improvement, cost reduction, product development, Import substitution , etc.	(i) It was made possible to produce import substitutes (ii) Increase in market potential. (iii) Up-gradation of quality of the product
3. Technology imported during last five years.	
(i) Technology Imported for manufacture	Know how for manufacture of Polypropylene Fibre Grade Masterbatches.
(ii) Year of Import	1993-94
(iii) Has technology been fully absorbed.	Yes

IV. FOREIGN EXCHANGE EARNED AND USED

(Rs. In lacs)

	1996-97	1995-96
(I) Foreign Exchange Earned	-	0.61
(ii) Foreign Exchange Used		
Travelling Expenses	4.47	9.23
Technical Know-how	-	23.28
Import of Capital Goods	-	5.93
Import of Raw Material & Stores	668.58	346.03
Others	0.99	

ANNEXURE -II

Information pursuant to the provisions of Sec.217(2A)(b)(ii) read with the Companies (Particulars of Employees) Rules, 1975 & forming part of the Directors' Report for the year ended on 31st March, 1997.

Sr. No.	Name of the Employees	Designation	Remuneration (Rs.)	Qualification	Age/Exp. Years	Date of Comme-ncement	Particulars of last Employer	Employment Designation	Duration Yrs.
(A) Employed throughout the Financial Year & were in receipt of remuneration of not less then Rs. 3,00,000/									
1.	Sh. R.K. Sureka	Executive Director	3 65 669	B.Com(Hons), FCA,ACS	40/21	08/10/94	Hindusthan Development. Corp. Ltd.	Asst. Vice President(F)	11½ Yrs

(B) Employed for part of the Financial Year and were in receipt of remuneration of not less than Rs. 25000/ P.M.

None.

NOTES :-

1. Remuneration includes Salary, House Rent Allowance, Special Allowance, Leave Encashment, Reimbursement of Medical Expenses, Books & Periodical Allowance & Leave Travel Assistance etc.
2. None of the employee is related to any Director of the Company.

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