

Annual Report 2000-2001

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PODDAR PIGMENTS LTD.

BOARD OF DIRECTORS

Smt. Kusum Poddar

Shri M. K. Sonthalia

Shri N. Gopaldaswamy

Shri Rajat Dalmia

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

RIICO Industrial Area,

Sitapura, Jaipur - 302 022

(Rajasthan)

HEAD OFFICE

Satyam Towers

3, Alipore Road,

Kolkata - 700 027

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PODDAR PIGMENTS LTD.

NOTICE

Notice is hereby given that the **Tenth Annual General Meeting** of the company will be held at the Registered Office of the Company at **RIICO Industrial Area, Sitapura, Jaipur-302022 (Rajasthan)** on **Saturday, the 29th September, 2001 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 31st March, 2001 and the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Smt. Kusum Poddar who retires by rotation and being eligible, offers herself 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 notwithstanding anything contained in Section 293(1)(e) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year exceed Rs. 50,000/- (Rupees Fifty Thousand only) or 5% of its average net profit as determined in accordance with the provisions of Section 349 and 350 during the immediately preceding three financial years, whichever is greater, subject to an aggregate amount of Rs. 25 lacs in any financial year."

By Order of the Board
for **PODDAR PIGMENTS LIMITED**

(**SANJAY MEHTA**)

PLACE : JAIPUR
DATE : 30th JULY, 2001

Dy. Gen. Manager (Finance)
& Dy. 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 **20.09.2001 to 29.09.2001 (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 be sent so as to 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 Tenth Annual General Meeting from 10.30 A.M. to 12.30 P.M.

ANNEXURE TO THE NOTICE

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

Item No. 4

Section 293(1)(e) of the Companies Act, 1956 requires that where the amount of any contribution made by the Company to any charitable or other funds not relating to the business of the Company or the welfare of its employees in any financial year exceeds a sum of Rs. 50,000/- or 5% of average annual net profits of the Company during the preceding 3 years, prior consent of the shareholders of the Company is required to be taken by the Board of Directors of the Company. Your Company expects that in view of its increasing profitability and need of the society for noble causes, contribution in the form of donation may be given by the company in excess of the limit mentioned above under section 293(1)(e) of the Companies Act, 1956.

None of the Directors of the Company is interested or concerned in the resolution.

By Order of the Board
for **PODDAR PIGMENTS LIMITED**

(**SANJAY MEHTA**)

PLACE : JAIPUR
DATE : 30th JULY, 2001

Dy. Gen. Manager (Finance)
& Dy. Secretary



PODDAR PIGMENTS LTD.

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.
Stock Exchange Building,
Jawahar Lal Nehru Marg,
Malviya Nagar, Jaipur - 302 017</p> | <p>(iii) The Delhi Stock Exchange Association
DSE House,
3/1, Asaf Ali Road,
New Delhi - 110 002</p> |
| <p>(ii) The Stock Exchange Mumbai,
Phiroze Jeejeebhoy Towers,
25th Floor Dalal Street,
Fort, Mumbai - 400 001</p> | <p>(iv) The Stock Exchange Ahmedabad,
Kamdhenu Complex,
Opp. : Sahajanand College,
Panjara Pole, Ahmedabad - 380 015</p> |

The listing fee in respect of all the above said Stock Exchanges has since been paid for the Financial Year 2001-2002.





PODDAR PIGMENTS LTD.

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors take pleasure in presenting the Tenth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

PARTICULARS	(Rs.in Lacs)	
	2000-2001	1999-2000
Sales including other income	5747	4815
Operating Profit before Interest, Depreciation & Tax	612	613
Interest	125	144
Depreciation	219	215
Misc. Expenditure written off	6	6
Net Profit before tax	262	248
Provision for Tax	22	28
Net Profit after tax	240	220
Balance brought forward from previous year	206	136
Total	446	356

APPROPRIATIONS

General Reserve	250	150
Balance Carried forward to Balance Sheet	196	206

OPERATIONS

During the year, the Company has achieved a sales turnover of Rs.5609 lacs as against Rs.4773 lacs in the previous year, at a capacity utilization of nearly 95%. The turnover registered an increase of 17.51% over the previous year, but the margins continue to be under pressure. Keeping this in mind, your Directors are considering an enhancement of production capacity.

MARKETING

The products of your Company have been finding good demand and its market share has increased. The products have also gained increasing acceptance in the international market. As a result, your Company has been able to export to the extent of Rs. 244 lacs during the year. An increase in export sales is expected during the current year.

RESEARCH AND DEVELOPMENT

In-house Research & Development activities have been a prime focus-area for the Company and this is expected to be maintained. The Research & Development division of the Company is competent enough to provide complete technical support relating to the products of the Company.

DIVIDEND

In order to augment resources, your Directors do not recommend any dividend for the year.

DIRECTORS

Smt Kusum Poddar retires by rotation pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, has offered herself for re-appointment.

AUDIT COMMITTEE

Sec. 292A of the Companies [Amendment] Act, 2000 has made it mandatory for every public limited Company having a Paid up Share Capital of Rs.5 Crores or more to constitute a committee of the directors to be known as Audit Committee. Accordingly, an Audit Committee has been formed during the year. The committee consists of the following directors of the Company :-

01. Sri R K Sureka - Chairman
02. Smt Kusum Poddar
03. Sri M K Sonthalia
04. Sri Rajat Dalmia

CORPORATE GOVERNANCE

The Securities and Exchange Board of India has introduced a code of Corporate Governance for implementation in phased manner by Companies listed with the Stock Exchanges. The said Corporate Governance code will become applicable to your Company latest by March '02. Your Company has already taken steps to implement the Corporate Governance code by forming several "Committees of Board".

DEMATERIALIZATION OF SHARES OF THE COMPANY

Trading in Equity Shares of your Company is permitted only in dematerialised form with effect from 02.04.2001.



PODDAR PIGMENTS LTD.

Your Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable shareholders to hold shares in dematerialised form. Your Company has also made arrangements for simultaneous dematerialisation of share certificates lodged for transfer. Since dematerialisation facilitates quick share transfers and prevents forging of documents, those shareholders who have not yet opted for this facility are advised to have their shares dematerialised with either of the depositories.

DEPOSITS

The Company has not accepted any fixed deposit during the year and there is no deposit outstanding as at the end of the year.

EMPLOYEES

No employee of the Company is covered under the provisions of Section 217(2A)(a)(ii) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

AUDITORS

M/s K N Gutgutia & Company, Chartered Accountants who were appointed as the Auditors of the Company at the Ninth Annual General Meeting of the Company held on 25th September, 2000 retire at the conclusion of the Tenth Annual General Meeting and being eligible, have offered themselves for re-appointment.

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

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act 1956 are enclosed as a part of the report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm :-

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements 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 on 31st March, 2001 and of the profit of the Company for the period ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

The Management is grateful to the various Government and Semi Government authorities, Financial Institutions, Bankers, Investors, Marketing Dealers, Vendors and Customers for their valued assistance and co-operation.

The Directors also wish to place on record their appreciation for the dedication and excellent contribution made by the employees in realising the objectives of the Company.

For and on behalf of the Board of Directors

PLACE : MUMBAI	R K SUREKA	S S PODDAR
DATE : 26th JULY, 2001	WHOLE-TIME DIRECTOR	MANAGING DIRECTOR



PODDAR PIGMENTS LTD.

ANNEXURE TO THE DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

The Company continues to accord high priority to conservation of energy on an ongoing basis. Particulars with respect to conservation of energy :

(A) Power & Fuel consumption	Current Year ended on 31.03.2001	Previous Year ended on 31.03.2000
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Electricity

(a) Purchased :		
Units (Nos)	1261	885
Total Amount (Rs.)	29 183.00	23 798.00
Rate / Unit (Rs)	23.14	26.89
(b) Own generation :		
Through Diesel		
Units (Nos)	30 18 094	27 76 687
Units per Ltr of Diesel Oil	3.37	3.40
Cost / Unit (Rs)	4.17	3.27

(B) Consumption per unit of production

Production of Masterbatches (M.T)	3 098.21	2 643.88
Electricity per M.T of production (Units)	975	1 051

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 Masterbatches.

3. Future plan of action

To continue development of new range/shades of Masterbatches for different applications.

4. Expenditure on R&D	
(a) Capital	
(b) Recurring	Rs. 0.72 lac
(c) Total	Rs. 25.53 lacs
(d) Total R&D expenditure as a percentage of total turnover.	Rs. 26.25 lacs 0.47 percent on sales

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief made towards technology absorption, adaptation and innovation.	Continuous efforts are made to secure and utilise the latest available technology to keep pace with the latest manufacturing trends, keeping in mind the quality, cost reduction and capacity utilisation.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development import substitution, etc.	The Company has been able to increase productivity, increase superior quality production, which will result in higher realisation of finished goods.
3. Technology imported during last five years.	NIL
(i) Technology Imported for manufacture	N.A
(ii) Year of Import	N.A.
(iii) Has technology been fully absorbed.	N.A.

IV. FOREIGN EXCHANGE EARNED AND USED

(Rs. in Lacs)

	2000-2001	1999-2000
1. Foreign Exchange Earned	236.30	126.31
2. Foreign Exchange Used :-		
Travelling Expenses	22.57	12.30
Import of Capital Goods	-	16.44
Import of Raw		
Material & Stores	1604.49	1334.88
Consultancy fee	-	1.75
Others	4.60	3.30