

## Annual Report 1998-99

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**PODDAR PIGMENTS LTD.**

**BOARD OF DIRECTORS**

Shri Avadhesh K. Jhalani, RIICO Nominee  
 Smt. Kusum Poddar  
 Shri M. K. Sonthalia  
 Shri N. Gopalaswamy  
 Shri R. G. Nathani, IDBI Nominee  
 Shri R. K. Sureka, Whole-Time Director  
 Shri S. S. Poddar, Managing Director

**AUDITORS**

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

**BANKERS**

State Bank of India  
 Canara Bank

**REGISTERED OFFICE & WORKS**

Plot No. E-10, 11 & F-14 to 16  
 RIICO Industrial Area,  
 Sitapura, Jaipur - 302 022  
 (Rajasthan)

**HEAD OFFICE**

8A & 8B, 'Satyam Towers'  
 3, Alipore Road,  
 Calcutta - 700 027

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## PODDAR PIGMENTS LTD.

### NOTICE

**NOTICE** is hereby given that the **EIGHTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at **E-10,11,F-14 TO 16 RIICO INDUSTRIAL AREA, SITAPURA, JAIPUR-302022 (RAJASTHAN) ON MONDAY, THE 27TH SEPTEMBER, 1999 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, 1999 and Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri N. Gopalaswamy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 198,269,310,311 and Schedule XIII and all other applicable provisions,if any,of the Companies Act,1956 and subject to approval of IDBI and other statutory approvals, if necessary, consent be and is hereby accorded for the re-appointment of Sh. S. S. Poddar as Managing Director of the Company for another term of 5 years from 1st July, 1999 to 30th June,2004 on the same terms and conditions as approved at the 7th Annual General Meeting of the Company held on 28th September, 1998."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution**:-

"RESOLVED THAT Sh. R. K. Sureka, who was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 30th May,1999 and whose appointment expires at the ensuing Annual General Meeting of the

Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act,1956 from a Shareholder of the Company proposing his candidature for the Directorship of the Company, be and is hereby appointed as a Director of the Company and that his appointment shall not be liable to retirement by rotation."

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

"Resolved that pursuant to the provisions of Section 198, 269, 310,311 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to statutory approvals, if any, consent be and is hereby accorded for appointment of Sh. R.K.Sureka, as Whole-Time Director of the Company for the period from 1st June, 1999 to 31st March, 2004 on the following terms and conditions :-

1. Basic Salary Rs. 31,500/- P.M. with an increment of Rs.7,000/- p.m. in the month of April each year.
2. Perquisites-In addition to the salary following perquisites will be allowed.

The perquisites are classified into three categories 'A','B' and 'C' as below.

#### CATEGORY - A

##### (i) Housing - I

The expenditure by the Company on hiring furnished accommodation for the Whole-Time Director will be subject to ceiling of 40% of the Basic Salary.

Any payment of house rent exceeding the above amount by the Company shall be recovered from the whole-time Director .

##### Housing- II

In case no accommodation is provided by the Company, the Whole-Time Director shall be entitled to House Rent Allowance subject to ceilings laid down in Housing-I above.

##### (ii) Medical Reimbursement.

Expenses incurred for self and family subject



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to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) **Leave Travel Concession**

For self and family once in a year incurred in accordance with the rules specified by the Company which at present is 10% of the Basic Salary.

(iv) **Fee of Clubs**

Subject to maximum of two clubs, This will not include admission and life membership fees.

(v) **Personal Accident Insurance**

Premium not to exceed Rs. 1,000/- per year.

(vi) **Other perquisites as per rules of the Company within the overall ceiling prescribed under Schedule XIII of the Companies Act, 1956.**

### CATEGORY -B

The following perquisites shall also be paid to the Whole-Time Director and these will not be included in the computation of the ceiling on perquisites mentioned above.

(i) **Provident Fund and Superannuation Fund**

Company's contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.

(ii) **Gratuity**

Not exceeding half a month's salary for each completed year of service.

(iii) **Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.**

### CATEGORY-C

(i) **Car -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 Whole-Time Director.

(ii) **Telephone - Provision of telephone at the residence of the Whole-Time Director at Company's cost (not considered as a perquisite). Personal long distance calls shall be billed by the Company.**

RESOLVED FURTHER THAT in pursuance of the provision of Section 198(4) of The Companies Act, 1956 the remuneration including perquisites as mentioned above may be paid as the minimum remuneration to Shri R. K. Sureka, Whole-Time Director in the absence of or inadequacy of Profits in any Year."

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

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :-

Insert the following Article as Article 47A after Article 47:-

"47A:- Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and subject to such approvals, as may be permitted and required under the law."

By Order of the Board

S. N. MAHAWAR

Dy. General Manager (Legal) &  
Dy. Secretary

PLACE : JAIPUR  
DATE : 14.07.99



## PODDAR PIGMENTS LTD.

### 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 **20th September, 1999 to 27th September, 1999 (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 to 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 the date of Eighth Annual General Meeting from 10.30 A.M. to 12.30 P.M.

### ANNEXURE TO NOTICE

**Explanatory Statement (Pursuant to section 173(2) of The Companies Act, 1956)**

#### Item No. 4

At the 4th Annual General Meeting of the Company Sh. S. S. Poddar was appointed Managing Director of the Company for a period of five years from 1st July, 1994 to 30th June, 1999. The remuneration of Sh. S. S. Poddar was increased w.e.f. 1st April, 1998 and the same was duly approved at the 7th Annual General Meeting of

the Company and also approved by The Industrial Development Bank of India, Mumbai in terms of loan agreement.

The Board of Directors of the Company in its meeting held on 30th May, 1999 re-appointed Sh. S. S. Poddar the Managing Director of the Company for another term of 5 years from 1st July, 1999 to 30th June, 2004 on the same terms and conditions as approved at the Seventh Annual General Meeting of the Company.

The Industrial Development Bank of India, Mumbai vide its letter BYCFD-III.22.A(1695)/394 dated 9th July, 1999 has approved re-appointment of Sh. S. S. Poddar as Managing Director of the Company for a period of 5 years from 1st July, 1999 to 30th June, 2004.

In pursuant to Schedule XIII of the Companies Act, 1956 the approval of members of the Company is required for such re-appointment. Therefore, the Directors recommend this Resolution for members' approval at the ensuing Annual General Meeting.

None of the Directors except Sh. S. S. Poddar being the Managing Director and Smt. Kusum Poddar being relative of Sh. S. S. Poddar is concerned or interested in this resolution.

The Resolution and Explanatory Statement be treated as an abstract under Section 302 of the Companies Act, 1956.

#### Item No. 5

Pursuant to Section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company Sh. R. K. Sureka was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 30th May, 1999 and his appointment as an Additional Director expires at the ensuing Annual General Meeting.

A notice under section 257 of the Companies Act, 1956 alongwith deposit of Rs. 500/- (Rs. Five Hundred only) has been received from Dr. M. S. Yajnik, a member of the Company, proposing candidature of Sh. R. K. Sureka for the Directorship of the Company.

Therefore, the Directors recommend this Resolution for members' approval.

None of the Directors is concerned or interested in this


**PODDAR PIGMENTS LTD.**
**Resolution.**

The Resolution and Explanatory Statement be treated as an information to the shareholders under Section 257 of the Companies Act, 1956.

**Item No.6**

Sh. R. K. Sureka, who has vast experience in commercial, marketing and administrative functions was appointed Whole-Time Director of the Company for the period from 1st June, 1999 to 31st March, 2004 on the terms and conditions set out in the Resolution no. 6.

In pursuant to Schedule XIII of the Companies Act, 1956 the approval of members of the Company is required for such appointment. Therefore, the Directors recommend this Resolution for members' approval at the ensuing Annual General Meeting .

None of the Directors except Sh.R.K.Sureka being director is concerned or interested in this Resolution.

The details set out in the Resolution may be treated as an abstract under Section 302 of the Companies Act, 1956.

**Item No.7**

The Companies (Amendment) Act, 1999 has inserted section 77A in the Companies Act, 1956 which enables Company to buy back its own shares or securities in case the buy back is authorised by the Articles of Association of the Company.

In view of the above and pursuant to Section 31 of the Companies Act, 1956 approval of the members is necessary for insertion of the Article 47A in the Articles of Association of the Company.

Therefore, the Directors recommend this Resolution for members' approval.

None of the Directors is concerned or interested in this Resolution.

**By Order of the Board**

**S. N. MAHAWAR**

**PLACE : JAIPUR      Dy. General Manager (Legal) &  
DATE : 14.07.99      Dy. Secretary**

### INFORMATION ABOUT LISTING OF SHARES AND PAYMENT OF LISTING FEES

**The Equity Shares of the Company are listed at the following Stock Exchanges :**

- |  |   |
|--|---|
| <p>(i) The Jaipur Stock Exchange Ltd.,<br/>Stock Exchange Building,<br/>Jawahar Lal Nehru Marg,<br/>Malviya Nagar, JAIPUR - 302 017.</p> | <p>(iii) The Delhi Stock Exchange Association,<br/>West Plaza I.G. Stadium,<br/>Indraprastha Estate,<br/>NEW DELHI - 110 002.</p>       |
| <p>(ii) The Stock Exchange Mumbai,<br/>Phiroze Jeejeebhoy Towers,<br/>25th Floor Dalal Street,<br/>Fort, MUMBAI - 400 001.</p>           | <p>(iv) The Stock Exchange Ahmedabad,<br/>Kamdhenu Complex,<br/>Opp. : Sahajanand College<br/>Panjara Pole,<br/>AHMEDABAD - 380 015</p> |

**The listing fee in respect of all the above said Stock Exchanges has since been paid for the Financial Year 1999-2000.**



## PODDAR PIGMENTS LTD.

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors have pleasure in presenting their Eighth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS**

[Rs. in Lacs]

PARTICULARS	1998-99	1997-98
Sales including other income	3 708	2 834
Operating Profit before Interest, Depreciation & Tax	448	449
Interest	128	173
Depreciation	177	64
Misc. Expenditure written off	6	87
Net Profit before Tax	137	125
Provision for Tax	14	13
Net Profit after Tax	123	112
Balance brought forward from previous year	288	186
Total	411	298
<b>APPROPRIATIONS</b>		
General Reserves	275	10
Balance Carried Forward to Balance Sheet	136	288

**OPERATIONS**

Your Company has achieved sales turnover of Rs. 3 644 lacs as against Rs. 2 752 lacs in the previous year registering an increase of 32.41%. However, due to recessionary trend and International competition, the Profit margins could not be matched proportionately with the increase in the turnover. Considering the difficulties and general market conditions during the year, the performance of your Company remained satisfactory. Your directors foresee better results in the current year.

**EXPANSION**

The Company's project for increasing the installed capacity from 1950 t.p.a. to 3280 t.p.a. was implemented successfully within the projected time frame during the

year and commercial production on the New Extruder commenced on 18.03.99.

**MARKETING**

Despite the continuous recession, the Company has maintained its market share during the year. Besides, new customers/applications of the Company's products have been continuously explored. As a result, the Company recorded a growth of 32.41%. The thrust during the year was on export marketing and encouraging results have started emerging on the export front also. During the current financial year, the Company foresees to tap the export market in Asian Countries and it is poised for achieving better results. Simultaneously, the domestic market is also being expanded. It is hoped that the increase in production capacity will be fully absorbed by the domestic and export markets.

**DIVIDEND**

The expansion project was part financed from internal accrual. Therefore, the Directors have not recommended any dividend for this year.

**DIRECTORS**

Shri Anubhav Poddar, Shri Mohan Parasaran and Shri M. Sivaram have resigned from the Directorship of your Company w.e.f. 08.12.1998, 15.10.1998 and 22.04.1999, respectively. The Board places on record its appreciation for the valuable contributions made by Shri Anubhav Poddar, Shri Mohan Parasaran and Shri M. Sivaram during their tenure of directorship.

Shri N. Gopalaswamy, retire by rotation pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible offered himself for re-appointment.

**RESEARCH AND DEVELOPMENT**

Your Company is focusing on in-house research and development to develop value added products and import substitutes. The on-going research and development activities of the Company has resulted in development of new Masterbatches which find application in several industries besides continuous improvement in quality of our existing products. The