

## **PONDY OXIDES AND CHEMICALS LIMITED**

### **BOARD OF DIRECTORS**

**Dr. Padam Chandra Bansal**  
Chairman

**Sri. D.P.Venkataraman**  
Vice-Chairman

**Sri. Anil Kumar Bansal**  
Managing Director

**Sri. Sunil Kumar Bansal**  
**Sri. R.P.Bansal**  
**Sri. Devakar Bansal**  
**Sri. Ashish Bansal**  
**Sri. Y.V.Raman**  
Whole Time Directors

**Sri. Anil Kumar Sachdev**  
**Sri. Harish Kumar Lohia**  
**Sri. P.N. Sridharan**  
Directors

### **GM FINANCE & COMPANY SECRETARY**

**Sri. K. Kumaravel**

### **FACTORY DIVISIONS**

**Metallic Oxides Division [ M O D ]**  
Behind A-73 & 74, PIPDIC Industrial Estate  
Mettupalayam, Pondicherry- 605 009

**Plastic Additives Division [ P A D ]**  
Sembiapalayam, Korkadu post  
Pondicherry - 605 110

**Smelter Division [ S M D ]**  
G 17 - G 19 & G 30 - G 32, SIPCOT  
Industrial Park, Mampakkam, Sriperumbudur,  
District - Kancheepuram, Tamil Nadu - 602 105

**Zinc Refining Division [ Z R D ]**  
G-47, SIDCO Industrial Estate,  
Kakkalur, Thiruvallur, Tamil Nadu - 602 003

**Alloying & Refining Division [A R D]**  
B 19 & 20 Sidco Industrial Estate,  
Maraimalai Nagar, Kancheepuram Dist.,  
Tamil Nadu - 603 209

### **REGISTERED & CORPORATE OFFICE**

KRM Centre, 4<sup>th</sup> Floor,  
# 2, Harrington Road,  
Chetpet, Chennai - 600 031.  
Telephone No.: +91-044-42965454  
Fax No. : +91-044-42965455  
Email : [kk@pocl.co.in](mailto:kk@pocl.co.in)

### **AUDITORS**

**M/s Jeeravla & Co.,**  
Chartered Accountants  
190 [Old No.150/5] Govindappa Naicken Street,  
Chennai - 600 001  
Phone No : 91-044-25369245

### **BANKERS**

Canara Bank - Anna Nagar East Branch  
HDFC Bank - Mylapore Branch

### **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Cameo Corporate Services Limited  
Subramanian Building,  
No 1, Club House Road,  
Chennai - 600 002  
Phone : 91-044-28460390 [5 lines]  
Fax : 91-044-28460129  
E-mail : [cameo@cameo.india.com](mailto:cameo@cameo.india.com)

### **LISTING**

The Bombay Stock Exchange  
Madras Stock Exchange  
National Stock Exchange [Under permitted Category]  
Coimbatore Stock Exchange [Applied for Delisting]

### **SEVENTEENTH ANNUAL GENERAL MEETING**

Day : Friday

Date : September 7, 2012

Time : 10.15 a.m.

Venue : Kasturi Srinivasan Hall (Mini Hall)  
Music Academy, 306, T.T.K. Road  
Chennai - 600 014

## **CONTENTS**

<b>STAND ALONE ACCOUNTS</b>	<b><u>Page No.</u></b>
Notice to the Shareholders	3
Directors' Report	7
Auditors' Report	24
Balance Sheet	28
Statement of Profit and Loss	29
Cash Flow Statement	30
Notes	31
Statement pursuant to Section 212 of the Companies Act, 1956	53 & 54
<b>CONSOLIDATED ACCOUNTS</b>	
Auditors' Report	57
Balance Sheet	58
Statement of Profit and Loss	59
Cash Flow Statement	60
Notes	61



### **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **M/s PONDY OXIDES AND CHEMICALS LIMITED** will be held on Friday 7<sup>th</sup> September 2012 at 10.15 a.m at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K.Road, Chennai – 600 014 to transact the following business ;

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2012 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in the place of Sri.R.P.Bansal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri.D.P.Venkataraman, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Sri.Harish Kumar Lohia, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in the place of Sri.Anil Kumar Bansal, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit to pass the following resolution as an ordinary resolution.

**“RESOLVED THAT** M/s Jeeravla & Co, Chartered Accountants, holding Firm Registration No: 001323S, allotted by the Institute of Chartered Accountants of India, the retiring Auditors be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the Seventeenth Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with Audit of the accounts of the Company.”

#### **SPECIAL BUSINESS**

8. To Consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

**“RESOLVED** that in accordance with the provisions of Sections 198, 257, 269, 309 and 310 and in accordance with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 and such other approvals as may be required approval of the shareholders be and is hereby given for the appointment of Sri.Ashish Bansal as the Whole Time Director of the company for a period of three years with effect from 01.04.2012 on the following remuneration:

**Salary :** In the scale of pay of Rs.1,20,000 – Rs.30,000 – Rs.2,10,000 with a basic pay of Rs.1,20,000/- per month with authority to the Board/Remuneration Committee to give suitable annual increment not exceeding 25% of Basic Salary.

**Perquisites :** Such perquisites as may be provided by the Company as agreed upon by the Board of Directors of the Company and Sri. Ashish Bansal subject however that the total value of such perquisites payable in a year shall not exceed the amount of the annual salary.

By Order of the Board  
For **Pondy Oxides and Chemicals Ltd**

Place : Chennai  
Date : 27.07.2012

**K.Kumaravel**  
GM Finance & Company Secretary

**Notes :**

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Duly filled in Proxy forms must be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the Annual General Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
4. Pursuant to Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at this meeting are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed on 07.09.2012.
6. Members are requested to :
  - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
  - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue.
  - iii) Quote the Folio / Client ID and DP ID Nos. in all their correspondence.
  - iv) Note that no gifts / compliments / coupons will be distributed at the Annual General Meeting.
  - v) A Corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the corporate member sends certified true copy of the Board Resolution / Power of Attorney authorizing the representative to attend and vote at the Annual General Meeting.
  - vi) Members are requested to notify immediately changes, if any, in their addresses;
    - a. To Depository Participants (DP) in respect of shares held in the dematerialized form and
    - b. To the Registrar and Transfer Agents of the Company, M/s.Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002 in respect of shares held in Physical form, quoting their folio numbers.
7. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to Mr.K.Kumaravel, GM Finance & Co. Secretary at the Registered Office of the Company at least ten days prior to the date of the meeting, so that the information required can be made available at the meeting.
8. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the Registered Office of the Company on all working days (except Saturdays and Sundays) between 03.00 p.m to 05.00 p.m prior to the date of Annual General Meeting.
9. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
10. If dividend on shares as recommended by the Directors is approved at the meeting, the payment will be made within thirty days to those shareholders whose names are on the Company's Register of Members on September 7, 2012. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on September 7, 2012, as per details furnished by the Depostories for this purpose.
11. Members who have not encashed their dividend warrants for the years 2004-05; 2005-06; 2006-07; 2007-08; 2008-09; 2009-10 and 2010-11 are requested to approach the Company for revalidation / issue of duplicate warrants quoting their Ledger Folio / DP – Client ID Number.



Pursuant to Section 205 A(5) of the Companies Act, 1956 the unpaid dividends due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government are as follows :

<b>Dividend for the year ended</b>	<b>Date of declaration</b>	<b>Proposed date of transfer*</b>
March 31, 2005	September 20, 2005	September 24, 2012
March 31, 2006	September 09, 2006	September 13, 2013
March 31, 2007	September 22, 2007	September 26, 2014
March 31, 2008	September 20, 2008	September 24, 2015
March 31, 2009	September 17, 2009	September 21, 2016
March 31, 2010	August 28, 2010	September 01, 2017
March 31, 2011	September 24, 2011	September 28, 2018

\*Indicative dates, actual dates may vary

**The Ministry of Corporate Affairs has taken a Corporate “Green Initiative in the Corporate Governance” by allowing paperless compliance by companies. As per the MCA circular, service of documents through electronic mode, i.e. e-mail by the company will be a valid compliance of Section 53 of the Companies Act, 1956. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those Shareholders who have registered their e-mail IDs for the said purpose. As such the members who have not yet registered their e-mail IDs are requested to furnish / register their e-mail IDs at [pondyoxides@cameoindia.com](mailto:pondyoxides@cameoindia.com) to enable the Company to send all notices, periodical statements etc., of the company through electronic mode.**

**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No.08.**

Sri.Ashish Bansal was the Whole Time Director in M/s.Lohia Metals Pvt Ltd., till the date of the merger and was taking care of the production and marketing activities of Lead Metal and Alloys of the division. As the members are aware the subsidiary company M/s.Lohia Metals Pvt Ltd., merged with your Company as per the order of The Hon’ble High Court of Madras, dated 12<sup>th</sup> March, 2012.

Since the Company has been merged with our Company and taking into account his knowledge and experience in the field of company’s product and enormous contribution and sincere efforts put in by Sri.Ashish Bansal towards the success and growth of the company, your Board and the Remuneration Committee at their meeting held on 07.04.2012 considered it appropriate to appoint him as a Whole Time Director of the Company in the scale of pay of Rs.1,20,000 – Rs.30,000 – Rs.2,10,000, with a basic pay of Rs.1,20,000/- per month with effect from 01.04.2012 for 3 years with authority to the Board / Remuneration Committee to give suitable annual increment not exceeding 25% of basic salary subject to the approval of the shareholders.

Further, the perquisites as may be provided by the Company to Sri.Ashish Bansal, the total value of which payable in a year shall not exceed an amount equivalent to Annual Salary.

None of the Directors other than Sri.Ashish Bansal, Sri.Anil Kumar Bansal, Dr.Padam C Bansal, Sri.R.P.Bansal, Sri.Sunil Kumar Bansal and Sri.Devakar Bansal are interested in the above resolution.

By Order of the Board  
For **Pondy Oxides and Chemicals Limited,**

Place : Chennai  
Date : 27.07.2012

**K.Kumaravel**  
GM Finance & Co. Secretary

**Pondy Oxides and Chemicals Limited****Information of the Directors seeking re-appointment at the Seventeenth Annual General Meeting.  
[As required under Clause 49 IV [G][i] of the Listing Agreement]**

<b>Name of the Director</b>	Sri.R.P.Bansal	Sri.D.P.Venkataraman	Sri.Harish Kumar Lohia	Sri.Anil Kumar Bansal
<b>Date of Birth</b>	10.08.1947	30.01.1936	27.02.1958	02.11.1953
<b>Date of Appointment</b>	21.03.1995	14.09.2002	20.09.2005	21.03.1995
<b>Director Identification Number</b>	00232708	00232894	00233227	00232223
<b>Relationship between Directors inter-se</b>	Brother of Promoter – Directors*	N.A.	N.A.	Brother of Promoter – Directors *
<b>Qualification and Expertise</b>	Under Graduate	B.Sc., CAIIB	B.Com	B.Sc – Specialization in Production and R&D Areas of Plastic Additives and Metals
<b>Directorship held in other public companies</b>	Nil	Nil	Nil	POCL Enterprises Ltd
<b>Membership / Chairmanship of Committees across other public companies, Committees if any</b>	Nil	Nil	Nil	Nil
<b>Number of Equity shares of Rs.10/- each held on March 31,2012.</b>	459505	Nil	2390	641212

\* Promoter Directors are [1] Dr.Padam Chandra Bansal [2] Sri.Anil Kumar Bansal [3] Sri.Sunil Kumar Bansal [4] Sri.R.P.Bansal [5] Sri.Devakar Bansal [6] Sri.Ashish Bansal



## DIRECTORS' REPORT

Dear shareholders,

Your Directors have pleasure in presenting Seventeenth Annual Report together with Audited Balance Sheet and Profit and Loss Account of your company for the year ended March 31<sup>st</sup> 2012.

### I. FINANCIAL RESULTS

**Rs. in lakhs**

Particulars	2011-12	2010-11*
Operational Income	31979.17	27279.23
EBIDAT	1275.26	1673.25
Other Income	149.47	116.83
Interest and Financial Charges	559.87	609.40
Depreciation & amortization	283.05	237.33
Profit before taxation	432.34	826.52
Provision for taxes	144.75	274.85
Net Profit for the year	287.59	551.67
<b>Appropriations</b>		
General Reserve	30.00	30.00
Proposed Dividend on equity shares	111.52	141.50
Tax on proposed dividend	18.48	23.50
Surplus carried forward to next year	127.59	356.67

\*Figures pertaining to the previous year are not comparable with that of the current year due to the amalgamation of M/s Lohia Metals Pvt. Ltd with the Company with appointed date as 1<sup>st</sup> October 2010.

### II. DIVIDEND

The Directors recommended a dividend of Re.1.00 [10%] per equity share of Rs.10/- each. The said dividend if approved by the members would involve cash flow including distribution tax thereon amounting to Rs.130.00 lakhs. The dividend will be tax free in the hands of the shareholders.

### III. PERFORMANCE REVIEW

The Company reported revenues and PBDIT of Rs.1275.26 lakhs and Rs.1673.25 lakhs during the year 2011-12. Strong volume growth, operational efficiencies improved the sales performance. This year overall metal production was 19301 mts compared to 16291 mts - up 18% over the previous year. The Metallic Oxides production this year was 4182 mts – up 3% compared to financial year 2011. Similarly production of plastic additives was 4310 mts compared to 5287 mts in the previous year.

The Lead Metal sales in the domestic market during the year were 4168 mts while export sales accounted for 15691 mts. Metallic Oxides sales in the domestic market during the year were 4050 mts with the export sales accounting for 148 mts. Plastic Additives sales during the year were 4169 mts with the export sales accounting for 155 mts.

The net profit after tax was Rs.287.59 lakhs against Rs.551.67 lakhs in the previous year. The fall in net profit is mainly attributable to fluctuation in Metal prices and Rupee depreciation.

### IV. APPROPRIATIONS

For the year under review, the Board has proposed to transfer Rs.30.00 lakhs to General Reserve and an amount of Rs.127.59 lakhs is proposed to be retained in the Profit & Loss account.

**V. SUBSIDIARIES**

The Company as of 31.03.2012 had one subsidiary M/s POCL Enterprises Ltd. Subsidiary of your company prominently engaged in trading of various metals and chemicals and there has been no material change in the nature of business of the subsidiary.

As required under the Listing Agreement entered into with the Stock Exchanges, a consolidated financial statement of the company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed u/s.211(3C) of the Companies Act, 1956. These financial statements disclose the assets, liabilities, income, expenses and other details of the company and its subsidiary company.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs (MCA) Government of India, New Delhi vide its Circular No.2/2011, dated 08.02.2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies with the Balance Sheet of the Company. As required under the said Circular, the Board of Directors of your Company at its meeting held on 27.07.2012 gave its specific consent for not attaching the Balance Sheet of its subsidiary, as it would be made available to its members at the company's website.

A Statement containing the brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is provided as Annexure to this report. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of the subsidiary may write to the Company Secretary. These documents are available for inspection during business hours at the Registered Office of the Company and also at the Registered Office of the respective subsidiary company.

**VI. MERGER**

As reported in the previous Annual Report, merger of the subsidiary company M/s Lohia Metals Pvt. Ltd. with your Company has been approved by the Hon'ble High Court of Madras on 12<sup>th</sup> March 2012 with a share exchange ratio of 1:2.5 i.e., 5 fully paid up equity shares of Rs.10/- each of your Company be exchanged for every 2 equity shares of Rs.10/- each held in M/s. Lohia Metals Pvt. Ltd. The merger is effective from the appointed date i.e. 1<sup>st</sup> October 2010. Based on the above approval during the year, your Company allotted 1102500 fully paid up equity shares of Rs.10/- each to the shareholders of M/s.Lohia Metals Pvt. Ltd. (Transferor company). Accordingly, financial results for the current period includes performance of the results of M/s. Lohia Metals Pvt Ltd., for the year 2011-12.

**VII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to clause 49[IV](F) of the Listing Agreement, Management Discussion and Analysis Report is given below.

**THE ECONOMY AND THE SECTORAL GROWTH**

Managing growth and price stability are the major challenges of macro economic policy making. The Indian economy had grown by 6.9% in 2011-2012, after having grown at the rate of 8.4% in each of the two preceding years. This indicates a slow down compared not just to the previous two years but 2003 to 2011 (except 2008-2009). With agriculture and services continuing to perform well, India's slow down can be attributed almost entirely to the weakening industrial growth. Monetary Policy was tightened by the RBI during the year to control inflation and curb inflationary expectations. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent.

The Eleventh Five Year Plan emphasized the need for removing infrastructure bottlenecks for sustained growth. It therefore proposed an investment of US\$ 500 billion in infrastructure sectors through a mix of public and private sectors to reduce deficits in identified infrastructure sectors. For the first time the contribution of the private sector in total investment in infrastructure was targeted to exceed 30%. Total investment in infrastructure during the Eleventh Plan is estimated to increase more than 8% of GDP,





which is higher by 2.47% points as compared to the tenth plan. The private sector is expected to be contributing nearly 36% of this investment.

### **COMPANY OVERVIEW**

During the year under review, on quarter to quarter basis, we have consolidated our operation by increasing capacity of Lead Smelting and Zinc Refining Plant and other products. Exports during the year were at Rs.18008.15 lakhs – substantially higher by 42% over the previous year. The indigenous base for metal products was also widened during the year and optimum capacity utilization has been made during the year under review.

### **OUTLOOK**

1/3rd of the Lead production in India comes from primary sources like mining and the balance from the secondary sources mainly recycling. India lacks lead ore reserves and hence it necessitates large scale imports and secondary sources such as recycling. Lead is amongst the most recycled non ferrous metal. The main input from lead recycling comes from lead acid battery scrap which is a hazardous material. The primary lead smelter contributes 16% of the total supply in the country and the secondary smelter contributed 22% of the lead supply, approximately 30% of the supply is contributed by unorganized sector and the balance is met by imports. The estimated demand of lead is 5,00,000 tons. The demand is expected to grow at a rate of 6% which is being driven due to demand for automobile batteries, inverters and UPS applications.

The competitive strength of the company is the global presence with an established base in different parts of the world gives the company access to the local raw materials in the respective countries at competitive freight cost. The company confirming environment friendly recycling operations as per International Standards and registered manufacturer under Ministry of Environment and Forest for lead processing and recycling. The company lays a lot of stress on recycling and continues to deploy environment friendly technology.

We have built a strong brand name of quality products through our manufacturing and marketing presence in different parts of the world. Our products are widely accepted and conformed to all technical specifications prevailing in the international market.

### **EXPANSION PROGRAMME**

Board of Directors of your Company in their meeting held on 08.11.2011 approved the purchase of land measuring 9025.86 sq.mts in Industrial Park, Gajulamandam in Chittoor District, Andhra Pradesh for the setting up of new smelter plant in Andhra Pradesh and land has been allotted in the name of the Company by Andhra Pradesh Industrial Infrastructure Corporation Limited. Necessary clearances from the Andhra Pradesh Pollution Control Board has been obtained and approval from other Government Agencies is awaited under Single Window Clearance.

### **RISK AND CONCERNS**

POCL is a unique combination of a play on global economic recovery through its Lead Smelting and Zinc Refining Business. Your Company operates both in the domestic market and overseas. Having a global presence with import and export trade, we are subject to currency rate fluctuation volatility which may result into gain or losses. In last one year the commodity market has seen a wild swing of lead price movement. The competitive pricing of our products are gauged from the industry prices and the price stated on London Metal Exchange. Any downturn in the prices on the exchange may put pressure on our pricing of export products and shall impact financials of the Company.

Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, the company may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emission management. The company may also be required to bear additional expenditure

for the establishment of additional infrastructure such as laboratory facilities for monitoring pollution impact and effluent discharge. Such additional cost may adversely affect our results of operations.

Your Company complies with the safety norms and has adequate insurance coverage for all assets.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company believes that growth is not only to be profitable and competitive, but also sustainable in a socially relevant way. It is fully compliant with various environmental protection and safety and healthy laws and regulations. In its constant endeavour to be fully compliant with all regulatory standards, your company ensures that it is in full compliance to all applicable legal requirements. Prior to the implementation of any projects the potential environmental impacts are assessed. POCL has actively pursued CSR activities and we have in fact made substantial progress on this front.

Your Company has proactively initiated steps to maintain all the four units as environmental friendly. It has been the policy of the Company to keep at least one third of the unit area as green. Also full-fledged pollution control equipments are installed in all units before the commencement of production and to keep the environmental pollution free inspite of Red Category unit classification.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or deposition thereof. All transactions are authorized, recorded and reported correctly. The internal controls are checked by internal auditors. The observations made by them, management action and time frame are reviewed by the audit committee. Concerns if any are reported to the Board.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your Company believes that its employees are the main force in driving performance and developing competitive advantage. During the year, your Company has focused efforts to enhancing capabilities of employees, particularly in view of expanding capacities and changes in working environment. Technical and safety training programs were held periodically to enhance workers' knowledge and application skills. Industrial relations continued to remain cordial and harmonious during the year. The total number of employees at the end of the year was 391.

### **VIII. CORPORATE GOVERNANCE**

A Report on Corporate Governance is annexed to this Report. A declaration with regard to compliance with the code of conduct by the directors and senior management signed by the Managing director was placed at the meeting of the Board of directors held on 27/07/2012. A certificate from the statutory auditors of the Company confirming compliance of conditions of Corporate governance as stipulated under clause 49 of the listing agreement is also attached.

### **IX. DEPOSITS**

The Company has not accepted any deposits from public during the year under review; however has accepted unsecured loans from shareholders, friends and relatives of Directors.

### **X. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

In accordance with the provisions of 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, the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in the Annexure forming part of this Report.

### **XI. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable



- Accounting Standards have been followed along with proper explanations relating to material departures.
- (ii) 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 March 31, 2012 and of the profit or loss of the Company for the said period;
  - (iii) that the Directors had 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 and
  - (iv) the Directors had prepared the annual accounts for the financial year ended March 31, 2012 on a "going concern" basis.

## XII. DIRECTORS

### Appointments by rotation

In accordance with the Provisions of the Companies Act, 1956 read with the Articles of Association of the Company Sri.R.P.Bansal, Sri.D.P.Venkataraman, Sri.Harish Kumar Lohia and Sri.Anil Kumar Bansal, Directors of the company will retire by rotation at this meeting and being eligible, your Board recommends their re-appointment.

### Cessation

During the year Sri.Sudhir Kumar Gupta, Director has expressed his inability to continue as a Director due to his other commitments. The Board of Directors at its Meeting held on September 26, 2011 has accepted the same and placed on record its appreciation for the services rendered by Sri.Sudhir Kumar Gupta during his tenure as Director of the Company.

## XIII. AUDITORS

M/s. Jeeravla & Co., Chartered Accountants, Firm Registration No:001323S Auditors of the Company, who retire at the forthcoming Annual General Meeting are eligible for reappointment and have expressed their willingness to accept office, if appointed. They have given a certificate to the effect that the reappointment if made, would be within the limits prescribed under section 224 [1 B] of the Companies Act, 1956. Your Directors recommend their re-appointment.

## XIV. PARTICULARS OF EMPLOYEES

None of the employees of your Company was in receipt of the remuneration in excess of the ceiling prescribed under section 217[2A] of the Companies Act, 1956.

## XV. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the continued trust and confidence reposed in the Company by the bankers, business associates, regulatory authorities, customers, dealers, vendors and shareholders. Your Directors recognize and appreciate the services rendered by the officers, staff and employees of the Company at all levels for their dedicated efforts to improve the performance of the Company.

## XVI. CAUTIONARY STATEMENT

Certain statements in the Directors' Report describing the Company's operations, objectives, projects and expectations regarding future performance may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other incidental factors and developments.

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

Place : Chennai  
Date : 27.07.2012

**Anil Kumar Bansal**  
Managing Director

**D.P.Venkataraman**  
Vice Chairman

**ANNEXURE – I TO THE DIRECTORS' REPORT**

Information under 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, and forming part of the Directors' Report for the year ended March 31, 2012.

1. Conservation of energy

- a. Energy Conservation measures taken
- b. Additional investments and proposals if any, being implemented for reduction of consumption of energy;
- c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- d. Total Energy consumption and energy consumption per unit of production

} Not Applicable

**FORM A**

Form for Disclosure of Particulars with respect to Conservation of Energy

S.No.	Particulars	Current Year 2011-2012	Previous Year 2010-2011*	
A	1. Electricity			
	a. Purchased	Units	1930140	1771920
	Total Amount	Rs. in lakhs	85.33	70.66
	Rate	Rs. per unit	4.42	3.99
	b. Own Generation			
	Through Diesel Generator	Units	946890	990240
	Value of diesel consumed	Rs. In lakhs	86.60	108.30
	Cost	Rs. Per unit	9.15	10.94
	Units per litre of diesel		4.23	3.77
	2. Coal			
	Quantity	In Mt	846	745
	Amount	Rs. In lakhs	87.89	83.79
	Average Rate	Rs.	10390	11250
	3. Furnance Oil			
	Quantity	In K.Ltrs	1092	1037
	Amount	Rs. In lakhs	422.73	296.28
	Average Rate	Rs.	38716	28567
4. Others				
Diesel				
Quantity	In K.Ltrs	630	571	
Amount	Rs. In lakhs	267.57	221.78	
Average Rate	Rs.	42486	38827	

\*Figures of the previous year are consolidated and regrouped wherever applicable due to merger of M/s Lohia Metals Pvt. Ltd with the Company with appointed date as 1<sup>st</sup> October 2010 and hence not comparable.

**B. Consumption per unit of production**

In view of the number of products, with different quality and other parameters being manufactured by the company, it is not possible to give information on consumption of fuel per unit of production.

**2. Technology Absorption****FORM B**

Form for Disclosure of particulars with respect to Absorption

**I. Research and development**

During the year under review, the Company continued to improve the quality of products through its normal research and development system.

**II. Technology absorption, adaptation and innovation**

The company has not acquired any imported or indigenous technology

**3. Foreign Exchange earnings and outgo.**

During the year the Company earned Foreign Exchange of Rs.18008.15 lakhs (Export Sales) and used Foreign Exchange of Rs.18748.28 lakhs (Raw Materials Rs.18692.59 lakhs and Rs. 55.69 lakhs towards Foreign travel, Membership Fees and Commission expenses)

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

Place : Chennai  
Date : 27.07.2012

**Anil Kumar Bansal**  
Managing Director

**D.P.Venkataraman**  
Vice Chairman

**CORPORATE GOVERNANCE REPORT**

**I. Company's Philosophy on Corporate Governance**

The Company believes in transparency, professionalism and accountability, which are the basic principles of Corporate Governance. The philosophy of the company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders' value while being a responsible corporate citizen by safeguarding the interest of the stakeholders. It is this conviction that has led the company to make strong corporate governance values intrinsic in all its operations. The company is led by a distinguished Board, which includes independent directors. The Board provides a strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the company is well informed and well equipped to fulfill its responsibilities and to provide management the strategic direction it needs to create for long term shareholder value. The Company would constantly endeavour to improve on these aspects and committed to attain the highest standards of Corporate Governance.

In terms of Clause 49 of the Listing agreement executed with the Stock exchanges, the details of compliances, for the year ended March 31, 2012 are as follows.

**II. Board of Directors**

**1. Composition**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors.

The Board of Directors comprises:

- One Managing Director [Promoter Group]
- Five Executive Directors [4-Promoter Group]
- One Related Director [Not Independent – Promoter Group]
- Four Independent / Non Executive Directors

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the company.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under:

Names of the Directors	Category	Number of Directorships in other public limited companies	Memberships of other Committee[s]		Number of Board Meetings attended	Last AGM Attended
			Chairman	Member		
Dr.Padam Chandra Bansal	Chairman-Non Executive (Promoter Group)	-	-	-	1	Yes
Sri.D.P.Venkataraman	Vice Chairman Non Executive/ Independent	1	3	-	5	Yes
Sri.Anil Kumar Bansal	Managing Director (Promoter Group)	1	1	1	6	Yes
Sri.Sunil Kumar Bansal	Whole Time Director (Promoter Group)	1	-	1	6	Yes
Sri.R.P.Bansal	Whole Time Director (Promoter Group)	-	-	-	2	Yes
Sri.Devakar Bansal	Whole Time Director (Promoter Group)	1	-	-	5	Yes
Sri.Y.V.Raman	Whole Time Director	-	-	1	5	Yes
Sri.Anil Kumar Sachdev	Non Executive / Independent	1	-	3	2	Yes
Sri.Harish Kumar Lohia	Non Executive / Independent	-	-	3	5	Yes
Sri.P.N.Sridharan	Non Executive / Independent	2	-	1	4	Yes
Sri.Ashish Bansal*	Whole Time Director (Promoter Group)	-	-	-	6	Yes
Sri Sudhir Kumar Gupta**	Non Executive / Independent	1	2	1	1	No

\*Sri. Ashish Bansal was appointed as Whole Time Director with effect from 01.04.2012 subject to the approval of Shareholders.

\*\*Sri. Sudhir Kumar Gupta resigned from the Board with effect from 26.09.2011.

**Note:** None of the Directors was a member in more than 10 Committees or Chairman in more than 5 Committees.



## 2. Meeting of the Board of Directors

During the year 2011-12, the Board met six times on [1] May 7, 2011; [2] July 28, 2011; [3] September 26, 2011; [4] November 8, 2011; [5] February 10, 2012 and [6] March 29, 2012.

At least one Board Meeting was held during every quarter. The maximum time gap between two Board Meetings was less than four months.

## III. The Board committee

### 1. Audit committee

#### Terms of reference

The primary objective of the Audit committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Committee assists the Board in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The terms of reference cover the matters specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement. In brief, these are:

To oversee the Company's financial reporting process and disclosure of its financial information; to recommend the appointment of statutory auditors and Internal auditors; to review and discuss with the auditors all aspects of internal control system, the scope of audit including the observations of the auditors, adequacy of the internal control system, major accounting policies, practices and compliance with Accounting standards and Listing agreement with the Stock Exchange and other legal and regulatory requirements concerning financial statements; to review the reports of the Company's Internal auditors and to discuss with them any significant findings for follow up action thereon; to review the financial statements audited by the Statutory auditors as also to review financial and risk management policies and practices.

#### Composition and attendance at the meetings of Audit committee

Consequent to the resignation of Sri.Sudhir Kumar Gupta, Audit Committee has been reconstituted during the year by inducting Sri.P.N.Sridharan as a member and Sri.D.P.Venkataraman as Chairman of the Committee.

During the year 2011-2012, the committee met four times on [1] May 07, 2011, [2] July 28, 2011, [3] November 08, 2011 and [4] February 10, 2012.

Name of the Director	Category	Meetings attended
Sri.D.P Venkataraman	Non Executive Director-Independent-Chairman	4
Sri.Anil Kumar Sachdev	Non Executive Director-Independent-Member	4
Sri.Harish Kumar Lohia	Non Executive Director-Independent-Member	4
Sri.P.N.Sridharan	Non Executive Director-Independent-Member	2

The necessary quorum was present at the meeting.

- All members of the Audit committee are financially literate and have relevant finance and/or audit exposure.
- At least one Audit committee meeting was held during every quarter.
- Internal auditors and Statutory auditors attended the meetings as invitees.
- The G.M Finance & Company Secretary acts as the Secretary of the Audit committee.

The Chairman of the Audit Committee Sri.D.P.Venkataraman was present at the Sixteenth Annual General Meeting held on September 24, 2011

## 2. Remuneration Committee

### I. Terms of Reference

The Remuneration committee has been constituted to recommend / review the remuneration of the Managing/Whole time Director[s] and recommending to the Board the quantum of annual increments based on their performance. The Committee also reviews the overall compensation policy, service agreements and other employment conditions of Managing/Wholetime Director[s].

### Composition and attendance at meetings of Remuneration committee

On resignation of Sri. Sudhir Kumar Gupta, Remuneration Committee has been reconstituted by inducting Sri. D.P.Venkataraman as the Chairman of the Committee and Sri. Harish Kumar Lohia as a member of the Committee.

During the year 2011-2012, the committee met on May 07, 2011 to decide the increment of Directors.

The composition and attendance at the Remuneration committee meeting during the year prior to the reconstitution were as under :

Name of the Director	Category	Meeting Attended
Sri.D.P. Venkataraman	Non Executive Director-Independent - Chairman	1
Sri.Sudhir Kumar Gupta	Non Executive Director-Independent	1
Sri.Anil Kumar Sachdev	Non Executive Director-Independent - Member	1
Sri. Harish Kumar Lohia	Non Executive Director-Independent - Member	1

The GM Finance & Company Secretary acts as the Secretary of the Remuneration committee

### II. Remuneration Policy

The remuneration of the Whole-time Director(s) is recommended by the Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance / track record of the Whole-time Director(s), etc., which is decided by the Board of Directors. Remuneration comprises a fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Remuneration committee also recommends the annual increments (which are effective April 1 annually) within the salary scale approved by the Members and also the commission payable to the Whole-time Director(s) on determination of profits, for the financial year, within the ceilings on net profits prescribed under Sections 198 and 309 of the Companies Act, 1956.

### Service Contract and Notice Period of the Managing Director and Whole-time Directors:

Sri. Anil Kumar Bansal's contract as a Managing Director is for a period of three years, commencing from 1<sup>st</sup> April 2010 upto and including 31<sup>st</sup> March 2013, terminable by 3 months notice on either side.

The contract of the Whole-time Directors, Sri. Sunil Kumar Bansal, Sri. Devakar Bansal, Sri. R. P. Bansal and Sri. Y. V. Raman is for a period of three years, commencing from 1<sup>st</sup> April 2010 upto and including 31<sup>st</sup> March 2013 terminable by 3 months notice on either side.

Details of ordinary shares of the Company held by the Non Executive Directors as on March 31<sup>st</sup>, 2012 are as under:

Dr.Padam Chandra Bansal	: 4,25,626 shares
Sri.D.P.Venkataraman	: Nil
Sri.Anil Kumar Sachdev	: 3,630 shares
Sri.Harish Kumar Lohia	: 2,390 shares
Sri.P.N.Sridharan	: Nil
Sri.Ashish Bansal	: 5,00,614 shares





### 3. Shareholders'/Investors' Grievance committee

The Shareholders'/Investors' Grievance Committee was also reconstituted consequent on the resignation of Sri.Sudhir Kumar Gupta by inducting Sri.Harish Kumar Lohia as member and Sri.D.P.Venkataraman as the Chairman of the Committee.

#### Terms of reference

The Shareholders'/ Investors' Grievance Committee, inter alia, approves issue of duplicate certificates, oversees and reviews all matters connected with the transfer of securities of the Company. The Committee also looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non receipt of Balance sheet, non receipt of declared dividend, etc. wherever possible. The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Company also monitors implementation and compliance with Company's code of conduct for prohibition of Insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

#### Composition of Shareholders'/Investors' Grievance Committee:-

The Committee comprises three directors, namely,

Name of the Director	Category
Sri.D.P.Venkataraman	Non Executive Director-Independent-Chairman
Sri.Anil Kumar Sachdev	Non Executive Director-Independent - Member
Sri.Harish Kumar Lohia	Non Executive Director-Independent - Member

During the year 2011-2012, the committee met four times on [1] May 07, 2011; [2] July 27, 2011; [3] November 8, 2011 and [4] February 10, 2012 and reviewed /resolved the investors' grievances.

The G.M Finance & Company Secretary acts as the Secretary of the Shareholders'/ Investors' Grievance committee.

The status of the Complaints received from the shareholders during the period April 1, 2011 to March 31, 2012 is as detailed hereunder:

Complaints outstanding at the beginning of the year	Complaints received during the year	Complaints Disposed off during the year	Complaints unresolved at the end of the year.
Nil	38	38	Nil

### 4. Share transfer committee

#### Terms of reference

- [A] Transfer/ transmission/ transposition of shares.
- [B] Consolidation/ splitting of shares.
- [C] Issue of Duplicate Share Certificates, confirmation of demat / remat requests, review of shares dematerialized and all other related matters.

#### Composition of Share Transfer Committee:-

Name of the Director	Category
Sri.Anil Kumar Bansal	Managing Director-Chairman
Sri.Sunil Kumar Bansal	Whole time Director-Member
Sri.Y.V.Raman	Whole time Director-Member

## Pondy Oxides and Chemicals Limited

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During the year 2011-2012, the committee met nine times on [1] May 20, 2011; [2] June 4, 2011; [3] July 6, 2011; [4] August 5, 2011; [5] September 6, 2011; [6] October 24, 2011; [7] November 30, 2011; [8] December 20, 2011 and [9] March 8, 2012

### IV. Remuneration of Directors

Rs. in lakhs

Name of the Director	Salary[Basic]	Perquisites & Allowances	Total
Sri. Anil Kumar Bansal- Managing Director	18.00	16.35	34.35
Sri. Sunil Kumar Bansal- Whole-time Director	14.40	13.82	28.22
Sri. R.P. Bansal- Whole-time Director	14.40	13.64	28.04
Sri. Devakar Bansal- Whole-time Director	14.40	11.93	26.33
*Sri. Ashish Bansal – Whole-time Director	14.40	10.20	24.60
Sri. Y. V. Raman- Whole-time Director	4.80	3.60	8.40

\*Remuneration paid in the subsidiary company M/s.Lohia Metals Pvt Ltd., which has been merged with the company as per the Order of the Hon'ble High Court of Madras dated 12th March, 2012. The Board of Directors decides the remuneration of Non-Executive - Independent Directors. The Non-Executive-Independent Directors are paid sitting fees of Rs.3,000/- each per Board Meeting attended by them.

### V. Compliance officer

Sri.K.Kumaravel  
G.M Finance & Company Secretary  
is also the Compliance Officer.

#### **Registered Office:**

KRM Centre,4<sup>th</sup> Floor,  
# 2, Harrington Road, Chetpet, Chennai - 600 031.  
Telephone No : +91-044-42965454  
Fax No. : +91-044-42965455  
Email : kk@pocl.co.in

### VI. Disclosures

#### I Compliance with Mandatory requirements

##### [a] Related party transactions

During the year the Company has not entered into any transactions with directors, their relatives or management which is in conflict with the interests of the Company. Transactions with the related parties are disclosed in Note No.34 i.e Notes forming part of the Financial Statements in the Annual Report.

##### [b] Statutory compliance, Penalties and strictures

Your Company has complied with all the requirements of the Listing agreement with the Stock Exchanges, SEBI Regulations and other statutory authorities. During the last three years there were no strictures or penalties imposed on your Company by SEBI or the Stock exchanges or any Statutory authority in connection with violation of Capital Market norms, rules, regulations, etc.

##### [c] Code of Conduct

The code of Business Conduct and Ethics for Directors / Management personnel has been adopted by the Company.

##### [d] Listing agreement compliance

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as amended till date.

**[e] Risk management assessment**

The Company has reviewed the risk based control system and evolved a procedure for risk assessment and timely rectification which would help minimisation of risk associated with any strategic, operational, and financial and compliance risk across all business operations. These control procedures and systems will ensure that the board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

**[f] Board procedure**

The company has established procedures to enable its board to review the compliance of all laws applicable to the Company as well as steps taken to rectify instances of non-compliance.

**[g] Secretarial audit**

In line with the requirements of SEBI, Secretarial audit is carried out on a quarterly basis by a qualified Practicing Company Secretary to confirm that the aggregate 1,11,51,985 number of Equity Shares of the Company held in NSDL, CDSL and in physical form tally with the total number of issued/ paid up, listed and admitted capital of the Company.

**II Compliance with Non-Mandatory Requirements**

**[a] The Board:** A separate office is not maintained for the Non-executive Chairman of the Company. The Composition of the board of Directors, committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 1956 and other applicable laws.

**[b] Remuneration Committee:** The Board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference the company's policy on specific remuneration packages for Managing Director and Whole Time Directors.

**[c] Shareholders' Rights:** In addition to being published in a leading Tamil and English Newspaper having wide circulation, the Company publishes its financial results on its website [www.pocl.co.in](http://www.pocl.co.in). Hence, a quarterly declaration of financial performance including summary of the significant events is not being sent to each shareholder individually.

**[d] Audit Qualifications:** During the period under review, there are no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

**[e] Mechanism for evaluating Non-Executive Board Members:** The Board of Directors of the Company comprises of 6 Non-Executive Directors. The Directors appointed on the Board are from diverse fields and have long standing experience and expertise in their respective fields.

Non-executive Directors add substantial value through the discussions at the Meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a control role. In the light of the above, the Chairman under authority from the Board decides on the performance of each of the Non-Executive Director and they are accordingly evaluated and remunerated.

**[f] Whistle Blower Policy:** The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to the fraud, malpractice or any other activity or event which is against the interest of the Company or society.

As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

## Pondy Oxides and Chemicals Limited

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### VII. Means of communication

The Company has its website having updated details about the Company, its shareholding pattern on quarterly basis, etc. The financial results are being posted on the Company's website, www.pocl.co.in. Quarterly results are also published in prominent daily newspapers in accordance with the Listing agreement.

### VIII. Listing

The Equity shares of the Company are listed on the Bombay Stock Exchange, Madras Stock Exchange Limited, National Stock Exchange of India Limited (under permitted category) and Coimbatore Stock Exchange.

However the approval for delisting of Company's shares from the Coimbatore Stock Exchange is awaited.

### IX. General Body Meetings

The last three Annual General Meetings of the Company were held as per the details given below :

Year	Date	Time	Venue	Special Resolution
2008-09	14 <sup>th</sup> AGM – 17.09.2009	11.00 a.m	Music Academy, 306 T.T.K.Road, Chennai – 600014	For maintaining certain documents at the then Corporate Office.
2009-10	15 <sup>th</sup> AGM – 28.08.2010	11.00 a.m	Music Academy, 306 T.T.K.Road, Chennai-600014	NIL
2010-11	16 <sup>th</sup> AGM - 24.09.2011	11.00 a.m	Narada Gana Sabha Mini Hall, 314 (Old No.254),T.T.K.Road, Chennai – 600 018.	NIL

The chairman of the Audit committee Sri.D.P Venkataraman was present at the 16<sup>th</sup> Annual General Meeting held on September 24, 2011.

No Special resolution through postal ballot was passed during the three immediately preceding financial years.

### X. Details of directors seeking re-appointment

As required under Clause 49 IV [G], particulars of directors seeking appointment/ re-appointment are given in the explanatory statement annexed to the notice of 17<sup>th</sup> Annual general meeting to be held on September 7, 2012.

### XI. General shareholders' information

Date of Incorporation	March 21, 1995
Corporate Identity Number[CIN]	L24294TN1995PLCO30586
Registered office and address for correspondence	KRM Centre, 4 <sup>th</sup> Floor, # 2, Harrington Road, Chetpet, Chennai - 600 031. Telephone No : +91-044-42965454 Fax No : +91-044-42965455
Day and date of Annual general meeting	Friday, September 07, 2012
Time and venue of the Annual General Meeting	10.15 AM Kasturi Srinivasan Hall (Mini Hall) Music Academy, 306, T.T.K. Road, Chennai - 600 014
Date of Book closure	07/09/2012



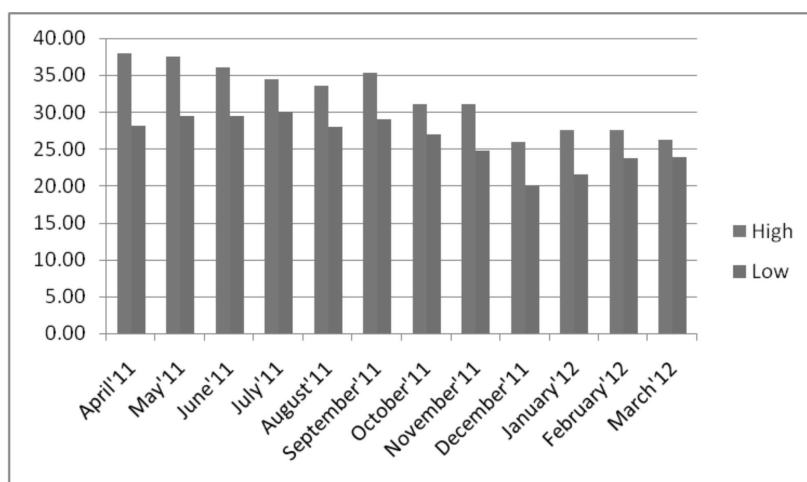
Last date for receipt of proxy	05/09/2012 before 10.15 a.m
Financial calendar	April 1, 2011 to March 31, 2012
Unaudited Result	Last date for publishing
First quarter ending June 30, 2012	August 14, 2012
Second quarter ending September 30, 2012	November 13, 2012
Third quarter ending December 31, 2012	February 14, 2012
Fourth quarter ending March 31, 2013	May 14, 2013
Listing on Stock exchange[s]	The Bombay Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Madras Stock Exchange Limited Exchange Building, Post Box No.18311, Second Line Beach Road, Chennai – 600 001. National Stock Exchange of India Ltd (under permitted category) Exchange Plaza, Plot No.C/1,G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051
Note: The approval for delisting of Company's equity shares from CSE is awaited.	Listing fees for 2011-2012 have been paid to BSE / MSE
BSE Stock Code	532626
MSE Stock Code	PONDYOXIDE
International Security Identification Number[ISIN] Code	INE063E010138
Dividend Payment/ Credit date	On or within thirty days from 7 <sup>th</sup> September, 2012
Outstanding GDR/ADR/Warrants	NIL

The month- wise movement [High & Low] of the equity shares of the Company at Bombay Stock Exchange, Mumbai, during each month for the year ended 31<sup>st</sup> March 2012 are as under:

Period	POCL Price Data		BSE Sensex	
	High [Rs.]	Low [Rs.]	High	Low
Apr-11	38.00	28.10	19811	18976
May-11	37.50	29.50	19254	17786
Jun-11	36.10	29.40	18873	17314
Jul-11	34.50	30.00	19132	18132
Aug-11	33.50	28.00	18440	15766
Sep-11	35.25	29.05	17212	15801
Oct-11	31.00	27.00	17908	15745
Nov-11	31.00	24.80	17702	15479
Dec-11	26.00	20.10	17004	15136
Jan-12	27.50	21.50	17259	15358
Feb-12	27.50	23.70	18524	17062
Mar-12	26.20	23.90	18041	16921

BSE closing price as on March 31, 2012 – Rs. 24.70

**Stock Performance of M/s Pondy Oxides and Chemicals Limited**



**XIII. Registrar and share transfer agents**

M/s. Cameo Corporate Services Ltd.  
 Unit: Pondy Oxides and Chemicals Limited  
 Subramanian Building, No.1, Club House Road  
 Chennai – 600 002 Tel No.:+91-044-28460390 (5 lines)  
 Fax No: +91-044-28460129 Email : [cameo@cameo.india.com](mailto:cameo@cameo.india.com)

Contact Person – Mr.R.D.Ramaswamy, Director

**XIV. Share Transfer System**

Share transfers in physical form are to be lodged with M/s. Cameo Corporate Services Ltd, Registrar and Transfer Agents at the above mentioned address. The transfers / transmission requests are normally processed within 30 days from the date of receipt if the relevant documents that are complete in all respects. The Share Transfer Committee approves such transfers / transmission. SEBI vide circular dated 5<sup>th</sup> July 2012 has reduced the time line for registering transfer of shares to 15 days. The Company is now adhering to this time line.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants [DP] regarding change of address, change of Bank/ Bank Account number, nomination etc.

**XV. Distribution of equity share holding as on March 31, 2012**

[Nominal and Paid-up value of each share Rs.10/-]

No of shares held	Number of share holders	% of share holders	Number of shares held	% of share holding
1 – 5000	7,412	79.95	11,98,824	10.75
5001 – 10000	895	9.65	7,25,450	6.51
10001 – 20000	510	5.50	7,54,656	6.77
20001 – 30000	148	1.60	3,74,532	3.36
30001 – 40000	77	0.83	2,72,490	2.44
40001 – 50000	74	0.80	3,42,591	3.07
50001 – 100000	73	0.79	5,06,220	4.54
100000 & above	82	0.88	69,77,222	62.56
<b>Total</b>	<b>9,271</b>	<b>100.00</b>	<b>1,11,51,985</b>	<b>100.00</b>

**XVI. Categories of share holders as on March 31, 2012**

Category	No. of Shares held	% of share holding
1. Promoters	52,09,123	46.71
2. Non- Promoters		
Corporate bodies	6,77,980	6.08
Indian Public	52,11,474	46.73
NRI/Foreign Nationals	53,408	0.48
<b>Total</b>	<b>1,11,51,985</b>	<b>100.00</b>

**XVII. Dematerialisation of shares**

The Company has arrangements with National Securities Depository Ltd (NSDL) as well as the Central Depository Services (India) Ltd (CDSL) for demat facility. 88.36% of paid up share capital is held in dematerialized form as on March 31, 2012.

**XVIII. Demat and Physical shares**

Particulars	As on March 31, 2012	%
No. of shares held at NSDL	81,20,538	72.82
No. of shares held at CDSL	17,33,289	15.54
No. of shares held in Physical Form	12,98,158	11.64
<b>Total</b>	<b>1,11,51,985</b>	<b>100.00</b>

**XIX. CEO/CFO Certification :**

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Sri.Anil Kumar Bansal, Managing Director (CEO) and Sri.Sunil Kumar Bansal, Director– Finance (CFO) was placed at the meeting of the Board of Directors held on 27/07/2012.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.**

In accordance with sub-clause I(D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2012.

**For Pondy Oxides and Chemicals Limited**

Place : Chennai

**Anil Kumar Bansal**

**D.P.Venkataraman**

Date : 27.07.2012

Managing Director

Vice Chairman

**Auditor's Certificate on Corporate Governance**

To the Members,

Pondy Oxides and Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Pondy Oxides and Chemicals Limited for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the said compliance. It is neither an audit nor is this an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Jeeravla & Co.,**  
Chartered Accountants  
Firm Reg No. 001323S

Place : Chennai  
Date : 27th July, 2012

**Sohan C.J.Parmar**  
Proprietor  
Membership No:22321

**AUDITORS' REPORT**

**TO THE MEMBERS OF PONDY OXIDES AND CHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of Pondy Oxides and Chemicals Limited as at 31<sup>st</sup> March 2012, the relative Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply in all material respects with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Director is prima facie disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the statement on significant accounting policies and notes on financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2012;
    - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Jeeravla & Co.,**  
Chartered Accountants  
Firm Reg No. 001323S

**Sohan C.J.Parmar**  
Proprietor  
Membership No:22321

Place : Chennai  
Date : 27th July, 2012





**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF PONDY OXIDES AND CHEMICALS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012.**

- 1)
  - (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (ii) The fixed assets are being physically verified under a phased programme of verification by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (iii) According to the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year.
- 2)
  - (i) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (iii) The Company has maintained proper records of inventory. As explained to us, there were no materials discrepancies noticed on physical verification of inventories as compared to the book records.
- 3)
  - (a) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
    - (i) The Company has granted unsecured loans to its subsidiary. The maximum amount involved during the year was Rs. 2.11 Cr and the year-end balance of the loan granted to such Company is Rs.0.90 Cr.
    - (ii) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
    - (iii) The principal amount is repayable on demand.
    - (iv) The loan and the interest due thereon are not due for repayment as per the terms of the agreement.
    - (v) There are no overdue amounts outstanding as at the Balance Sheet date.
  - (b) The Company has taken the unsecured loans from 21 parties covered in the register maintained under Section 301 of the Companies Act, 1956, the maximum amount outstanding during the year was Rs.12.71 Cr and the year- end balance of loan taken from such parties was Rs. 7.34 Cr.
    - (i) In our opinion, the rate of interest and other terms and conditions of the said loans are not prima facie, prejudicial to the interest of the Company.
    - (ii) The interest payments, wherever applicable, have been regularly paid by the Company.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

## Pondy Oxides and Chemicals Limited

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- 5) In respect of the contract or arrangement referred to in Section 301 of the Companies Act, 1956:
- (i) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements entered in the register maintained under sec 301 of the Companies Act 1956 exceeding the value of Rs.5,00,000 in respect of each party during the year, have been made at prices, which are prima facie reasonable, having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to information and explanations given to us, all the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956, and rules framed there under where applicable were complied with. Further, we are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Section 58A and 58AA of the Companies Act, 1956.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) On the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under Section 209(1) (d) of the Companies Act, 1956 have been made and maintained by the Company.
- 9)
  - (i) According to the information and explanation given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.
  - (ii) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
  - (iii) According to the information and explanations given to us and the records of the Company examined by us, the particulars of Income Tax as at 31<sup>st</sup> March 2012 which have not been deposited on account of dispute is as under:

S.No	Name of the Statute	Nature of disputed dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
1	The Income Tax Act, 1961	Direct Tax	7.01	AY 2009-2010	Commissioner of Income Tax (Appeals)

- 10) The company has no accumulated losses as at March 31, 2012 and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and bank. The Company does not have any borrowings by way of debentures.



- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- 14) According to the information furnished to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause (xiv) of paragraph 4 of the Order are not applicable.
- 15) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken from banks by its subsidiary from banks and financial institutions are not prima-facie prejudicial to the interest of the Company.
- 16) In our opinion and according to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied by the Company during the year for which the loans were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima facie, not been used for long term investments or other investments during the year under report.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The Company has not issued any debentures during the year. Hence the clause (xix) of paragraph 4 of the Order is not applicable.
- 20) The Company has not raised any money by public issue during the year. Accordingly the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company during the year under report.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**For Jeeravla & Co.,**  
Chartered Accountants  
Firm Reg No. 001323S

**Sohan C.J.Parmar**  
Proprietor  
Membership No:22321

Place : Chennai  
Date : 27th July, 2012

**Balance Sheet as at 31<sup>st</sup> March, 2012**

Rs in Lakhs

Particulars	Note No.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1,115.20	1,010.71
(b) Reserves and surplus	2	2,450.29	1,912.15
		<u>3,565.49</u>	<u>2,922.86</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	38.53	200.90
(b) Deferred tax liabilities (Net)	4	32.35	23.75
(c) Other long-term liabilities	5	20.00	-
(d) Long-term provisions	6	94.26	83.81
		<u>185.14</u>	<u>308.46</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	4,825.95	5,020.61
(b) Trade payables	8	822.71	449.40
(c) Other current liabilities	9	471.21	478.63
(d) Short-term provisions	10	302.40	472.46
		<u>6,422.27</u>	<u>6,421.10</u>
<b>TOTAL</b>		<b><u>10,172.90</u></b>	<b><u>9,652.42</u></b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2,093.63	2,053.07
(ii) Capital work-in-progress		161.64	160.77
		<u>2,255.27</u>	<u>2,213.84</u>
(b) Non-current investments	12	105.91	296.94
(c) Long-term loans and advances	13	33.24	22.38
(d) Other non-current assets	14	16.05	-
		<u>2,410.47</u>	<u>2,533.16</u>
<b>2 Current assets</b>			
(a) Inventories	15	3,275.52	2,369.93
(b) Trade receivables	16	2,387.45	3,051.03
(c) Cash and cash equivalents	17	1,063.52	554.96
(d) Short-term loans and advances	18	974.06	874.04
(e) Other current assets	19	61.88	269.30
		<u>7,762.43</u>	<u>7,119.26</u>
<b>TOTAL</b>		<b><u>10,172.90</u></b>	<b><u>9,652.42</u></b>

**Significant Accounting Policies**

**Notes on Financial Statements**

1 to 40

As per our Report of even date

**For Jeeravla & Co**

Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**

Proprietor  
M.No. 22321

Place : Chennai

Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**

Managing Director

**Sunil Kumar Bansal**

Director

**K.Kumaravel**

GM Finance & Company Secretary


**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012**

Rs in Lakhs

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>A Income</b>			
1 Revenue from operations (gross)	20	31,979.17	27,279.23
Less: Excise duty		1,534.18	1,506.19
Revenue from operations (net)		30,444.99	25,773.04
Other income	21	94.88	116.83
<b>Total Revenue</b>		<b>30,539.87</b>	<b>25,889.87</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	22	25,166.92	21,287.76
(b) Purchases of stock-in-trade	23	426.50	241.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	775.03	132.84
(d) Employee benefit expense	25	621.08	470.01
(e) Finance costs	26	559.87	609.40
(f) Depreciation and amortisation expense	27	283.06	237.33
(g) Other expenses	28	2,329.67	2,084.91
Total Expenses		<b>30,162.13</b>	<b>25,063.34</b>
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		377.74	826.53
4 Exceptional items	29	54.60	-
5 Profit / (Loss) before tax		<b>432.34</b>	<b>826.53</b>
6 Tax expense:			
(a) Current tax		139.66	282.14
(b) Deferred tax		5.09	(7.28)
		144.74	274.86
7 Profit / (Loss) for the year		<b>287.59</b>	<b>551.67</b>
<b>Earnings per equity share of face value of Rs.10 each</b>			
<b>Basic and diluted Rs.</b>	30	2.84	5.46
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	1 to 40		

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

For and on behalf of the Board

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary

**Pondy Oxides and Chemicals Limited**

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012**

Particulars	Year ended March 31, 2012	Rs in Lakhs Year ended March 31, 2011
<b>(A) Cash Flow from Operating Activities</b>		
Profit before tax	432.34	826.53
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	265.09	222.57
Loss on Sale of Fixed Assets	-	0.13
Loss on foreign exchange fluctuation	49.41	-
Interest Paid	559.87	609.40
Prior Period item	-	6.30
Less:		
Profit on foreign exchange fluctuation	-	91.54
Dividend income	1.22	0.06
Interest received	62.62	17.14
Rent Received	20.85	5.96
Profit on sale of assets	2.55	-
Miscellaneous Income	57.04	4.26
<b>Operating Profit from Working Capital Changes</b>	<b>1,162.43</b>	<b>1,545.97</b>
Adjustments for :		
(Increase) / Decrease in Inventories	(882.10)	(12.27)
(Increase) / Decrease in Trade Receivables	663.58	(1,024.99)
(Increase) / Decrease in Short term Loans & advances	(10.85)	414.75
(Increase) / Decrease in Other current assets	207.42	(154.73)
Increase / (Decrease) in Trade Payables	373.32	(119.36)
Increase / (Decrease) in Other current liabilities	(7.42)	(166.61)
Increase / (Decrease) in Short term provisions	(233.79)	-
Income Tax paid	(150.00)	(210.00)
<b>Net Cash flow from Operating Activities</b>	<b>1,122.59</b>	<b>272.76</b>
<b>(B) Cash Flow from Investing Activities</b>		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	6.53	3.52
Dividend received	1.22	0.06
Interest received	62.62	17.14
Rent Received	20.85	5.96
Less:		
Increase / (Decrease) in Investments	(191.03)	-
Purchase of Tangible assets	171.62	572.38
Adjustment to Capital work-in-progress	0.86	116.02
<b>Net Cash From Investing Activities</b>	<b>109.77</b>	<b>(661.72)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Adjustments for:		
Add		
Increase / (Decrease) in Share Capital on Amalgamation	104.49	-
(Increase) / Decrease in Reserves on Amalgamation	242.46	-
Increase / (Decrease) in Long term borrowings	(162.38)	149.96
Increase / (Decrease) in Other long term liabilities	20.00	-
Increase / (Decrease) in long term provisions	10.45	-
(Increase) / Decrease in Long term loans and advances	(10.87)	-
(Increase) / Decrease in Other non current assets	(16.05)	-
Increase / (Decrease) in Short term borrowings	(194.66)	1,086.63
Profit on Foreign exchange fluctuation	-	91.54
Miscellaneous Income	57.04	4.26
Less		
Dividend Paid	165.00	141.90
Interest Paid	559.87	609.40
Loss on foreign exchange fluctuation	49.41	-
<b>Net cash from / (used) from Financing Activities</b>	<b>(723.80)</b>	<b>581.09</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	508.56	192.13
Cash & Cash Equivalents as at 01.04.2011	554.96	362.83
<b>Cash &amp; Cash Equivalents as at 31.03.2012</b>	<b>1,063.52</b>	<b>554.96</b>

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary



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## ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

#### **Basis of Accounting:**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Policies (GAAP) and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

#### **Use of estimates :**

The preparation of financial statements are in conformity with Generally Accepted Accounting Principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amount of income and expenses for the period.

#### **Presentation and disclosure in financial statements:**

For the year ended 31<sup>st</sup> March, 2012, the revised schedule VI notified under the Companies Act, 1956, is applicable to the company, for presentation and disclosures in financial statements. The company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.

#### **Revenue recognition :**

Revenue from sale are recognized on transfer of significant risk & rewards of ownership to the buyer that usually takes place on dispatch of goods in accordance with the terms of sale and is inclusive of excise duty but excluding sales returns, trade discount, CST and VAT.

In case of export sales, revenue is recognized as on the date of bill of lading, being the effective date of transfer of significant risks and rewards to the customer. Export benefits are accounted for on accrual basis.

Revenue arising due to price escalation claim is recognized in the period when such claim is made in accordance with terms of sale.

Inter-division transfers of materials and services for captive consumption are eliminated from Sales and other operative income of the respective division.

Revenue from services is recognized in accordance with the specific terms of contract on performance.

Dividend Income on investment is accounted for, as and when the right to receive the payment is established.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Government grants and subsidies are accounted for on receipt basis.

#### **Fixed Assets:**

##### **Tangible Fixed Assets:**

Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses. The cost represents the cost of acquisition / construction which includes taxes, duties (net of CENVAT / VAT set offs availed) and other identifiable direct expenses. Borrowing cost directly attributable up to the period of the assets put to use is included in the cost of distinct fixed assets.

## **Pondy Oxides and Chemicals Limited**

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### **Intangible Assets:**

Intangible assets comprising of technical know-how, product designs, prototypes etc. either acquired or internally developed are stated at cost. In case of internally generated intangible assets, appropriate overheads including salaries and wages are allocated to the cost of the asset.

### **Expenditure on new project**

Expenditure directly related to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

### **Leasehold land**

Leasehold lands are shown at cost less accumulated amortization.

### **Capital Work in Progress :**

Assets under installation or construction not ready for their intended use are shown as Capital work in progress and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **Depreciation and Amortisation :**

Depreciation on Fixed assets has been provided on Written Down Value method at the rates prescribed and in the manner as specified in the Schedule XIV of the Companies Act, 1956.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are recognized in the profit and loss account. Leasehold Assets are amortised over their period of lease.

Intangible Assets are amortised over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortization method is reviewed to reflect the changed pattern.

### **Impairment of Assets :**

The carrying amounts of assets are reviewed at each Balance Sheet date in accordance with Accounting Standard 28 'Impairment of Assets' to determine whether there is any indication of impairment based on internal / external factors.

An impairment loss is recognized in the statement of Profit & Loss wherever the carrying amount of an asset exceeds its recoverable amount.

The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognized.

The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

### **Inventories:**

Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock in trade are carried at the lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably written down/provided for.

In determining cost of raw materials, packing materials, stock-in-trade, stores, components, spares and





consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Fixed provision overheads are allocated on the basis of normal capacity of production facilities.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads (under absorption costing method), excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

**Foreign currency transactions :****Initial recognition:**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction.

**Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency monetary items of the company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are charged to the Statement of Profit & Loss.

**Forward exchange contracts:**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

**Employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc, are recognized in the statement of profit and loss in the period in which the employee renders the related service.

**Defined contribution plans:**

The employees provident fund scheme, employees' state insurance fund and contribution to superannuation fund are defined contribution plans. The company's contribution paid/payable under these schemes is recognized as an expense in the statement of profit & loss during the period in which the employee renders the related service.

**Defined benefit plans:**

The company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

## **Pondy Oxides and Chemicals Limited**

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### **Provisions, Contingent Liabilities and Contingent assets:**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The company does not recognize assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

### **Provision for Taxation**

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet Date to reassess realization.

Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that company shall be liable to pay tax as per the normal provisions of the Income Tax Act, 1961 in future.

### **Investments :**

Non-current investments are carried at cost. Provision for diminution in the value of non-current investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss. Profit or loss on sale of investments is determined on a First-In-First-Out (FIFO) basis.

Investments in properties are carried individually at cost less depreciation and impairment if any. Investment in properties are capitalized and depreciated in accordance with the policy stated for fixed assets. Impairment in investment property is determined in accordance with the policy stated for impairment of assets.

### **Cash flow statements:**

Cash flows are reported using the indirect method, whereby Profit/(Loss) before extraordinary items and tax is adjusted for effects of transactions of non-cash nature and deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

### **Cash and cash equivalents :**

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of such asset. The qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as expense in the period in which they are incurred.

**Lease :**

Asset leased by the company in its capacity as lessee where substantially all the risk and rewards of ownership vest in the company are classified as finance lease and capitalized at the inception of the lease at cost. Lease payments under operating lease are recognized as an expense over the period of lease on straight line basis in statement of profit and loss account.

**Earning Per share :**

Basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holders by weighted average number of equity shares outstanding during the year. Diluted earnings per shares is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

**Derivative Contracts :**

Derivative contracts are restated at each reporting date and premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

**Pondy Oxides and Chemicals Limited**

**Notes forming part of the financial statements**

Particulars	Rs. in Lakhs			
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011		
<b>1.0 Share Capital</b>				
(a) <b>Authorised</b>				
1,24,00,000 (1,15,00,000) Equity shares of Rs. 10/- each	1,240.00	1,150.00		
(b) <b>Issued, Subscribed and Paid-up</b>				
1,11,51,985 (1,01,07,125) Equity shares of Rs. 10/- each	1,115.20	1,010.71		
<b>Total</b>	<b>1,115.20</b>	<b>1,010.71</b>		
1.1 Shares out of the issued, subscribed and paid up share capital allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash	1,102,500	-		
1.2 Shares out of the issued, subscribed and paid up share capital allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves	-	918,830		
1.3 The details of Shareholders holding more than 5% shares:				
	<b>As at 31<sup>st</sup> March, 2012</b>		<b>As at 31<sup>st</sup> March, 2011</b>	
	<b>No of Shares</b>	<b>% Held</b>	<b>No of Shares</b>	<b>% Held</b>
1.3.1 Anil Kumar Bansal	641,212	5.75	346,831	3.43
1.3.2 Neelam Bansal	616,897	5.53	512,582	5.07
1.3.3 Manju Bansal	524,739	4.71	524,739	5.19
1.4 Reconciliation of the number of shares outstanding is set out below	<b>As at 31<sup>st</sup> March, 2012</b>	<b>As at 31<sup>st</sup> March, 2011</b>	<b>Weighted Average No. of Shares</b>	
Equity shares at the beginning of the year	10,107,125	10,107,125	10,107,125	
Add : Shares issued on amalgamation of subsidiary	1,102,500	-	9,062	
Less : Shares extinguished on crossholding, on amalgamation	57,640	-	474	
Equity shares at the end of the year	11,151,985	10,107,125	10,115,713	
1.5 During the year the company allotted 11,02,500 fully paid up equity shares of face value Rs. 10 each, to shareholders of M/s Lohia Metals Pvt. Ltd (transferor company) vide the order of the Honourable High Court of Madras on 12th March 2012. Also authorised capital stands increased to Rs 1240.00 Lakhs				



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>2.0 Reserves and Surplus</b>		
(a) <b>Securities premium account</b>		
Opening balance	367.80	367.80
Less : Utilised during the year for on Amalgamation of M/s. Lohia Metals Pvt. Ltd:	4.70	-
<b>Closing balance (A)</b>	<b>363.10</b>	<b>367.80</b>
(b) <b>General reserve</b>		
Opening balance	153.80	123.80
Add: Transferred from surplus in Statement of Profit and Loss	30.00	30.00
Appropriations for Amalgamation of M/s. Lohia Metals Pvt. Ltd with Pandy Oxides and Chemicals Limited	153.80	-
<b>Closing balance (B)</b>	<b>30.00</b>	<b>153.80</b>
(c) <b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	1952.72	1,033.89
Add: Profit / (Loss) for the year	287.59	551.67
Excess Provision for Current Tax Reversed	60.83	-
Less: Dividends proposed to be distributed to equity shareholders of Rs1.00 per share (Rs. 1.40 per share)	111.52	141.50
Tax on dividend	18.48	23.50
Transferred to:		
General reserve	30.00	30.00
Transferred on amalgamation of M/s.Lohia Metals Pvt. Ltd.	83.95	-
<b>Closing balance (C)</b>	<b>2057.19</b>	<b>1,390.55</b>
<b>Total (A +B +C)</b>	<b>2450.29</b>	<b>1,912.15</b>
<b>3.0 Long Term Borrowings</b>		
(a) <b>Term loans from Banks</b>		
1 Secured *	196.71	331.17
2 Unsecured	-	-
<b>Sub Total (A)</b>	<b>196.71</b>	<b>331.17</b>
(b) <b>Term loans from Others</b>		
1 Secured*	4.19	6.60
2 Unsecured	-	-
<b>Sub Total (B)</b>	<b>4.19</b>	<b>6.60</b>
<b>Total (A + B)</b>	<b>200.90</b>	<b>337.77</b>
(c) <b>Less : Shown under Current Maturities of Long term debt</b>	162.37	136.87
<b>Balance Shown above</b>	<b>38.53</b>	<b>200.90</b>

\* 3.1 Rs. 182.37 lakhs of term loan for building and machinery are secured by way of first mortgage /charge on the immovable / movable assets situated in Registered office and factories of the Company and guaranteed by promoter directors of the company.

\*3.2 Rs. 18.53 lakhs of term loan for Vehicles are secured by way of specific assets.

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>4.0 Deffered Tax Liability (Net)</b>		
<b>Deffered Tax Liability</b>		
Related to Fixed Assets	32.35	23.75
<b>Total</b>	<b>32.35</b>	<b>23.75</b>
<b>5.0 Other Long Term Liabilities</b>		
(a) Trade Payables	-	-
(b) Others	-	-
Trade / security deposits received	20.00	-
<b>Total</b>	<b>20.00</b>	<b>-</b>
<b>6.0 Long Term Provisions</b>		
Provision for employee benefits:		
Provision for gratuity (net)	94.26	83.81
<b>Total</b>	<b>94.26</b>	<b>83.81</b>
<b>7.0 Short Term Borrowings</b>		
<b>Loans repayable on demand</b>		
(i) <b>Secured</b>		
1 <b>Working Capital Loans</b>		
1.1 <b>From Banks</b>		
1.1.1 Rupee Loans	3615.90	4167.57
1.1.2 Foreign Currency Loans	323.84	358.71
<b>Total (a)</b>	<b>3,939.74</b>	<b>4,526.28</b>
(ii) <b>Unsecured</b>		
1 <b>From Banks</b>	5.47	37.79
1.1 <b>Deposits</b>	5.50	3.00
2 <b>From Others</b>	875.24	453.54
<b>Total (b)</b>	<b>886.21</b>	<b>494.33</b>
<b>Total ( a+b )</b>	<b>4,825.95</b>	<b>5,020.61</b>
7.1 Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores & spares, book debts, materials in transit, etc., and guaranteed by promoter directors of the company.		
7.2 Loans and advances from others include unsecured loan from directors, friends and relatives.		
<b>8.0 Trade Payables</b>		
<b>Trade payables</b>		
1 Micro, Small and Medium Enterprises *	-	-
2 Others	822.71	449.40
<b>Total</b>	<b>822.71</b>	<b>449.40</b>

\* The company has not received information from vendors regarding their status under the MSME Act and hence the disclosure relating to amounts unpaid as at the year end cannot be ascertained.



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>9.0 Other Current Liabilities</b>		
(a) Current maturities of long-term debt (Refer Note 3(c) (above))	162.37	136.87
(b) Interest accrued but not due on borrowings	58.78	94.92
(c) Unpaid / Unclaimed dividends	10.07	8.10
(d) Unclaimed Fractional Shares dividends	0.02	0.02
(e) Other payables		
1 Payables on purchase of fixed assets	55.72	27.95
2 Advances from customers	27.58	5.46
3 Audit Fee Payable	7.12	5.84
4 Others *	149.54	199.47
<b>Total</b>	<b>471.21</b>	<b>478.63</b>

\* Includes excise duty and tax on sales payable

#### 10.0 Short Term Provisions

(a) <b>Provision for employee benefits:</b>		
Provision for bonus	32.74	25.33
(b) <b>Provision - Others:</b>		
1 Provision for tax	139.66	282.13
2 Provision for proposed equity dividend	130.00	165.00
<b>Total</b>	<b>302.40</b>	<b>472.46</b>

#### 11. Fixed Assets

Rs. in Lakhs

Sl. No.	Description	Gross block			Depreciation				Net block		
		As on 1.04.2011	Additions	Deduction/ Adjustments	As on 31.03.2012	Up to 31.03.2011	For the Year	Deduction	As on 31.03.2012	As on 31.03.2011	As on 31.03.2012
(1)	<b>Tangible Assets :</b>										
1	Leasehold Land	106.07	-	-	106.07	5.30	0.97	-	6.27	100.76	99.80
2	Free hold land	76.64	48.39	3.69	121.34	-	-	-	-	76.64	121.34
3	Building	1,683.27	8.85	-	1,692.12	372.86	131.04	-	503.90	1,310.41	1,188.22
4	Plant & machinery	861.38	87.68	-	949.06	451.21	72.59	-	523.80	410.17	425.26
5	Furniture & Fittings	69.88	-	-	69.88	20.79	9.31	-	30.10	49.09	39.78
6	Office Equipment	93.40	12.46	0.62	105.24	37.72	13.11	0.42	50.41	55.67	54.83
7	Vehicles	135.34	6.26	1.88	139.72	53.86	21.29	1.77	73.38	81.48	66.34
8	Lab Equipments	94.01	2.15	-	96.16	39.48	8.60	-	48.08	54.53	48.08
9	Electrical fittings	109.10	5.83	-	114.93	56.77	8.18	-	64.95	52.33	49.98
	<b>Total</b>	<b>3,229.09</b>	<b>171.62</b>	<b>6.19</b>	<b>3,394.52</b>	<b>1,037.99</b>	<b>265.09</b>	<b>2.19</b>	<b>1,300.89</b>	<b>2,191.08</b>	<b>2,093.63</b>
	Previous Year 2010-11	2,454.84	575.18	10.44	3,019.58	747.94	222.57	3.99	966.51	1,706.90	2,053.07
	Capital Work in progress									160.77	161.64

11.1 Capital work in progress under development includes

- i. Building under construction : Rs. 0.74 lakhs (Nil)
- ii. Machinery under installation : Rs. 160.89 lakhs (160.78 lakhs)

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>12.0 Non Current Investments</b>		
<b>Investments (At cost)</b>		
<b>Investment in Equity Instruments</b>		
<b>(a) In Equity Shares of Subsidiary Company</b>		
<b>(i) Unquoted</b>		
1 7,81,465 (7,81,465) Equity Shares of Rs.10/- each in M/s. POCL Enterprises Limited (Fully Held Subsidiary)	78.15	78.15
2 4,59,000 (4,59,000) Equity Shares of Rs.10/- each fully paid in M/s. Lohia Metals Pvt. Ltd (Subsidiary)	-	217.50
<b>Total (A)</b>	<b><u>78.15</u></b>	<b><u>295.65</u></b>
<b>(b) In Equity Shares of Other Companies</b>		
<b>(i) Quoted</b>		
1 720 (720) Equity Shares of Rs 5/- each fully paid in ONGC	0.88	0.43
2 13295(13295) Equity Shares of Rs.10/- each in Henkel Spic I Ltd	2.64	0.60
3 100(100) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.16	0.16
4 600(600)Equity Shares of Rs.10/- each in Indian Overseas Bank	0.24	0.07
5 200(200) Equity Shares of Rs.10/- each in UCO Bank	0.02	0.01
6 200 (200) Equity Shares of Rs.10/-each in Vijaya Bank	0.05	0.02
7 1800 (1800) Equity Shares of Rs.1/- each fully paid in Himachal Futuristic	0.22	-
8 221 (221) Equity Shares of Rs.10/- each fully paid in Kerala Ayurvedic Chemicals	0.04	-
9 500 (500) Equity Shares of Rs.10/- each fully paid in MOSCHIP Ltd.,	0.18	-
10 2000 (2000) Equity Shares of Rs.10/- each fully paid in Rashtriya Chem Ltd.,	0.10	-
11 1000 (1000) Equity Shares of Rs.10/- each fully paid in Saint Gobain	0.13	-
12 2000 (2000) Equity Shares of Rs.10/- each fully paid in SQL Star Soft Ltd.,	0.11	-
13 240 (240) Equity Shares of Rs.10/- each fully paid in Carol Info Services Ltd.,	0.05	-
<b>Total (B)</b>	<b><u>4.82</u></b>	<b><u>1.29</u></b>
<b>(ii) UNQUOTED</b>		
1 3818 (3818) Equity Shares of Rs.10/- each fully paid in Madras Stock Exchange	19.09	-
2 32093(32093) Equity Shares of Rs.10/-each fully paid in MSE Financial Services Ltd.	3.85	-
<b>Total ( C)</b>	<b><u>22.94</u></b>	<b><u>-</u></b>
<b>Total D = ( B + C )</b>	<b><u>27.76</u></b>	<b><u>1.29</u></b>
<b>Total ( A + D )</b>	<b><u>105.91</u></b>	<b><u>296.94</u></b>

Market Value of Quoted Investments is Rs. 10.26 Lakhs (Rs. 2.48 lakhs)





Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>13.0 Long Term Loans &amp; Advances (Unsecured and considered good)</b>		
(a) Security deposits	29.44	21.37
Advances for Capital Goods	3.80	1.01
<b>Total</b>	<b>33.24</b>	<b>22.38</b>
<b>14.0 Other Non Current Assets</b>		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Amalgamation Expenses	20.07	-
Less : Written off	4.02	-
<b>Total</b>	<b>16.05</b>	<b>-</b>
<b>15.0 Inventories (At lower of cost and net realisable value)</b>		
(a) Raw materials	1,585.59	1,046.69
(b) Raw materials in transit	870.86	16.37
(c) Work-in-progress	24.98	105.00
(d) Finished goods (other than those acquired for trading)	729.70	1,141.20
(e) Stores and spares	36.50	31.14
(f) Loose tools	27.89	29.53
<b>Total</b>	<b>3,275.52</b>	<b>2,369.93</b>
<b>16.0 Trade Receivables</b>		
(a) Trade receivables outstanding for a period exceeding six months		
(i) Unsecured and considered good	9.52	11.21
(b) Other Trade receivables		
(i) Secured and considered good	535.74	730.22
(ii) Unsecured and considered good	1,842.19	2,309.60
<b>Total (b)</b>	<b>2,377.93</b>	<b>3,039.82</b>
<b>Total (a) + (b)</b>	<b>2,387.45</b>	<b>3,051.03</b>
<b>17.0 Cash and Cash Equivalents</b>		
(a) Cash on hand		
1 Cash	6.06	5.56
(b) Balances with banks		
1 In Current Accounts	574.70	311.56
2 In EEFC accounts	1.39	-
3 In Fixed Deposit accounts	471.25	229.68
4 Unpaid dividend accounts	10.12	8.16
<b>Total</b>	<b>1,057.46</b>	<b>549.39</b>
<b>Total (a + b)</b>	<b>1,063.52</b>	<b>554.96</b>

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>18.0 Short Term Loans &amp; Advances (Unsecured and considered good)</b>		
(a) Loans and advances to related parties*	89.74	-
(b) Loans and advances to employees	2.75	3.44
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual Maintenance Contracts, etc.)	25.44	9.00
(d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 CENVAT credit receivable	220.74	153.66
2 VAT credit receivable	38.94	0.33
3 Service Tax credit receivable	6.98	7.15
4 Advance Tax	161.87	210.00
5 TDS Receivable	7.80	2.85
6 MAT Credit	29.41	-
7 Customs Duty on Imports	-	12.45
8 Others (EPF & ESI )	0.05	0.00
(e) Others -Suppliers Advance (including for expenses)	390.34	475.16
<b>Total</b>	<b><u>974.06</u></b>	<b><u>874.04</u></b>
* Refer Note 34 for details of loans to related parties		
<b>19.0 Other Current Assets</b>		
(a) Interest accrued on deposits	36.83	14.40
(b) Rebate Receivables	25.05	254.90
<b>Total</b>	<b><u>61.88</u></b>	<b><u>269.30</u></b>
<b>Notes forming part of the financial statement</b>		
<b>20.0 Revenue from Operations</b>		
(a) Sale of products	31,949.33	27,279.23
(b) Other operating revenues	29.84	-
	<b><u>31,979.17</u></b>	<b><u>27,279.23</u></b>
<b>Less:</b>		
(c) Excise duty	1,534.18	1,506.19
<b>Total</b>	<b><u>30,444.99</u></b>	<b><u>25,773.04</u></b>
<b>20.1 Particulars of Sale of Products</b>		
(a) Sale of products comprises :		
I <b>Manufactured goods</b>		
1 Metals	22,196.41	13,589.13
2 Metallic Oxides	4,658.08	4,363.05
3 PVC Stabilisers	4,887.81	5,335.13
4 Others	43.84	3,887.04
<b>Total - Sale of manufactured goods</b>	<b><u>31,786.14</u></b>	<b><u>27,174.35</u></b>



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>II Traded goods</b>		
1 Metals	111.61	62.13
2 Metallic Oxides	7.83	-
3 PVC Stabilisers	5.49	42.75
4 Others	38.26	-
<b>Total - Sale of traded goods</b>	<b>163.19</b>	<b>104.88</b>
<b>Total - Sale of products</b>	<b>31,949.33</b>	<b>27,279.23</b>
(b) <b>Other operating revenues :</b>		
Conversion Charges Received	29.84	-
<b>Total - Other operating revenues</b>	<b>29.84</b>	<b>-</b>
<b>21.0 Other Income</b>		
(a) Interest income	62.62	17.14
(b) Dividend income		
From long term investments		
1 Holding / Subsidiaries	0.81	-
2 Others	0.42	0.06
(c) Net gain on foreign currency transactions and translations (other than considered as finance cost)	(49.41)	89.41
(d) Other non-operating income (net of expenses directly attributable to such income)	80.44	10.22
<b>Total</b>	<b>94.88</b>	<b>116.83</b>
<b>21.1 Particulars of Interest Income</b>		
(a) Interest from banks on:		
Deposits	56.87	16.22
(b) Interest on loans and advances	5.55	-
(c) Interest on overdue trade receivables	0.20	0.92
<b>Total - Interest income</b>	<b>62.62</b>	<b>17.14</b>
<b>21.2 Particulars of Other Non-Operating Income</b>		
<b>Other non-operating income comprises:</b>		
1 Rental income from operating leases	20.85	5.96
2 Profit on sale of fixed assets [net of expenses directly attributable]	2.55	-
3 Miscellaneous income [net of expenses directly attributable]	57.04	4.26
<b>Total - Other non-operating income</b>	<b>80.44</b>	<b>10.22</b>

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>22.0 Cost of Materials Consumed</b>		
(a) Opening stock	1,280.99	770.06
(b) Add: Purchases	25,471.53	21,564.38
	<u>26,752.52</u>	<u>22,334.44</u>
(c) Less: Closing stock	1,585.60	1,046.68
<b>Cost of material consumed (a + b -c)</b>	<b><u>25,166.92</u></b>	<b><u>21,287.76</u></b>
<b>Material consumed</b>		
1 Lead Metal	9,966.15	7,058.85
2 Lead Scrap	8,545.92	8,424.38
3 Zinc Metals	1,882.34	1,994.38
4 Battery Plates	2,193.84	1,039.94
5 Other items	2,578.67	2,770.21
<b>Total</b>	<b><u>25,166.92</u></b>	<b><u>21,287.76</u></b>
<b>23.0 Purchase of traded goods</b>		
1 Metals	383.16	215.38
2 Metallic Oxides	5.73	-
3 Others	37.61	25.71
<b>Total</b>	<b><u>426.50</u></b>	<b><u>241.09</u></b>
<b>24.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
(a) Inventories at the end of the year:		
1 Finished goods	729.70	1,141.21
2 Work-in-progress	24.97	105.00
3 Stock-in-trade	-	-
<b>Total (a)</b>	<b><u>754.67</u></b>	<b><u>1,246.21</u></b>
(b) Inventories at the beginning of the year:		
1 Finished goods	1,493.73	1,235.25
2 Work-in-progress	105.00	157.19
3 Stock-in-trade	-	-
<b>Total (b)</b>	<b><u>1,598.73</u></b>	<b><u>1,392.44</u></b>
(c) Excise duty on finished goods *	(69.03)	(13.39)
<b>Net (increase) / decrease (b-a)+c</b>	<b><u>775.03</u></b>	<b><u>132.84</u></b>
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
<b>25.0 Employee benefits expense</b>		
1 Salaries and wages	478.47	351.92
2 Contributions to provident and other funds	51.79	47.63
3 Staff welfare expenses	90.82	70.46
<b>Total</b>	<b><u>621.08</u></b>	<b><u>470.01</u></b>



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>25.1 Employee Benefits (AS -15 revised)</b>		
As per Accounting Standard 15 " Employee Benefits", the disclosures as defined in the Accounting Standard are given below:		
<b>25.2 Defined Benefit Plan :</b>		
The Employee's gratuity liability has been made on actuarial basis . The Present value of obligation is determined by using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
<b>i) Amount to be recognised in Balance Sheet</b>	<b>As at 31<sup>st</sup> March, 2012</b>	<b>As at 31<sup>st</sup> March, 2011</b>
	<b>Gratuity Unfunded</b>	<b>Gratuity Unfunded</b>
Present value of unfunded obligations	94.26	83.81
Unrecognised past service cost	-	-
Net Liability	94.26	83.81
Amount in the balance sheet		
Liabilities	94.26	83.81
Assets	-	-
Net Liability	94.26	83.81
<b>ii) Expenses Recognised in Income Statement</b>		
Current service cost	10.46	11.92
Interest on obligation	6.70	5.64
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognised in the year	(6.11)	(3.19)
Past service cost	-	-
Losses/(gains) on curtailments and settlement	-	-
Expenses recognised in P & L	11.05	14.37
<b>iii) Changes in Benefit Obligations</b>		
Opening Defined Benefit obligation on 01-04-2011	83.81	71.66
Current service cost	10.46	11.92
Interest cost for the year	6.70	5.64
Actuarial losses/(gains)	(6.11)	(3.19)
Benefits paid	(0.60)	(2.22)
Closing Defined Benefit obligation on 31-03-2012	94.26	83.81
<b>26.0 Finance costs</b>		
Interest expense on:		
1 Borrowings	470.71	533.03
2 On Unsecured Loans	89.16	76.37
<b>Total</b>	<b><u>559.87</u></b>	<b><u>609.40</u></b>

**Pondy Oxides and Chemicals Limited**

Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>27.0 Depreciation &amp; Amortisation Expenses</b>		
Depreciation	265.09	222.57
Preliminary & Pre-Operative Expenses written off	4.02	-
Tools & Implements written off	13.95	14.76
<b>Total</b>	<b><u>283.06</u></b>	<b><u>237.33</u></b>
<b>28.0 Other expenses</b>		
1 Consumption of stores and spare parts	67.12	66.74
2 Advertisement	1.20	2.79
3 Bad trade and other receivables, loans and advances written off	20.36	1.88
4 Business promotion	7.74	8.80
5 Computer Maintenance	1.93	2.40
6 Consumption of packing materials	44.77	49.89
7 Conversion charges paid	63.47	79.21
8 Directors sitting fees	0.51	0.69
9 Donations and Subscriptions	-	0.31
10 Entertainment expenses	5.61	7.09
11 Environmental control expenses	51.61	38.11
12 Exhibition expenses	7.70	3.86
13 Factory expenses	52.12	48.90
14 Freight and forwarding	372.67	333.43
15 General expenses	6.55	6.66
16 Income Tax paid	3.05	-
17 Insurance	33.03	51.83
18 Laboratory expenses	7.17	9.14
19 Legal and professional charges	22.87	17.90
20 Membership fee	10.13	6.84
21 Newspaper & Periodicals	0.16	0.09
22 Office Maintenance	5.84	3.51
23 Payments to Auditors	5.03	4.53
24 Postage, Telegram & Telephone expenses	18.61	19.75
25 Power and fuel	868.38	707.49
26 Printing and stationery	7.59	8.21
27 Purchase Commission	0.22	-
28 Rates and taxes	32.61	21.51
29 Rent & Amenities Charges	4.23	14.93
30 Repairs and maintenance - Buildings	19.11	25.36
31 Repairs and maintenance - Machinery	132.97	74.64
32 Repairs and maintenance - Others	24.92	19.58
33 Sales commission	72.45	47.99
34 Sales discount	245.13	279.73
35 Service Tax paid	9.89	9.40
36 Share transfer expenses	0.32	0.33
37 Travelling and Conveyance	81.49	68.92
38 Vehicle Maintenance	21.11	19.27
39 Loss on fixed assets sold / scrapped / written off	-	0.14
40 Loss on Sale of Commodities	-	16.76
41 Prior period items (net)	-	6.30
<b>Total</b>	<b><u>2,329.67</u></b>	<b><u>2,084.91</u></b>



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>28.1 Payment to Auditors</b>		
Payments to the Auditors comprises (net of service tax input credit, where applicable):		
1 As Auditors - Statutory Audit	4.03	4.03
2 For Taxation matters	1.00	0.50
<b>Total</b>	<b><u>5.03</u></b>	<b><u>4.53</u></b>
<b>29.0 Exceptional Items</b>		
Keyman Insurance maturity proceeds	54.60	-
<b>Total</b>	<b><u>54.60</u></b>	<b><u>-</u></b>
<b>30.0 Earning Per Share (EPS)</b>		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	287.59	551.67
(ii) Weighted average number of Equity Shares	10,115,713	10,107,125
(iii) Basic Earning & Diluted Earning Per Share in Rs.	2.84	5.46
(iv) Face Value per Equity Share Rs.	10.00	10.00
<b>31.0 Expenditure in Foreign Currency</b>		
(i) Import of Raw Materials	18,692.59	11,369.57
(ii) Membership Fee	7.88	1.69
(iii) Travelling Expenses	2.33	3.58
(iv) Commission	45.48	15.12
(v) Interest Expenses	-	16.40
<b>32.0 Earnings in Foreign Exchange</b>		
Sales	18,008.15	12,673.47
<b>Total</b>	<b><u>18,008.15</u></b>	<b><u>12,673.47</u></b>
<b>33.0 Remittance in Foreign Currency on Account of Dividend</b>		
Number of Non-Resident Shareholders	54	47
Number of Equity Shares held by them	481,005	502,925
Amount Remitted in Foreign Currency	6.73	6.04
Year to which dividend relates	2010-11	2009-10

**34 (i) Related Party Disclosures**

**in accordance with Accounting Standard 18, the disclosure required is given below**

**(a) Name of the related parties and relationship**

Subsidiary: M/s POCL Enterprises Limited.

**(b) Other related enterprises**

M/s. Ardee Industries Private Limited

M/s. Bansal Metallic Oxides

M/s. Bansal Chemicals (India)

M/s. Daman Metallic Oxides

**(c) Key Management Personnel**

<b>S.No</b>	<b>Name</b>	<b>Designation</b>
1	Sri. Padam C. Bansal	Chairman
2	Sri. Anil Kumar Bansal	Managing Director
3	Sri. Sunil Kumar Bansal	Whole Time Director
4	Sri. R.P.Bansal	Whole Time Director
5	Sri. Devakar Bansal	Whole Time Director
6	Sri. Y.V. Raman	Whole Time Director
7	Sri. Ashish Bansal	Whole Time Director

**(d) Relatives of Key Management Personnel**

<b>S.No</b>	<b>Name</b>	<b>Designation</b>
1	Smt. Vijaya Bansal	W/o. Sri. Padam C.Bansal
2	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
3	Smt. Manju Bansal	W/o . Sri. Anil Kumar Bansal
4	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
5	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
6	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
7	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
8	Sri. Narendra Kumar Gupta	Sister's husband of Sri Anil Kumar Bansal
9	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
10	Smt. Megha Choudhary	D/o. Sri. Anil Kumar Bansal
11	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
12	Sri. Saagar Bansal	S/o. Sri. Devakar Bansal





## (ii) Transactions during the year with related parties

Rs. in Lakhs

S.No	Nature of Transaction	Subsidiary	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
<b>I</b>	<b>Transactions during the year</b>				
1	<b>Purchases</b>				
	Goods & Materials	36.60 (2495.72)	1259.19 (1825.27)	Nil (Nil)	Nil (Nil)
2	<b>Sales</b>				
	Goods & Materials	Nil (Nil)	470.20 (494.52)	Nil (Nil)	Nil (Nil)
3	Conversion Charges paid	Nil (1.43)	52.72 (73.77)	Nil (Nil)	Nil (Nil)
4	Remuneration paid	Nil (Nil)	Nil (Nil)	149.93 (76.43)	Nil (Nil)
5	Interest paid	8.28 (43.90)	15.94 (16.91)	26.09 (5.25)	20.62 (3.68)
6	Interest received	5.55 (17.77)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Sales and distribution Expenses	Nil (Nil)	14.52 (Nil)	Nil (Nil)	Nil (Nil)
<b>II</b>	<b><u>Finance and Investment during the Year</u></b>				
8	Inter Corporate Deposit paid	997.50 (1249.89)	44.62 (75.03)	Nil (Nil)	Nil (Nil)
9	Inter Corporate Deposit received	742.47 (1465.39)	43.00 (56.60)	Nil (Nil)	Nil (Nil)
10	Loan taken	Nil (Nil)	50.00 (Nil)	424.85 (61.00)	65.70 (2.16)
11	Loan paid	Nil (Nil)	Nil (2.59)	131 (66.50)	22.19 (40.89)
<b>III</b>	<b><u>Balance as at 31.03.2012</u></b>				
12	Investments	78.15 (78.15)	Nil (Nil)	Nil (Nil)	Nil (Nil)
13	Trade and other Payables	Nil (1.96)	113.77 (280.13)	356.63 (39.73)	201.68 (23.66)
14	Inter Corporate Deposit	95.02 (160.00)	91.62 (85.25)	Nil (Nil)	Nil (Nil)
15	Financial Guarantees	30.00 (30.00)	Nil (Nil)	Nil (Nil)	Nil (Nil)

**iii Disclosure in respect of Material related party transaction during the year**

- 1 Purchase / Material Consumed includes Rs.1257.94 lakhs(Rs. 1825.27 lakhs) from M/s. Bansal Chemicals (India) and Rs.1.25 lakhs (Nil) from M/s. Ardee Industries Pvt. Ltd.
- 2 Sales includes Sale of Rs. 10.35 lakhs (Rs. 27.69 lakhs) to M/s.Ardee Industries Pvt. Ltd, Rs. 434.97 lakhs (Rs.409.99 lakhs) to M/s. Bansal Chemicals (India) and Rs. 24.88 lakhs (Rs.56.84 lakhs) to M/s. Bansal Metallic Oxides .
- 3 Conversion Charges paid includes Rs.4.09 lakhs (Rs.11.97 lakhs) to M/s. Ardee Industries Pvt.Ltd and Rs. 48.63 lakhs(Rs.61.80 lakhs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid includes Rs. 34.35 lakhs (Rs.20.70 lakhs) to Sri.Anil Kumar Bansal, Rs.28.21 lakhs (Rs. 17.07 lakhs) to Sri.Sunil Kumar Bansal ; Rs.28.04 lakhs (Rs.15.95 lakhs) to Sri. R. P. Bansal, Rs. 26.33 lakhs (Rs.15.95 lakhs) to Sri. Devakar Bansal, Rs.8.40 lakhs (Rs.6.76 lakhs) to Sri. Y.V. Raman, Rs. 24.60 lakhs (Nil) to Sri.Ashish Bansal
- 5 Interest paid includes Rs. 8.89 lakhs ( Rs.10.60 lakhs) to M/s. Ardee Industries Pvt. Ltd, Rs.6.39 lakhs (Rs. 6.31 lakhs) to Daman Metallic Oxides , Rs. 0.66 lakhs (Nil) to M/s. Rajendra Metchem, Rs. 4.02 lakhs (Rs.3.61 lakhs) to Sri. Padam C. Bansal, Rs. 7.19 lakhs (Nil) to Sri.Anil Kumar Bansal, Rs.0.16 lakhs (Rs.0.02 lakhs) to Sri. Sunil Kumar Bansal, Rs. 2.17 lakhs (Rs.0.16 lakhs) to Sri. R. P. Bansal, Rs.9.30 lakhs (Rs.1.14 lakhs) to Sri.Devakar Bansal, Rs.3.16 lakhs (Rs.4.95 lakhs) to Sri.Ashish Bansal, Rs. 0.07 lakhs (Rs.0.32 lakhs) to Sri. Y.V.Raman, Rs.10.87 lakhs (Rs.12.87 lakhs) to Smt.Vijaya Bansal, Rs.0.43 lakhs (Rs.0.05 lakhs) to Smt.Manju Bansal, Rs.1.37 lakhs (Rs.0.86 lakhs) to Smt.Neelam Bansal, Rs.1.10 lakhs (Rs.1.14 lakhs) to Smt.Saroj Bansal, Rs.0.58 lakhs (Rs.0.48 lakhs) to Smt.Megha Choudhary, Rs.3.13 lakhs (Nil) to Smt.Charu Bansal, Rs.0.19 lakhs (Nil) to Sri.Harsh Bansal, Rs.0.84 lakhs (Rs.0.59 lakhs) to Sri.Pawan Bansal, Rs.0.27 lakhs (Nil) to Sri.Saagar Bansal, Rs.1.26 lakhs (Rs.0.66 lakhs) to Smt.Sashi Gupta, Rs.0.38 lakhs (Rs.0.38 lakhs) to Sri.Narendra Kumar Gupta, and Rs.0.20 lakhs (Nil) to Smt. Vandana Bansal.
- 6 Sales and distribution expenses represent Rs. 14.52 lakhs (Nil) paid to M/s. Bansal Chemicals (India).
- 7 Inter Corporate deposits paid Rs.44.62 lakhs (Rs.75.03 lakhs) to M/s. Ardee Industries Pvt. Ltd,
- 8 Inter Corporate deposit received Rs.43.00 lakhs (Rs.56.60 lakhs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken includes Rs. 50.00 lakhs (Nil) from Daman Metallic Oxides, Rs.5.60 lakhs (Rs. 4.00 lakhs) from Sri.Padam C.Bansal, Rs.142.00 lakhs (Nil) from Sri.Anil Kumar Bansal, Rs.13.50 lakhs (Rs.1.00 lakh) from Sri. Sunil Kumar Bansal, Rs.71.50 lakhs (Rs. 5.00 lakhs) from Sri.R. P. Bansal, Rs.128.25 lakhs (Rs. 51.00 lakhs) from Sri. Devakar Bansal, Rs. 64.00 lakhs (Nil) from Sri.Ashish Bansal, Rs.7.75 lakhs (Rs. 0.60 lakhs) from Smt.Manju Bansal, Rs.29.25 lakhs (Nil) from Smt.Charu Bansal and Rs.18.00 lakhs (Nil) from Smt.Megha Choudhary, Rs.2.90 lakhs (Rs.1.03 lakhs) from Smt.Saroj Bansal, Rs. 4.20 lakhs (Nil) from Sri. Harsh Bansal, Rs.3.60 lakhs (Nil) from Smt.Vandana Bansal, Nil (Rs. 0.53 lakhs) from Sri. Pawan Bansal, Nil (Rs.5.60 lakhs) from Smt. Sashi Gupta.
- 10 Loan paid includes Rs. Nil (Rs. 2.59 lakhs) to Daman Metallic Oxides, Rs. Nil (Rs. 2.00 lakhs) to Sri. Padam C Bansal, Rs.43.00 lakhs (Nil) to Sri. Anil Kumar Bansal, Rs.13.50 lakhs (Rs.1.00 lakh) to Sri. Sunil Kumar Bansal, Rs.16.00 lakhs (Rs. 51.00 lakhs) to Sri. Devakar Bansal, Rs.12.00 lakhs (Nil) to Sri. R.P. Bansal, Rs.0.50 lakhs (Rs.2.50 lakhs) to Sri Y.V. Raman, Nil (Rs.10.00 lakhs) to Sri. P.N.Sridharan, Rs.46.00 lakhs (Rs. 66.50 lakhs) to Sri. Ashish Bansal, Rs.10.00 lakhs (Rs.32.32 lakhs) to Smt.Neelam Bansal, Rs.1.00 lakh (Rs.6.20 lakhs) to Smt.Manju Bansal, Rs.2.50 lakhs (Nil) to Smt.Charu Bansal, Rs.3.00 lakhs (Nil) to Smt.Megha Choudhary, Rs.1.30 lakhs (Nil) to Smt.Vandana Bansal, Rs.2.95 lakhs (Nil) to



Sri. Harsh Bansal, Rs.1.10 lakhs (Rs.2.25 lakhs) to Smt.Saroj Bansal, Rs.0.34 lakhs (Nil) to Sri. Narendra Kumar Gupta, Nil (Rs.0.12 lakhs) to Sri. Pawan Bansal.

- 11 Trade and other payables includes Rs.105.76 lakhs (Rs.50.00 lakhs) to Daman Metallic Oxides, Rs.1.40 lakhs (Nil) to M/s.Ardee Industries Pvt Ltd, Rs.5.63 lakhs (Nil) to M/s. Bansal Metallic Oxide, Rs. 0.98 lakhs (Rs. 230.13 lakhs) to M/s. Bansal Chemicals (India), Rs. 105.47 lakhs (Nil) to Sri. Anil Kumar Bansal, Rs.120.62 lakhs (Nil) to Sri.Devakar Bansal, Rs.42.15 lakhs (Rs.33.73 lakhs) to Sri.Padam C Bansal, Rs.67.04 lakhs (Rs.5.00 lakhs) to Sri.R. P. Bansal, Rs.20.85 lakhs (Nil) to Sri.Ashish Bansal, Rs.0.50 lakh (Rs.1.00 lakh) to Sri.Y.V. Raman, Rs.98.18 lakhs (Nil) to Smt.Vijaya Bansal, Rs.7.35 lakhs (Nil) to Smt.Neelam Bansal, Rs.7.13 lakhs (Nil) to Smt.Manju Bansal, Rs.8.29 lakhs (Rs. 5.43 lakhs) to Sri.Pawan Bansal, Rs.29.57 lakhs (Nil) to Smt.Charu Bansal, Rs.17.95 lakhs (Nil) to Smt.Megha Choudhary, Rs.2.47 lakhs (Nil) to Smt.Vandana Bansal, Rs.1.62 lakhs (Nil) to Sri.Harsh Bansal, Rs.2.51 lakhs (Nil) to Sri.Saagar Bansal, Rs.11.72 lakhs (Rs.6.13 lakhs) to Smt.Sashi Gupta, Rs.11.70 lakhs (Rs.8.91 lakhs) to Smt.Saroj Bansal, Rs.3.19 lakhs (Rs.3.19 lakhs) to Sri. Narendra Kumar Gupta.
- 12 Inter corporate deposit outstanding includes Rs. 91.62 lakhs (Rs. 85.25 lakhs) payable to M/s Ardee Industries P Ltd.

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>35 Contingent Liabilities and Commitments</b>		
<b>(A)Contingent Liabilities</b>		
<b>(I)</b> (i) Guarantees to Bank and Financial Institutions against credit facilities extended to third parties	30.00	1430.00
(ii) Performance Guarantees	3.86	3.86
(iii) Other Money for which the company is contingently liable	793.70	220.69
(iv) Liability in respect of Bills Discounted with Banks	340.55	670.56
<b>(II) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	20.50	39.22
<b>36 Segment Reporting (AS -17)</b>		
<b>Segment Revenue</b>		
External Turnover		
a. Metal	23,798.38	18,057.66
b. Metallic Oxides	5,432.61	5,087.27
c. Plastic Additives	4,989.50	5,886.74
d. Others	-	-
Total	34,220.49	29,031.67
Less: Inter segment Turnover	2,241.32	1,752.44
Net sales / Income from operations	31,979.17	27,279.23
<b>Segment Results</b>		
Profit / (loss) ( before tax and interest from each segment )		
a. Metal	723.86	1,131.01
b. Metallic Oxides	256.09	140.40
c. Plastic Additives	322.67	406.22
d. Others	-	-
Total	1,302.62	1,677.63

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Interest	559.62	609.40
Other unallocable expenditure net of un-allocable income	365.26	241.71
Profit before tax before exceptional Income / (Expenses) - Net	377.74	826.52
Exceptional Income / (Expense)	54.60	-
Profit from ordinary activities before tax	432.34	826.52
<b>Capital employed (Segment Assets Less Segment Liabilities)</b>		
a. Metal	662.31	1,338.98
b. Metallic Oxides	806.26	184.70
c. Plastic Additives	587.56	127.92
d. Others	-	-
e. Un-allocable Assets less Liabilities	1,509.36	1,271.26
<b>Total Capital Employed</b>	<b><u>3,565.49</u></b>	<b><u>2,922.86</u></b>
<b>37. Value of imported and indigenous Raw Material and Spare Parts consumed</b>		
<b>Raw Materials</b>		
(i) Imported	20,673.79	16,558.24
(ii) Others	4,493.13	4,729.52
<b>Total</b>	<b><u>25,166.92</u></b>	<b><u>21,287.76</u></b>

38. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiary has been included in the Consolidated Financial Statements.
39. The financial results of the current period are not strictly comparable with the corresponding period due to consolidation of results of M/s. Lohia Metals Pvt. Ltd effective from 01.04.2011 pursuant to the merger of the latter with the Company vide the order of the Honourable High Court of Madras dated 12th March 2012.
40. Previous year figures have been regrouped/rearranged wherever necessary, due to amalgamation previous year figures are not comparable.

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956, RELATING TO SUBSIDIARY COMPANY**

<b>Particulars</b>	<b>POCL Enterprises Ltd.</b>
The Financial Year of the Subsidiary ended on	March 31, 2012
Number of shares of the subsidiary company held by	
Equity	7,81,465
Extent of holding	100%
The net aggregate of Profits / Losses of the subsidiary company for its financial year so far as they concern the members of Pondy Oxides and Chemicals Ltd.	
a. Dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2012	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2012	Rs. 5.65 lakhs
The Net aggregate of profits / losses of the subsidiary company for its previous financial year so far as they concern the members of POCL	
a. Dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2011	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2011	Rs. 3.96 lakhs

For and on behalf of the Board

Place : Chennai  
Date : 27.07.2012

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance &  
Company Secretary

**Pondy Oxides and Chemicals Limited**

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**STATEMENT PURSUANT TO APPROVAL OF THE CENTRAL GOVERNMENT U/S 212[8] OF THE COMPANIES ACT 1956 ABOUT THE FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANY AS AT MARCH 31<sup>ST</sup>, 2012**

[Rs. In Lakhs]

<b>Name of the subsidiary</b>	<b>POCL Enterprises Ltd.</b>
Issued and Subscribed share capital	78.15
Reserves	57.60
Total Assets	228.53
Total Liabilities	228.53
Investments (except investments in subsidiary)	2.78
Turnover	503.93
Profit/(Loss) before taxation	7.82
Provision for taxation	2.17
Profit/(Loss) after taxation	5.65
Proposed dividend	0.00

**Notes:**

1. Ministry of Corporate Affairs, Government of India has granted a general exemption through its General Circular No: 2/2011 dated 8<sup>th</sup> February, 2011 from the applicability of the provisions of sub-section [1] of section 212 of the Companies Act, 1956.
2. The Company will make available the annual accounts of the subsidiary company and related detailed information if sought by the members of the company or its subsidiary. Further, the annual accounts of the subsidiary company will also be kept for inspection by any member of the company or its subsidiary at the Registered Office of the company and that of the subsidiary company concerned.

For and on behalf of the Board

Place : Chennai  
Date : 27.07.2012

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance &  
Company Secretary

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**Pondy Oxides and Chemicals Limited**

**CONSOLIDATED FINANCIAL STATEMENTS**

**2011-2012**

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## Auditor's Report on Consolidated Financial Statements

To,  
The Board of Directors  
Pondy Oxides and Chemicals Limited

We have audited the attached Consolidated Balance Sheet of Pondy Oxides and Chemicals Limited (the Company) and its Subsidiary (collectively referred to as "the Group") as at 31<sup>st</sup> March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with identified financial reporting framework and are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
2. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2012;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit of the Group for the year then ended on the date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year then ended on that date.

**For Jeeravla & Co.,**  
Chartered Accountants  
Firm Reg No. 001323S

**Sohan C.J.Parmar**  
Proprietor  
Membership No:22321

Place : Chennai  
Date : 27.07.2012

Pondy Oxides and Chemicals Limited

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2012

Rs. in Lakhs

Particulars	Note No.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	1,114.82	1,004.57
(b) Reserves and Surplus	2	2,507.75	2,504.98
(c) Minority Interest		-	318.64
		<u>3,622.57</u>	<u>3,828.19</u>
<b>2 Non Current Liabilities</b>			
(a) Long Term Borrowings	3	38.53	208.77
(b) Deferred Tax Liabilities (Net)	4	32.53	26.50
(c) Other Long Term Liabilities	5	20.00	-
(d) Long Term Provisions	6	94.26	84.32
		<u>185.32</u>	<u>319.59</u>
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	7	4,825.95	5,625.52
(b) Trade Payables	8	822.71	1,006.09
(c) Other Current Liabilities	9	471.61	995.58
(d) Short Term Provisions	10	304.87	546.69
		<u>6,425.14</u>	<u>8,173.88</u>
<b>TOTAL</b>		<u>10,233.03</u>	<u>12,321.66</u>
<b>B ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Fixed assets			
(i) Tangible Assets	11	2,110.22	2,641.10
(ii) Capital Work-in-Progress		161.62	160.78
		<u>2,271.84</u>	<u>2,801.88</u>
(b) Non Current Investments	12	30.04	30.03
(c) Long Term Loans and Advances	13	39.60	23.87
(d) Other Non Current Assets	14	16.06	-
		<u>2,357.54</u>	<u>2,855.78</u>
<b>2 Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	15	3,275.52	2,965.47
(b) Trade Receivables	16	2,387.45	3,520.99
(c) Cash and Cash Equivalents	17	1,214.11	773.39
(d) Short Term Loans and Advances	18	924.64	2,190.28
(e) Other Current Assets	19	73.77	15.75
		<u>7,875.49</u>	<u>9,465.88</u>
<b>TOTAL</b>		<u>10,233.03</u>	<u>12,321.66</u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary


**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012**

Rs. in Lakhs

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>A Income</b>			
1 Revenue from operations (gross)	20	32,483.10	33,902.69
Less: Excise duty		1,545.50	1,629.60
Revenue from operations (net)		<b>30,937.60</b>	<b>32,273.09</b>
Other income	21	105.09	186.33
<b>Total Revenue</b>		<b>31,042.69</b>	<b>32,459.42</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	22	25,166.92	25,600.56
(b) Purchases of stock-in-trade	23	906.00	2,097.78
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	775.03	(62.31)
(d) Employee benefits expense	25	623.66	540.12
(e) Finance Costs	26	563.03	757.99
(f) Depreciation and amortisation expense	27	284.04	256.76
(g) Other expenses	28	2,338.54	2,147.00
Total Expenses		<b>30,657.22</b>	<b>31,337.90</b>
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		385.47	1,121.52
4 Exceptional items	29	54.60	-
<b>5 Profit / (Loss) before tax</b>		<b>440.07</b>	<b>1,121.52</b>
6 Tax expense:			
(a) Tax expense for the current year		141.86	381.68
(b) Deferred tax		5.06	(9.25)
		<b>146.92</b>	<b>372.43</b>
<b>7 Profit / (Loss) for the year</b>		<b>293.15</b>	<b>749.09</b>
<b>Earnings per equity share of face value of Rs.10 each</b>			
<b>Basic and diluted Rs.</b>	30	2.90	7.46
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

For and on behalf of the Board

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary

**Pondy Oxides and Chemicals Limited**

**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012**

**Rs. in Lakhs**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
<b>(A) Cash Flow from Operating Activity</b>		
Profit before tax	440.07	1,121.52
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	266.08	242.00
Loss on foreign exchange fluctuation	51.39	
Interest Paid	563.03	757.99
Less:		
Profit on foreign exchange fluctuation	-	148.19
Dividend income	1.23	1.56
Interest received	71.90	22.87
Rent Received	23.26	8.19
Profit on sale of assets	2.55	-
Miscellaneous Income	57.55	5.53
Operating Profit from Working Capital Changes	<b>1,164.08</b>	<b>1,935.17</b>
Adjustments for :		
(Increase) / Decrease in Inventories	(304.68)	(322.54)
(Increase) / Decrease in Trade Receivables	1,133.54	(346.59)
(Increase) / Decrease in Short term Loans & advances	1,065.34	470.00
(Increase) / Decrease in Other current assets	(58.02)	(511.36)
Increase / (Decrease) in Trade Payables	(183.38)	1,082.53
Increase / (Decrease) in Other current liabilities	(523.97)	-
Increase / (Decrease) in Short term provisions	32.83	(302.35)
Income Tax paid	(150.00)	(245.00)
<b>Net Cash flow from operating activities</b>	<b>2,175.74</b>	<b>1,759.86</b>
<b>(B) Cash Flow from Investing Activities</b>		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	6.53	7.32
Dividend received	1.23	1.56
Interest received	71.90	22.87
Rent Received	23.25	8.19
Less:		
Purchase of Tangible assets	171.62	573.79
Purchase of Intangible assets	318.64	65.21
Adjustment to Capital work-in-progress	0.83	91.75
<b>Net Cash From Investing Activities</b>	<b>(388.18)</b>	<b>(690.81)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Adjustments for:		
Add		
Increase / (Decrease) in Share Capital on Amalgamation	104.10	-
(Increase) / Decrease in Reserves on Amalgamation	242.60	-
Increase / (Decrease) in Long term borrowings	(170.24)	-
Increase / (Decrease) in Other long term liabilities	20.00	-
Increase / (Decrease) in Long term provisions	9.94	-
(Increase) / Decrease in Long term loans and advances	(15.74)	-
(Increase) / Decrease in Other non current assets	(16.06)	-
Increase / (Decrease) in Goodwill	-	65.78
Increase / (Decrease) in Short term borrowings	(799.57)	(43.70)
Profit on Foreign exchange fluctuation	-	148.19
Miscellaneous Income	57.55	5.53
Less		
Dividend Paid	165.00	141.90
Interest Paid	563.03	757.99
Loss on foreign exchange fluctuation	51.39	-
<b>Net cash from / (used) from Financing Activities</b>	<b>(1,346.84)</b>	<b>(724.09)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	440.72	344.96
Cash & Cash Equivalents as at 01.04.2011	773.39	428.43
<b>Cash &amp; Cash Equivalents as at 31.03.2012</b>	<b>1,214.11</b>	<b>773.39</b>

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary



## ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

### 1.0 A) List of Subsidiaries

The Consolidated Financial Statement represents Consolidation of Accounts of M/s.Pondy Oxides and Chemicals Limited., with its subsidiary as detailed below :

Name of the company : POCL Enterprises Ltd.

Proportion of Ownership Interest : 100%

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Consolidation

1. i The Consolidated Financial Statements of the company and its subsidiary company are combined on line-by-line by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transaction in accordance with Accounting Standard 21 - "Consolidated Financial Statements" issued by ICAI.
- ii. The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill, which is not being amortized or capital reserve as the case may be.

### 2. Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in Company's separate financial statements

## Notes forming part of the financial statements

### 1.0 Share capital

Rs. in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
(a) <b>Authorised</b>		
1,24,00,000 (1,15,00,000) Equity shares of Rs. 10/- each	1,240.00	1,150.00
(b) <b>Issued, Subscribed and Paid-up</b>		
1,11,51,985 (1,01,07,125) Equity shares of Rs. 10/- each	1,115.20	1,004.57
Less: 3813(3813) Equity Shares of Rs 10/- each held by Subsidiary Company	0.38	-
<b>Total</b>	<b>1,114.82</b>	<b>1,004.57</b>

1.1 11,02,500 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the scheme of amalgamation without payments being received in cash

1.2 Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves

-

918,830

**Pondy Oxides and Chemicals Limited**

		Rs. in Lakhs		
Particulars		As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011
1.3	The details of Shareholders holding more than 5% shares:			
	<b>Name of Share Holder</b>	<b>As at 31<sup>st</sup> March,2012</b>		<b>As at 31<sup>st</sup> March, 2011</b>
		<b>No of Shares</b>	<b>% Held</b>	<b>No of Shares</b> <b>% Held</b>
1.3.1	Anil Kumar Bansal	616,897	5.53	512,582    5.07
1.3.2	Neelam Bansal	641,212	5.75	346,831    3.43
1.3.3	Manju Bansal	524,739	4.71	524,739    5.19
1.4	Reconciliation of the number of shares outstanding is set out below			
	Equity shares at the beginning of the year	10,107,125		10,107,125
	Add : Shares issued on amalgamation of subsidiary	1,102,500		-
	Less : Shares extinguished on crossholding, on amalgamation	57,640		57,640
	Less : Cross Holding held by Subsidiary in Holding Company	3,813		3,813
	Equity shares at the end of the year	11,148,172		10,045,672
1.5	During the year the company allotted 11,02,500 fully paid up equity shares of face value Rs. 10/- each, to the shareholders of the M/s Lohia Metals Pvt. Ltd (transferor company) vide the order of the Honourable High Court of Madras on 12 <sup>th</sup> March 2012. Also authorised capital stands increased to Rs. 1240.00 Lakhs			
<b>2.0</b>	<b>Reserves and surplus</b>			
(a)	<b>Securities premium account</b>			
	Opening balance	367.80		367.80
	Less : Utilised during the year for:	4.84		5.38
	<b>Closing balance</b>	<b><u>362.96</u></b>		<b><u>362.42</u></b>
(b)	<b>General reserve</b>			
	Opening balance	153.80		141.53
	Add: Transferred from surplus in Statement of Profit and Loss	30.00		30.00
	Less: Utilised / transferred during the year for:	-		0.40
	Appropriations for Amalgamation of M/s. Lohia Metals Pvt. Ltd with Pondy Oxides and Chemicals Limited	153.80		-
	<b>Closing balance</b>	<b><u>30.00</u></b>		<b><u>171.93</u></b>
(c)	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
	Opening balance	2,004.67		1,444.16
	Add: Profit / (Loss) for the year	293.18		749.09
	Excess Provision for Current Tax Reversed	60.83		(14.86)
	Transfer on Consolidation	0.19		-
	Less:			
	Dividends proposed to be distributed to equity shareholders at Rs. 1.00 /- per share (Rs. 1.40 /- per share)	111.52		141.50
	Tax on dividend	18.48		23.50
	Transfer on Consoildation	0.13		12.76
	Transferred to:			
	General reserve	30.00		30.00
	Transfer on amalgamation of M/s. Lohia Metals Pvt. Ltd.	83.95		-
	<b>Closing balance</b>	<b><u>2,114.79</u></b>		<b><u>1,970.63</u></b>
	<b>Total (a +b + c )</b>	<b><u>2,507.75</u></b>		<b><u>2,504.98</u></b>



Particulars		Rs. in Lakhs	
		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>3.0</b>	<b>Long-term borrowings</b>		
	(a) <b>Term loans from Banks</b>		
	1 Secured [ refer note no 3.1 and 3.2 ]	196.71	345.64
	2 Unsecured	-	-
	Sub total	<u>196.71</u>	<u>345.64</u>
	(b) <b>Term loans from Others</b>		
	1 Secured	4.19	-
	2 Unsecured	-	-
	Sub total	<u>4.19</u>	<u>0.00</u>
	<b>Total</b>	<b><u>200.90</u></b>	<b><u>345.64</u></b>
	<b>Less : Shown under Current Maturities of Long term debt</b>	162.37	136.87
	<b>Balance Shown above</b>	<b>38.53</b>	<b>208.77</b>
3.1	Rs. 182.37 lakhs of term loan for building and machinery are secured by way of first mortgage / Charge on the immovable / movable assets situated in Registered office and factories of the company and guaranteed by promoter directors of the company.		
3.2	Rs. 18.53 lakhs of term loan for Vehicles are secured by way of specific assets.		
<b>4.0</b>	<b>Deferred Tax Liability (NET)</b>		
	<b>Deferred Tax Liability</b>		
	Related to Fixed Assets	32.53	26.50
	<b>Total</b>	<b><u>32.53</u></b>	<b><u>26.50</u></b>
<b>5.0</b>	<b>Other long term liabilities</b>		
	Trade Payables	-	-
	Trade / security deposits received	20.00	-
	<b>Total</b>	<b><u>20.00</u></b>	<b><u>-</u></b>
<b>6.0</b>	<b>Long term provisions</b>		
	Provision for employee benefits		
	Provision for gratuity (net)	94.26	84.32
	<b>Total</b>	<b><u>94.26</u></b>	<b><u>84.32</u></b>
<b>7.0</b>	<b>Short term borrowings</b>		
	<b>Loans repayable on demand</b>		
	(i) <b>Secured</b>		
	1 Working Capital Loans [ refer note no 7.1 ]		
	1.1 From Banks		
	1.1.1 Rupee Loans	3,615.90	4765.59
	1.1.2 Foreign Currency Loans	323.84	358.71
	<b>Total (a)</b>	<b><u>3,939.74</u></b>	<b><u>5,124.30</u></b>

## Pondy Oxides and Chemicals Limited

Particulars		As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>(ii) Unsecured</b>			
1	From Banks	5.47	-
1.1	Deposits	5.50	-
1.2	From Others [ refer note no 7.2 ]	<u>875.24</u>	<u>501.22</u>
	<b>Total (b)</b>	<b><u>886.21</u></b>	<b><u>501.22</u></b>
	<b>Total ( a+b )</b>	<b><u>4,825.95</u></b>	<b><u>5,625.52</u></b>
7.1	Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods ,stores & spares, book debts, materials in transit, etc., and guaranteed by promoter directors of the company.		
7.2	Loans and advances from others include unsecured loan from directors, friends and relatives.		
<b>8.0</b>	<b>Trade payables</b>		
	<b>Trade payables</b>		
1	Micro, Small and Medium Enterprises*	-	-
2	Others	<u>822.71</u>	<u>1006.09</u>
	<b>Total</b>	<b><u>822.71</u></b>	<b><u>1006.09</u></b>
	* The Company has not received the information from vendors regarding their status under the MSME and hence the disclosure relating to amounts unpaid as at the year end has not been given.		
<b>9.0</b>	<b>Other current liabilities</b>		
(a)	Current maturities of long-term debt (Refer Note (i) below)	162.37	136.87
(b)	Interest accrued but not due on borrowings	58.78	12.15
(c)	Unpaid /Unclaimed dividends	10.07	8.10
(d)	Unclaimed Fractional Shares dividends	0.02	0.02
(e)	Other payables		
1	Payables on purchase of fixed assets	55.72	9.56
2	Advances from customers	27.58	0.00
3	Audit Fee payable	7.37	0.00
4	Others *	<u>149.70</u>	<u>828.88</u>
	<b>Total</b>	<b><u>471.61</u></b>	<b><u>995.58</u></b>
	* Includes excise duty and tax on sales payable		
<b>10.0</b>	<b>Short term provisions</b>		
(a)	<b>Provision for employee benefits:</b>		
	Provision for bonus	33.00	-
(b)	<b>Provision - Others:</b>		
1	Provision for tax	141.86	546.69
2	Provision for proposed equity dividend	<u>130.00</u>	-
	<b>Total</b>	<b><u>304.87</u></b>	<b><u>546.69</u></b>



**11.0 Fixed Assets****Rs. in Lakhs**

Sl. No.	Description	Gross block				Depreciation				Net block	
		As on 1.04.11	Additions	Deduction/ Adjustments	As on 31.03.12	Upto 31.03.11	For the Year	Deduction	As on 31.03.12	As on 31.03.11	As on 31.03.12
	<b>Tangible Assets :</b>										
1	Leasehold Land	106.07	-	-	106.07	5.30	0.97	-	6.27	100.76	99.80
2	Free hold land	84.77	48.39	3.69	129.48	-	-	-	-	84.77	129.48
3	Building	1,712.01	8.85	-	1,720.86	393.15	131.89	-	525.04	1,318.86	1,195.82
4	Plant & machinery	861.38	87.68	-	949.06	451.21	72.59	-	523.80	410.17	425.25
5	Furniture & Fittings	70.29	-	-	70.29	21.16	9.32	-	30.48	49.13	39.81
6	Office Equipment	93.57	12.55	0.62	105.49	37.88	13.11	0.42	50.57	55.68	54.92
7	Vehicles	135.38	6.26	1.88	139.77	53.90	21.29	1.77	73.42	81.48	66.35
8	Lab Equipments	95.00	2.15	-	97.15	40.34	8.62	-	48.96	54.66	48.19
9	Electrical fittings	114.35	5.83	-	120.18	61.29	8.29	-	69.58	53.06	50.60
	<b>Total</b>	<b>3,272.82</b>	<b>171.71</b>	<b>6.19</b>	<b>3,438.34</b>	<b>1,064.24</b>	<b>266.07</b>	<b>2.19</b>	<b>1,328.12</b>	<b>2,208.58</b>	<b>2,110.22</b>
	Previous Year 2010-11	2,498.57	575.18	10.44	3,063.31	773.08	223.67	3.99	992.76	1,725.49	2,070.56
	Capital Work in progress									160.78	161.62

**11.1 Capital work in progress under development includes**

- i. Building under construction : Rs. 0.74 lakhs (Nil)  
ii. Machinery under installation : Rs. 160.89 lakhs (Rs. 160.78 lakhs)

**Rs. in Lakhs**

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>12.0 Non current investments</b>		
<b>Investments (At cost)</b>		
<b>I Investment in Equity Instruments</b>		
<b>(a) In Equity Shares of Subsidiary Company</b>		
<b>(i) Unquoted</b>		
1 7,81,465 (7,81,465) Equity Shares of Rs.10/- each in POCL Enterprises Limited (Fully Held Subsidiary)	-	-
2 4,59,000 (4,59,000) Equity Shares of Rs.10/- each fully paid in M/s. Lohia Metals Pvt Ltd (Subsidiary)	-	-
<b>Total (A)</b>	-	-
<b>(b) In Equity Shares of Other Companies</b>		
<b>(i) Quoted</b>		
1 720 (720) Equity Shares Of Rs 5/- each fully paid in ONGC	0.88	0.88
2 13295(13295) Equity Shares of Rs.10/- each in Henkel Spic I Ltd	2.64	2.64
3 100(100) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.16	0.16
4 600(600)Equity Shares of Rs.10/- each in Indian Overseas Bank	0.24	0.24

**Pondy Oxides and Chemicals Limited**

		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2012</b>	<b>As at 31<sup>st</sup> March, 2011</b>	
5	300(300) Equity Shares of Rs.10/- each in UCO Bank	0.05	0.04
6	300 (300) Equity Shares of Rs.10/-each in Vijaya Bank	0.07	0.07
7	1800 (1800) Equity Shares of Rs.1/- each fully paid in Himachal Futuristic	0.22	0.22
8	221 (221) Equity Shares of Rs.10/- each fully paid in Kerala Ayurvedic Chemicals	0.04	0.04
9	500 (500) Equity Shares of Rs.10/- each fully paid in MOSCHIP Ltd.,	0.18	0.18
10	2000 (2000) Equity Shares of Rs.10/- each fully paid in Rashtriya Chem Ltd.,	0.10	0.10
11	1000 (1000) Equity Shares of Rs.10/- each fully paid in Saint Gobain	0.13	0.13
12	2000 (2000) Equity Shares of Rs.10/- each fully paid in SQL Star Soft Ltd.,	0.11	0.11
13	240 (240) Equity Shares of Rs.10/- each fully paid in Carol Info Services Ltd.,	0.05	0.05
14	3813 (3813) Equity Shares Of Rs 10/- each fully paid in POCL	-	-
15	2000(2000) Equity Shares of Rs.10/- each in Bhagawandoss Metals I Ltd	0.30	0.30
16	300(300) Equity Shares of Rs.10/- each in Orchid Chemicals Ltd.	0.31	0.31
17	250(250)Equity Shares of Rs.10/- each in Rama Newsprint Ltd	0.10	0.10
18	539 (539) Equity Shares of Rs.1/- (10) each fully paid in Ramco Systems Ltd	1.52	1.52
	<b>Total (B)</b>	<b><u>7.10</u></b>	<b><u>7.09</u></b>
<b>(ii) UNQUOTED</b>			
1	3818 (3818) Equity Shares of Rs.10/- each fully paid in Madras Stock Exchange Ltd	19.09	19.09
2	32093 (32093) Equity Shares of Rs.10/- each fully paid in MSE Financial Services Ltd.	3.85	3.85
	<b>Total ( C)</b>	<b><u>22.94</u></b>	<b><u>22.94</u></b>
	<b>Total D = ( B + C )</b>	<b><u>30.04</u></b>	<b><u>30.03</u></b>
	<b>Total ( A + D )</b>	<b><u>30.04</u></b>	<b><u>30.03</u></b>

Market Value of Quoted Investments is Rs. 12.44 Lakhs (Rs. 5.37 lakhs)



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>13.0 Long term loans and advances (Unsecured and considered good)</b>		
(a) Security deposits	35.80	22.86
(b) Advances for Capital Goods	3.80	1.01
<b>Total</b>	<b>39.60</b>	<b>23.87</b>
<b>14.0 Other non current assets</b>		
<b>Miscellaneous Expenditure (to the extent not written off or adjusted)</b>		
Amalgamation Expenses	20.07	-
Less : Written off	4.01	-
<b>Total</b>	<b>16.06</b>	<b>-</b>
<b>15.0 Inventories</b>		
(At lower of cost and net realisable value)		
(a) Raw materials	1,585.59	1,297.24
(b) Raw materials in transit	870.87	-
(c) Work-in-progress	24.98	105.00
(d) Finished goods (other than those acquired for trading)	729.69	1,493.73
(e) Stores and spares	36.50	69.50
(f) Loose tools	27.89	-
<b>Total</b>	<b>3,275.52</b>	<b>2,965.47</b>
<b>16.0 Trade receivables</b>		
(a) <b>Trade receivables outstanding for a period exceeding six months</b>		
(i) Unsecured and considered good	9.52	12.23
(b) <b>Other Trade receivables</b>		
(i) Secured and considered good	535.74	-
(ii) Unsecured and considered good	1,842.19	3,508.76
<b>Total (b)</b>	<b>2,377.93</b>	<b>3,508.76</b>
<b>Total (a) + (b)</b>	<b>2,387.45</b>	<b>3,520.99</b>
<b>17.0 Cash and cash equivalents</b>		
(a) <b>Cash on hand</b>		
Cash	6.50	7.66
(b) <b>Balances with banks</b>		
1 In Current Accounts	584.83	448.71
2 In EEFC accounts	1.39	-
3 In Fixed Deposit accounts	611.27	308.90
4 Unpaid dividend accounts	10.12	8.12
<b>Total</b>	<b>1,207.61</b>	<b>765.73</b>
<b>Total (a + b)</b>	<b>1,214.11</b>	<b>773.39</b>

**Pondy Oxides and Chemicals Limited**

Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>18.0 Short-term loans and advances (Unsecured and considered good)</b>		
(a) Loans and advances to related parties*	2.16	109.53
(b) Loans and advances to employees	2.87	4.18
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual Maintenance Contracts, etc.)	25.44	9.12
(d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 CENVAT credit receivable	220.74	156.91
2 VAT credit receivable	38.94	9.73
3 Service Tax credit receivable	6.98	7.15
4 Advance Tax	161.87	256.26
5 TDS Receivable	10.50	8.08
6 MAT Credit	29.41	0.00
7 Customs Duty on Imports	-	12.45
8 Others (EPF & ESI )	0.05	0.05
(e) Others -Suppliers Advance (including for expenses)	425.68	1616.82
<b>Total</b>	<b>924.64</b>	<b>2190.28</b>
* Refer Note 34 for details of loans to related parties		
<b>19.0 Other current assets</b>		
(a) Interest accrued on deposits	48.72	15.75
(b) Rebates Receivable	25.05	-
<b>Total</b>	<b>73.77</b>	<b>15.75</b>
<b>Notes forming part of the financial statements</b>		
<b>20.0 Revenue from operations</b>		
(a) Sale of products	32,453.26	33,902.62
(b) Other operating revenues	29.84	0.07
	<b>32,483.10</b>	<b>33,902.69</b>
<u>Less:</u>		
(c) Excise duty	1,545.50	1,629.60
<b>Total</b>	<b>30,937.60</b>	<b>32,273.09</b>
<b>20.1 Particulars of Sale of Products</b>		
(a) <b>Sale of products comprises :</b>		
I <b>Manufactured goods</b>		
1 Metals	22,196.41	21902.76
2 Metallic Oxides	4,658.08	4,912.20
3 PVC Stabilisers	4,887.81	5,843.99
4 Others	43.84	569.39
<b>Total - Sale of manufactured goods</b>	<b>31,786.14</b>	<b>33,228.34</b>
II <b>Traded goods</b>		
1 Metals	615.53	631.53
2 Metallic Oxides	7.83	-
3 PVC Stabilisers	5.49	42.75
4 Others	38.27	-
<b>Total - Sale of traded goods</b>	<b>667.12</b>	<b>674.28</b>
<b>Total - Sale of products</b>	<b>32,453.26</b>	<b>33,902.62</b>



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
(b) <b>Other operating revenues :</b>		
Conversion Charges received	29.84	0.07
<b>Total - Other operating revenues</b>	<b>29.84</b>	<b>0.07</b>
<b>21.0 Other Income</b>		
(a) Interest income	71.90	22.87
(b) Dividend income from long-term investments		
1 holding / subsidiary	0.81	-
2 others	0.42	1.56
(c) Net gain on foreign currency transactions and translations (other than considered as finance cost)	(51.39)	148.19
(d) Other non-operating income (net of expenses directly attributable to such income)	83.35	13.71
<b>Total</b>	<b>105.09</b>	<b>186.33</b>
<b>21.1 Particulars of Interest Income</b>		
(a) Interest from banks on:		
Deposits	71.60	21.94
(b) Interest on loans and advances	0.10	0.93
(c) Interest on overdue trade receivables	0.20	-
<b>Total - Interest income</b>	<b>71.90</b>	<b>22.87</b>
<b>21.2 Particulars of other non-operating Income</b>		
(II) <b>Other non-operating income comprises:</b>		
1 Rental income from operating leases	23.25	8.19
2 Profit on sale of fixed assets [net of expenses directly attributable]	2.55	-
3 Miscellaneous income [net of expenses directly attributable]	57.55	5.53
<b>Total - Other non-operating income</b>	<b>83.35</b>	<b>13.72</b>
<b>22.0 Cost of materials consumed</b>		
(a) Opening stock	1,280.99	-
(b) Add: Purchases	25,471.53	26647.24
	<b>26,752.52</b>	<b>26647.24</b>
(c) Less: Closing stock	1,585.60	1046.68
<b>Cost of materials consumed (a + b -c)</b>	<b>25,166.92</b>	<b>25,600.56</b>
<b>Materials consumed</b>		
1 Lead Metal	9,966.15	11371.64
2 Lead Scrap	8,545.92	8424.38
3 Zinc Metal	1,882.34	1994.38
4 Battery Plates	2,193.84	1039.94
5 Other items	2,578.67	2770.22
<b>Total</b>	<b>25,166.92</b>	<b>25,600.56</b>

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>23.0 Purchase of traded goods</b>		
1 Metals	862.66	2,072.07
2 Metallic Oxides	5.73	0.00
3 Others	37.61	25.71
<b>Total</b>	<b><u>906.00</u></b>	<b><u>2,097.78</u></b>
<b>24.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
(a) <b><u>Inventories at the end of the year:</u></b>		
1 Finished goods	729.70	1,493.73
2 Work-in-progress	24.97	105.00
<b>Total (a)</b>	<b><u>754.67</u></b>	<b><u>1,598.73</u></b>
(b) <b><u>Inventories at the beginning of the year:</u></b>		
1 Finished goods	1,493.73	1,372.52
2 Work-in-progress	105.00	157.19
<b>Total (b)</b>	<b><u>1,598.73</u></b>	<b><u>1,529.71</u></b>
(c) <b>Excise duty on finished goods *</b>	(69.03)	6.71
<b>Net (increase) / decrease (b-a)</b>	<b><u>775.03</u></b>	<b><u>(62.31)</u></b>
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
<b>25.0 Employee benefits expense</b>		
1 Salaries and wages	480.83	365.60
2 Contributions to provident and other funds	51.79	50.73
3 Staff welfare expenses	91.04	123.79
<b>Total</b>	<b><u>623.66</u></b>	<b><u>540.12</u></b>
<b>26.0 Finance costs</b>		
Interest expense on:		
1 Borrowings	482.05	656.88
2 On Unsecured Loans	80.98	101.11
<b>Total</b>	<b><u>563.03</u></b>	<b><u>757.99</u></b>
<b>27.0 Depreciation &amp; Amortisation Expenses</b>		
Depreciation	266.08	242.00
Preliminary & Pre-Operative Expenses written off	4.01	-
Tools & Implements written off	13.95	14.76
<b>Total</b>	<b><u>284.04</u></b>	<b><u>256.76</u></b>



		Rs. in Lakhs	
Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	
<b>28 Other expenses</b>			
1 Consumption of stores and spare parts	67.12	51.95	
2 Advertisement	1.20	2.79	
3 Bad trade and other receivables, loans and advances written off	20.36	2.22	
4 Business promotion	7.76	8.80	
5 Computer Maintenance	1.93	3.07	
6 Consumption of packing materials	44.77	51.15	
7 Conversion Charges paid	63.47	77.77	
8 Directors Sitting Fees	0.72	0.93	
9 Donations and Subscriptions	-	0.31	
10 Entertainment expenses	5.61	7.17	
11 Environmental Control expenses	51.63	-	
12 Exhibition expenses	7.70	3.86	
13 Factory expenses	52.12	46.54	
14 Freight and forwarding	372.78	402.85	
15 General expenses	6.79	8.81	
16 Income tax paid	3.05	-	
17 Insurance	33.33	68.55	
18 Laboratory expenses	7.17	11.01	
19 Legal and professional charges	23.17	20.18	
20 Membership Fee	10.18	6.89	
21 Newspaper & Periodicals	0.16	0.09	
22 Office Maintenance	5.96	3.65	
23 Payments to Auditors	5.30	6.30	
24 Postage, Telegram & Telephone expenses	18.70	21.45	
25 Power and fuel	868.98	635.94	
26 Printing and stationery	7.62	9.18	
27 Purchase Commission	0.22	-	
28 Rates and taxes	33.86	28.28	
29 Rent & Amenities Charges	4.46	15.70	
30 Repairs and maintenance - Buildings	23.43	42.65	
31 Repairs and maintenance - Machinery	132.97	118.01	
32 Repairs and maintenance - Others	25.02	23.78	
33 Sales commission	72.45	53.80	
34 Sales discount	245.16	279.73	
35 Service Tax paid	9.89	10.65	
36 Share transfer expenses	0.33	0.33	
37 Travelling and Conveyance	82.04	75.92	
38 Vehicle Maintenance	21.13	20.18	
39 Loss on fixed assets sold / scrapped / written off	-	3.45	
40 Loss on Sale of Commodities	-	16.76	
41 Prior period items (net)	-	6.30	
<b>Total</b>	<b><u>2,338.54</u></b>	<b><u>2,147.00</u></b>	

**Pondy Oxides and Chemicals Limited**

Particulars	As at 31 <sup>st</sup> March, 2012	Rs. in Lakhs As at 31 <sup>st</sup> March, 2011
<b>28.1 Payment to Auditors</b>		<b>Rs. in Lakhs</b>
Payments to the Auditors comprises (net of service tax input credit, where applicable):		
1 As Auditors - Statutory Audit	4.30	4.70
2 For Taxation matters	1.00	1.05
3 For other services	-	0.55
<b>Total (i)</b>	<b><u>5.30</u></b>	<b><u>6.30</u></b>
<b>29.0 Exceptional items</b>		
Keyman Insurance maturity proceeds	54.60	-
<b>Total</b>	<b><u>54.60</u></b>	<b><u>-</u></b>
<b>30.0 Earning Per Share (EPS)</b>		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	293.15	749.09
(ii) Weighted average number of Equity Shares	1,01,11,900	1,00,45,672
(iii) Basic Earning & Diluted Earning Per Share in Rs.	2.90	7.46
(iv) Face Value per Equity Share Rs.	10.00	10.00
<b>31.0 Expenditure in Foreign Currency</b>		
(i) Import of Raw Materials	19,156.69	11,919.40
(ii) Membership Fee	7.88	1.69
(iii) Travelling expenses	2.33	3.58
(iv) Commission	45.48	15.12
(v) Interest expenses	2.47	16.96
<b>32.0 Earnings in Foreign Exchange</b>		
Sales	18,376.27	12,673.47
<b>Total</b>	<b><u>18,376.27</u></b>	<b><u>12,673.47</u></b>
<b>33.0 Remittance in Foreign Currency on Account of Dividend</b>		
Number of Non-Resident Shareholders	54	47
Number of Equity Shares held by them	4,81,005	5,02,925
Amount Remitted in Foreign Currency (Rs.)	6,73,407	6,03,510
Year to which dividend relates	2010-11	2009-10




**34.0 (i) Related Party Disclosures**

in accordance with Accounting Standard 18, the disclosure required is given below

**Name of the related parties and relationship**
**(a) Other related enterprises**

M/s. Ardee Industries Private Limited  
M/s. Bansal Metallic Oxides  
M/s. Bansal Chemicals (India)  
M/s. Daman Metallic Oxides

**(b) Key Management Personnel**

S.No	Name	Designation
1	Sri. Padam C. Bansal	Chairman
2	Sri. Anil Kumar Bansal	Managing Director
3	Sri. Sunil Kumar Bansal	Whole Time Director
4	Sri. R.P.Bansal	Whole Time Director
5	Sri. Devakar Bansal	Whole Time Director
6	Sri. Y.V. Raman	Whole Time Director
7	Sri. Ashish Bansal	Whole Time Director
8	Sri. N. Ravichandran	Managing Director - Subsidiary Company

**(c) Relatives of Key Management Personnel**

S.No	Name	Relationship
1	Smt. Vijaya Bansal	W/o. Sri. Padam C.Bansal
2	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
3	Smt. Manju Bansal	W/o. Sri. Anil Kumar Bansal
4	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
5	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
6	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
7	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
8	Sri. Narendra Kumar Gupta	Sister's husband of Sri Anil Kumar Bansal
9	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
10	Smt. Megha Choudhary	D/o. Sri. Anil Kumar Bansal
11	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
12	Sri. Saagar Bansal	S/o. Sri. Devakar Bansal

**Pondy Oxides and Chemicals Limited**

**(ii) Transactions during the year with related parties**

**Rs. in Lakhs**

S.No	Nature of Transaction	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
[ I ]	<b>Purchases</b>			
	Goods & Materials	1259.19 (1,825.27)	Nil (Nil)	Nil (Nil)
[ II ]	<b>Sales</b>			
	Goods & Materials	470.20 (494.52)	Nil (Nil)	Nil (Nil)
[ III ]	<b>Expenses</b>			
	Conversion Charges paid	52.72 (73.77)	Nil (Nil)	Nil (Nil)
	Remuneration	Nil (Nil)	149.93 (101.78)	Nil (Nil)
	Interest paid	15.94 (17.07)	26.07 (11.27)	20.62 (23.02)
	Sales & Distribution expenses	14.52 (Nil)	Nil (Nil)	Nil (Nil)
[ IV ]	<b>Finance and Investment during the Year</b>			
	Inter Corporate Deposit paid	44.62 (73.97)	Nil (Nil)	Nil (Nil)
	Inter Corporate deposit received	43.00 (56.60)	Nil (Nil)	Nil ( Nil )
	Loan taken	50.00 (50.00)	424.85 (133.00)	65.70 (32.76)
	Loan paid	Nil (2.59)	131.00 (66.50)	22.19 (40.89)
[ V ]	<b>Outstanding</b>			
	Trade & Other payables	113.77 (280.50)	356.63 (88.72)	201.68 (142.97)
	Trade & Other receivables	2.16 (Nil)	Nil (Nil)	Nil (Nil)
	Inter Corporate deposit	91.62 (85.25)	Nil (Nil)	Nil (Nil)



### iii Disclosure in respect of Material related party transaction during the year

- 1 Purchase / Material Consumed includes Rs.1257.94 lakhs (Rs. 1825.27 lakhs) from M/s. Bansal Chemicals (India) and Rs.1.25 lakhs (Nil) from M/s. Ardee Industries Pvt. Ltd.
- 2 Sales include Sale of Rs. 10.35 lakhs (Rs. 27.69 lakhs) to M/s.Ardee Industries Pvt. Ltd, Rs. 434.97 lakhs (Rs.409.99 lakhs) to M/s. Bansal Chemicals (India) and Rs. 24.88 lakhs (Rs.56.84 lakhs) to M/s. Bansal Metallic Oxides.
- 3 Conversion Charges paid includes Rs.4.09 lakhs (Rs.11.97 lakhs) to M/s. Ardee Industries Pvt.Ltd and Rs. 48.63 lakhs (Rs.61.80 lakhs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid includes Rs. 34.35 lakhs (Rs.20.70 lakhs) to Sri.Anil Kumar Bansal, Rs.28.21 lakhs (Rs. 17.07 lakhs) to Sri.Sunil Kumar Bansal; Rs.28.04 lakhs (Rs.15.95 lakhs) to Sri. R. P. Bansal, Rs.26.33 lakhs (Rs.15.95 lakhs) to Sri. Devakar Bansal, Rs.8.40 lakhs (Rs.6.76 lakhs) to Sri. Y.V. Raman, Rs.24.60 lakhs (Rs. 25.35 lakhs) to Sri.Ashish Bansal.
- 5 Interest paid includes Rs. 8.89 lakhs (Rs.10.60 lakhs) to M/s. Ardee Industries Pvt. Ltd, Rs.6.39 lakhs (Rs.6.31 lakhs) to Daman Metallic Oxides , Rs. 0.66 lakhs (Rs.0.16 lakhs) to M/s. Rajendra Metchem, Rs.4.02 lakhs (Rs.3.61 lakhs) to Sri. Padam C. Bansal, Rs.7.19 lakhs (Nil) to Sri.Anil Kumar Bansal, Rs.0.16 lakhs (Rs.0.32 lakhs) to Sri. Sunil Kumar Bansal, Rs.2.17 lakhs (Rs.0.92 lakhs) to Sri.R. P. Bansal, Rs.9.30 lakhs (Rs.1.14 lakhs) to Sri.Devakar Bansal, Rs.3.16 lakhs (Rs. 4.95 lakhs) to Sri.Ashish Bansal, Rs. 0.07 lakhs (Rs.0.32 lakhs) to Sri. Y.V.Raman, Rs.10.87 lakhs (Rs.12.87 lakhs) to Smt.Vijaya Bansal, Rs.0.43 lakhs (Rs.0.05 lakhs) to Smt.Manju Bansal, Rs.1.37 lakhs (Rs.2.93 lakhs) to Smt.Neelam Bansal, Rs.1.10 lakhs (Rs.1.14 lakhs) to Smt.Saroj Bansal, Rs.0.58 lakhs (Rs.0.48 lakhs) to Smt.Megha Choudhary, Rs.3.13 lakhs (Rs.2.77 lakhs) to Smt.Charu Bansal, Rs.0.19 lakhs (Rs.0.08 lakhs) to Sri.Harsh Bansal, Rs.0.84 lakhs (Rs.0.82 lakhs) to Sri.Pawan Bansal, Rs.0.27 lakhs (Rs.0.24 lakhs) to Sri.Saagar Bansal, Rs.1.26 lakhs (Rs.1.26 lakhs) to Smt.Sashi Gupta, Rs.0.38 lakhs (Rs.0.38 lakhs) to Sri.Narendra Kumar Gupta, and Rs.0.20 lakhs (Nil) to Smt. Vandana Bansal
- 6 Sales and distribution expenses represents Rs. 14.52 lakhs (Nil) paid to M/s. Bansal Chemicals (India).
- 7 Inter Corporate deposit paid Rs.44.62 lakhs (Rs.73.97 Lakhs) to M/s. Ardee Industries Pvt. Ltd,
- 8 Inter Corporate deposit received Rs.43.00 lakhs (Rs.56.60 lakhs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken includes Rs. 50.00 lakhs (Nil) from Daman Metallic Oxides, Rs.5.60 lakhs (Rs. 4.00 lakhs) from Sri.Padam C.Bansal, Rs.142.00 lakhs (Nil) from Sri.Anil Kumar Bansal, Rs.13.50 lakhs (Rs.6.50 lakhs) from Sri. Sunil Kumar Bansal, Rs.71.50 lakhs (Rs.5.00 lakhs) from Sri. R.P. Bansal, Rs.128.25 lakhs (Rs. 51.00 lakhs) from Sri. Devakar Bansal, Rs. 64.00 lakhs (Rs.66.50 lakhs) from Sri.Ashish Bansal, Rs.7.75 lakhs (Rs. 0.60 lakhs) from Smt.Manju Bansal, Rs.29.25 lakhs (Rs.24.50 lakhs) from Smt.Charu Bansal, Rs.18.00 lakhs (Nil) from Smt.Megha Choudhary, Rs.2.90 lakhs (Rs.1.03 lakhs) from Smt.Saroj Bansal, Rs. 4.20 lakhs (Nil) from Sri. Harsh Bansal, Rs.3.60 lakhs (Nil) from Smt.Vandana Bansal, Nil (Rs. 0.53 lakhs) from Sri. Pawan Bansal, Rs. Nil (Rs.5.60 lakhs) from Smt. Sashi Gupta
- 10 Loan paid includes Rs. Nil (Rs. 2.59 lakhs) to Daman Metallic Oxides, Rs. Nil (Rs. 2.00 lakhs) to Sri. Padam C. Bansal, Rs.43.00 lakhs (Nil) to Sri. Anil Kumar Bansal, Rs.13.50 lakhs (Rs.1.00 lakh) to Sri. Sunil Kumar Bansal, Rs.16.00 lakhs (Rs. 51.00 lakhs) to Sri.Devakar Bansal Rs.12.00 lakhs (Nil) to Sri. R.P. Bansal, Rs.0.50 lakhs (Rs.2.50 lakhs) to Sri Y.V.Raman, Nil (Rs.10.00 lakhs) to Sri. P.N.Sridharan, Rs.46.00 lakhs (Rs.66.50 lakhs) to Sri. Ashish Bansal, Rs.10.00 lakhs (Rs.32.32 lakhs) to Smt.Neelam Bansal, Rs.1.00 lakh (Rs.6.20 lakhs) to Smt.Manju

## Pondy Oxides and Chemicals Limited

Bansal, Rs.2.50 lakhs (Nil) to Smt.Charu Bansal, Rs.3.00 lakhs (Nil) to Smt.Megha Choudhary, Rs.1.30 lakhs (Nil) to Smt.Vandana Bansal, Rs.2.95 lakhs (Nil) to Sri. Harsh Bansal, Rs.1.10 lakhs (Rs.2.25 lakhs) to Smt.Saroj Bansal, Rs.0.34 lakhs (Nil) to Sri. Narendra Kumar Gupta, Rs. Nil (Rs.0.12 lakhs) to Sri. Pawan Bansal.

- 11 Trade and other payable includes Rs.105.76 lakhs (Rs. 50.00 lakhs) to Daman Metallic Oxides, Rs.1.40 lakhs (Nil) to M/s.Ardee Industries Pvt Ltd, Rs.5.63 lakhs (Nil) to M/s. Bansal Metallic Oxide, Rs. 0.98 lakhs (Rs 230.50 lakhs) to Bansal Chemicals (India), Rs.42.15 lakhs (Rs.33.73 lakhs) to Sri.Padam C. Bansal, Rs.105.47 lakhs (Nil) to Sri. Anil Kumar Bansal, Rs.120.62 lakhs (Rs.1.02 lakhs) to Sri.Devakar Bansal, Rs.Nil (Rs.0.02 lakhs) to Sri.Sunil Kumar Bansal, Rs.67.04 lakhs (Rs.5.00 lakhs) to Sri.R. P. Bansal, Rs.20.85 lakhs (Rs.47.95 lakhs) to Sri.Ashish Bansal, Rs.0.50 lakh (Rs.1.00 lakh) to Sri.Y.V. Raman, Rs.98.18 lakhs (Rs. 90.58 lakhs) to Smt.Vijaya Bansal, Rs.7.35 lakhs (Rs. 16.89 lakhs) to Smt.Neelam Bansal, Rs.7.13 lakhs (Rs. 0.04 lakhs) to Smt.Manju Bansal, Rs.8.29 lakhs (Rs. 7.54 lakhs) to Sri.Pawan Bansal, Rs.29.57 lakhs (Nil) to Smt.Charu Bansal, Rs.17.95 lakhs (Rs.2.43 lakhs) to Smt.Megha Choudhary, Rs.2.47 lakhs (Nil) to Smt.Vandana Bansal, Rs.1.62 lakhs (Nil) to Sri.Harsh Bansal, Rs.2.51 lakhs (Rs. 2.26 lakhs) to Sri.Saagar Bansal, Rs.11.72 lakhs (Rs.11.13 lakhs) to Smt.Sashi Gupta, Rs.11.70 lakhs (Rs.8.91 lakhs) to Smt.Saroj Bansal, Rs.3.19 lakhs (Rs.3.19 lakhs) to Sri. Narendra Kumar Gupta.
- 12 Trade Receivables of Rs 2.16 lakhs (Nil) is receivable from M/s. Bansal Chemicals (India)
- 13 Inter corporate deposit outstanding includes Rs. 91.62 lakhs (Rs. 85.25 lakhs) payable to M/s Ardee Industries Pvt Ltd.

	Particulars	Rs. in Lakhs	
		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>34</b>	<b>Contingent Liabilities and Commitments</b>		
	<b>(A) Contingent Liabilities</b>		
	(i) Guarantees to Bank and Financial Institutions against credit facilities extended to third parties	30.00	1430.00
	(ii) Performance Guarantees	3.86	-
	(iii) Other Money for which the company is contingently liable	-	220.69
	(iv) Liability in respect of Bills Discounted with Banks	340.55	670.56
	<b>(B) Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	20.50	39.22
<b>35</b>	<b>Segment Reporting (AS -17)</b>		
	<b>Segment Revenue</b>		
	External Turnover		
	a. Metal	23,798.38	26,753.85
	b. Metallic Oxides	5,432.61	4,912.25
	c. Plastic Additives	4,989.50	5,886.74
	d. Others	503.93	569.39
	Total	34,724.42	38,122.23



Particulars	Rs. in Lakhs	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Less: Inter segment turnover	2,241.32	4,219.53
Net sales / Income from operations	32,483.10	33,902.70
<b>Segment Results</b>		
Profit / (loss) ( before tax and interest from each segment )		
a. Metal	723.86	1,905.00
b. Metallic Oxides	256.09	277.37
c. Plastic Additives	322.67	486.51
d. Others	-13.44	-5.64
Total	1,289.18	2,663.24
Interest	559.62	757.99
Other unallocable expenditure net of un-allocable income	344.04	783.75
Profit before tax before exceptional Income / (Expenses) - Net	385.51	1121.50
Exceptional Income / (Expense)	54.60	-
Profit from ordinary activities before tax	440.11	1121.50
<b>Capital employed (Segment Assets Less Segment Liabilities)</b>		
a. Metal	662.31	2,054.26
b. Metallic Oxides	716.52	211.94
c. Plastic Additives	587.56	160.57
d. Others	222.70	(32.70)
d. Un-allocable Assets less Liabilities	1,433.48	1,434.12
<b>Total Capital Employed</b>	<b>3,622.57</b>	<b>3,828.19</b>

**36** The financial results of the current period are not strictly comparable with the corresponding period due to consolidation of results of M/s. Lohia Metals Pvt. Ltd effective from 01.04.2011 pursuant to the merger of the latter with the company vide the order of the Honourable High Court of Madras dated 12<sup>th</sup> March 2012.

**37** Previous year figures have been regrouped/rearranged wherever necessary.

As per our Report of even date

**For Jeeravla & Co**  
Chartered Accountants  
FRN No: 001323S

**Sohan C J Parmar**  
Proprietor  
M.No. 22321

Place : Chennai  
Date : 27.07.2012

**For and on behalf of the Board**

**Anil Kumar Bansal**  
Managing Director

**Sunil Kumar Bansal**  
Director

**K.Kumaravel**  
GM Finance & Company Secretary

## PONDY OXIDES AND CHEMICALS LIMITED

### FIVE YEARS FINANCIAL HIGHLIGHTS

[Amount Rs. in Lakhs]

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Summary of Operations</b>					
Total Income	15971.83	12285.91	16979.48	27279.23	31979.17
Profit Before Tax	776.42	(72.68)	741.55	826.52	432.34
Profit After Tax	491.15	(119.06)	576.70	551.67	287.59
Net Cash Accrual	639.39	40.60	735.54	789.00	570.64
Dividend [incl. Div. Tax]	141.90	59.13	141.90	165.00	130.00
<b>Year-end Financial Position</b>					
Fixed Assets : Net [incl. WIP]	1487.02	1313.97	1751.67	2213.85	2255.27
Investments	82.44	296.94	296.94	296.94	105.91
Net Current Assets	2730.57	3109.72	4697.55	5851.33	6166.11*
<b>Total Assets</b>	4300.03	4720.63	6746.16	8362.12	8527.29
<b>Represented by</b>					
Equity Share Capital	1010.71	1010.71	1010.71	1010.71	1115.20
Reserves & Surplus	461.60	461.60	491.60	521.60	393.10
Profit and Loss Account	812.72	634.38	1033.89	1390.55	2057.19
<b>Net Worth</b>	2285.03	2106.69	2536.20	2922.86	3565.49
Loan Funds	1975.87	2574.50	4178.93	5415.51	4929.45
Deferred Tax Liability [Net]	39.13	39.44	31.03	23.75	32.35
<b>Total Funds</b>	4300.03	4720.63	6746.16	8362.12	8527.29
<b>Per Share Data</b>					
Earnings per share	4.86	(1.18)	5.71	5.46	2.84
Dividend per share	1.20	0.50	1.20	1.40	1.00

\* Includes adjustment for other non-current assets and liabilities

### QUALITY POLICY

*We at Pondy Oxides and Chemicals Limited as a team, are committed to*

- Continually improve quality management systems
- Timely delivery of quality products
- Maintain suitable work environment

*For enhancing customer satisfaction*

**PROXY FORM**

**PONDY OXIDES AND CHEMICALS LIMITED**

Regd. Office : KRM Centre, 4<sup>th</sup> Floor, # 2, Harrington Road, Chetpet, Chennai - 600 031.

No. of shares	Folio / ID No.

I / We ..... of .....  
 being a member / members of Pandy Oxides and Chemicals Limited, hereby appoint .....  
 ..... of ..... or failing him  
 ..... of ..... as my / our  
 proxy to attend and vote for me / us on my / our behalf at the Seventeenth Annual General Meeting of the  
 Company to be held on 7<sup>th</sup> September, 2012 and at any adjournment thereof.

Affix  
 Revenue  
 Stamp  
 Rs.0.15

Signature .....

Note : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. This form duly completed should be deposited at the Registered / Corporate office of the Company at Chennai not later than 48 hours before the commencement of the meeting.

**ATTENDANCE SLIP**

[To be handed over at the entrance of the meeting hall]

**PONDY OXIDES AND CHEMICALS LIMITED**

Regd. Office : KRM Centre, 4<sup>th</sup> Floor, # 2, Harrington Road, Chetpet, Chennai - 600 031.

Name and Address

--

No. of shares	Folio / ID No.

17th ANNUAL GENERAL MEETING AT 10.15 A.M.  
 ON 7<sup>th</sup> SEPTEMBER, 2012  
 AT KASTURI SRINIVASAN HALL (MINI HALL),  
 MUSIC ACADEMY, 306, T.T.K.ROAD, CHENNAI - 600 014

I certify that I am a registered shareholder / proxy of the registered shareholder of the Company.

I hereby record my presence at the above Annual General Meeting of the Company.

A member / proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

**NO GIFTS WILL BE DISTRIBUTED**

Name of Proxy [if any] in BLOCK LETTERS

Signature of Member / Proxy