

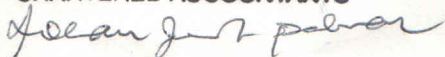





PONDY OXIDES & CHEMICALS LIMITED *POCL*

Form A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	M/s.Pondy Oxides and Chemicals Ltd
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	N.A
5.	To be signed by –	
	<ul style="list-style-type: none">• CEO / Managing Director• CFO• Auditor of the company• Audit Committee Chairman	<p>For PONDY OXIDES & CHEMICALS LIMITED</p> <p> MANAGING DIRECTOR/DIRECTOR</p> <p>For PONDY OXIDES & CHEMICALS LTD.</p> <p> GM Finance & Company Secretary</p> <p>For JEERAVLA & CO., CHARTERED ACCOUNTANTS</p> <p> SOHAN C.J. PARMAR PROPRIETOR M.No. 22321 FRN 001323S</p> <p></p>



KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai - 600 031. India.

Ph. : +91 - 44 - 4296 5454, Fax : +91 - 44 - 4296 5455

e-mail : info@pocl.co.in Web : www.pocl.co.in

CIN No. : L24294TN1995PLC030586

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **M/s. PONDY OXIDES AND CHEMICALS LIMITED** will be held on Friday, September 12, 2014 at 12.15 p.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 Audited Balance Sheet of the Company as at 31st March 2014 and Statement of Profit and Loss for the year ended 31st March 2014 together with notes thereto, the Auditors Report and Directors' Report thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in the place of Sri.Sunil Kumar Bansal (DIN: 00232617), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri.Devakar Bansal (DIN: 00232565), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and fix their remuneration

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT M/s Jeeravla & Co., Chartered Accountants (bearing firm Registration No.: 001323S) the retiring Auditors, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors, in addition to reimbursement of service tax and out of pocket expenses in connection with Audit of the accounts of the Company."

Special Business:**6. Appointment of Sri.D.P. Venkataraman as an Independent Director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri.D.P. Venkataraman (DIN: 00232894), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years commencing from April 1, 2014 and ending with March 31, 2019."

7. Appointment of Sri.Anil Kumar Sachdev as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri. Anil Kumar Sachdev (DIN: 00043431), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years commencing from April 1, 2014 and ending with March 31, 2019."

8. Appointment of Sri.Harish Kumar Lohia as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri.Harish Kumar Lohia (DIN: 00233227), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years commencing from April 1, 2014 and ending with March 31, 2019.”

9. Appointment of Sri.P.N. Sridharan as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Sri.P N Sridharan (DIN: 01916235), who was appointed as a Director liable to retire by rotation, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 5 (Five) consecutive years commencing from April 1, 2014 and ending with March 31, 2019.”

10. Increase in borrowing powers

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in supersession of the resolution adopted by the Company at its Annual General Meeting held on August 28, 2010, the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs. 100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, to the Board of Directors of the Company to mortgage and/or charge all or any off the movable or immovable properties of the Company where so ever situate, present and future, and the whole of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events, to or in favor of public financial institutions, banks and other individuals or concerns to secure loans advanced/agreed to be lent and advanced by them to the Company together with interest thereon at the respective agreed rates, compound interest, commission, remuneration payable to the lenders/agents/trustees.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to creat mortgages / charges as aforesaid.”

11. Related Party Transaction Under Section 188 of the Companies Act, 2013 with M/s. Bansal Chemicals (India)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time

being in force) and subject to the compliances of all applicable laws and regulations, consent of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include a committee of the Board) for a period of three years for the execution of any contract/arrangement for buying and selling of any raw material or finished goods or availing/rendering of any services including services of job work of any nature whatsoever and on such terms and conditions and at such price or prices, as the Board may deem fit, with M/s. Bansal Chemicals (India), upto an amount not exceeding Rs. 10.00 Crores (Rupees Ten Crore Only) per annum.

RESOLVED FURTHER THAT Sri. K Kumaravel, General Manager - Finance and Company Secretary be is hereby authorized to do all such acts, things and deed as may be necessary to give effect to this resolution.”

12. Related Party Transaction Under Section 188 of the Companies Act, 2013 with M/s. Bansal Metallic Oxides

*To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the compliances of all applicable laws and regulations, consent of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include a committee of the Board) for a period of three years for the execution of any contract/arrangement for buying and selling of any raw material or finished goods or availing/rendering of any services including services of job work of any nature whatsoever and on such terms and conditions and at such price or prices, as the Board may deem fit, with M/s. Bansal Metallic Oxides, upto an amount not exceeding Rs. 2.00 Crores (Rupees Two Crores Only) per annum.

RESOLVED FURTHER THAT Sri. K Kumaravel, General Manager - Finance and Company Secretary be is hereby authorized to do all such acts, things and deed as may be necessary to give effect to this resolution.”

13. Related Party Transaction Under Section 188 of the Companies Act, 2013 with M/s. Ardee Industries Private Limited

*To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the compliances of all applicable laws and regulations, consent of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include a committee of the Board) for a period of three years for the execution of any contract/arrangement for buying and selling of any raw material or finished goods or availing/rendering of any services including services of job work of any nature whatsoever and on such terms and conditions and at such price or prices, as the Board may deem fit, with M/s. Ardee Industries Private Limited, upto an amount not exceeding Rs. 2.00 Crores (Rupees Two Crores Only) per annum.

RESOLVED FURTHER THAT Sri. K Kumaravel, General Manager - Finance and Company Secretary be is hereby authorized to do all such acts, things and deed as may be necessary to give effect to this resolution”

14. Related Party Transaction Under Section 188 of the Companies Act, 2013 with M/s. POCL Enterprises Limited

*To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time

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being in force) and subject to the compliances of all applicable laws and regulations, consent of the members of the Company be and is hereby accorded to the Board of Directors (which term shall include a committee of the Board) for a period of three years for the execution of any contract/arrangement for buying and selling of any raw material or finished goods or availing/rendering of any services including services of job work of any nature whatsoever and on such terms and conditions and at such price or prices, as the Board may deem fit, with M/s. POCL Enterprises Limited, upto an amount not exceeding Rs. 5 Crores (Rupees Five Crores Only) per annum.

RESOLVED FURTHER THAT Sri. K Kumaravel, General Manager - Finance and Company Secretary be is hereby authorized to do all such acts, things and deed as may be necessary to give effect to this resolution.”

By Order of the Board
For **Pondy Oxides & Chemicals Ltd.**

K. Kumaravel
GM - Finance & Company Secretary

Place: Chennai
Date: May 28, 2014

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.**
2. **The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
3. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The relevant details as required under Clause 49 of the Listing Agreement, of persons seeking appointment/re-appointment as Directors under Item No. 3, 4 and 6 to 9 of the Notice, are annexed hereto.
7. Members are requested:
 - a) To bring copy of Annual Report to the Meeting. A measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - b) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue.
 - c) Quote the Folio/Client ID and DP ID in all their correspondence.
 - d) To note that NO gifts / Compliments / Coupons will be distributed at the Annual General Meeting.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. **Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date at info@pocl.co.in, so as to enable the Management to keep the information ready at the meeting.**

10. (a) Share Transfer Books of the Company will remain closed on September 12, 2014 for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- (b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched within thirty days to those shareholders whose names are on the Company's Register of Members as on September 12, 2014. The Dividend in respect to the shares held in dematerialized form, will be payable to the beneficial owners of the shares as at the end of the business hours on September 12, 2014 as per the details furnished by the Depositories for this purpose.
- (c) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo.
- 12. Investor Education and Protection Fund:**
- a) Members who have not encashed their dividend warrants for the year 2006-07 and years thereafter are requested to approach the Company for revalidation/issue of duplicate warrants quoting their Ledger Folio/DP-Client ID.
- b) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2005-06, on due date, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- c) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2014 on the website of the Company (www.pocl.co.in).
- d) Pursuant to Section 205A(5) of the Companies Act, 1956, unpaid dividend due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Dividend for the year ended	Date of Declaration	Proposed date of Transfer*
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
March 31, 2012	September 07, 2012	September 11, 2019
March 31, 2013	August 27, 2013	August 31, 2020

*Indicative dates, actual dates may vary.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Cameo.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members can write to us on info@pocl.co.in.

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15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Cameo, for consolidation into a single folio.
16. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Cameo for assistance in this regard.
17. The Notice of the Annual General Meeting along with the Annual Report 2013-14 is being sent by electronic mode to those members whose e-mail address are registered with the Company/Depositories, unless any member has request for a physical copy of the same. For members who have not registered their e-mail address, physical copies are being sent in the permitted mode.
18. **To support the 'Green Initiative' Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
19. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd, (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Company "Pondy Oxides and Chemicals Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

Then enter the Captcha Code as displayed and Click on Login.

- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Sequence Number: *Sequence No. has been provided as Sl. No. in the address label"*

(Please note that as per below for Default PAN the sequence number refers to the sequence number given for each member in the ROM file by the RTA.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.

Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

To avoid this problem of filling a default number in future, members are strongly advised to update their PAN details and dividend bank details immediately with their Depository Participants / RTA – Cameo Corporate Services Limited / Company.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the company "Pondy Oxides and Chemicals Limited" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and/or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format to the scrutinizer through e-mail to evoting.ksmassociates@gmail.com for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

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- II. The voting period begins at 09.30 AM on 04th September 2014 and ends at 06.00 PM on 06th September 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (for e-voting) of 25th July 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date for e-voting) of 25th July 2014.
- V. Sri.Krishna Sharan Mishra (having Membership No. 6447 and Certificate of Practice No. 7039) of M/s. KSM Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pocl.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

Explanatory Statement **(Pursuant to Section 102 of the Companies Act, 2013)**

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 6 to 14 of the accompanying notice:

Item No. 6 to 9: Appointment of Independent Directors

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements appointed Sri. D.P. Venkataraman, Sri. Anil Kumar Sachdev, Sri. Harish Kumar Lohia and Sri. P.N. Sridharan, as Independent Director at various times, in compliance with the requirement of the Clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, Independent Directors are not liable to retire by rotation.

The Remuneration Committee has recommended the appointment of above directors as Independent Directors with effect from April 1, 2014 to hold the office till March 31, 2019.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Sri.D.P. Venkataraman, Sri.Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P.N. Sridharan for the office of Directors of the Company.

The Company has received declarations from Sri.D.P.Venkataraman, Sri. Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P N Sridharan that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Sri.D.P. Venkataraman, Sri.Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P.N. Sridharan fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the Management.

Brief resume of Sri.D.P. Venkataraman, Sri.Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P.N. Sridharan, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, forms part of this Annual Report.

The Board considers that continued association with the above mentioned Independent Directors would be of immense benefit to the Company and it is desirable to continue to avail their services.

Copies of the letters for respective appointments of Sri.D.P.Venkataraman, Sri. Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P N Sridharan as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Sri.D.P. Venkataraman, Sri.Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P.N. Sridharan are interested in the resolutions set out respectively at Item Nos. 6 and 9 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 6 and 9 of the Notice for approval by the shareholders.

Item No. 10 : Increase in borrowing powers

The shareholders at the Annual General Meeting held on August 28, 2010 had accorded their consent to the Board of Directors to borrow upto Rs. 100 Crore. The approval of the shareholders was obtained by way of passing Ordinary Resolution as required under Section 293(1)(d) of the Companies Act, 1956.

As per Section 180(1)(c) of the Companies Act, 2013, approval for borrowing by the Board of Directors in

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excess of paid up capital and free reserves has to be obtained by way of Special resolution. Further Ministry of Corporate Affairs (Ministry) vide its General Circular No. 4/2014 dated March 25, 2014 has provided a time limit of one year to obtain the approval of the shareholders by passing special resolution.

Pursuant to the provisions of the Companies Act 2013 and circular issued by the Ministry in this regard, the Company proposes to obtain the approval of shareholders by way of special resolution to borrow in excess of paid up capital and free reserves of the Company (that is to say, reserves not set apart for any specific purpose) but the outstanding amount not exceeding Rs. 100 Crores at any point of time.

Accordingly the Board commends resolution No. 10 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in this resolution.

RELATED PARTY TRANSACTIONS:

The provisions of Section 188 of the Companies Act, 2013 read with the relevant Rules issued thereunder requires a Company whose paid up share capital is Rs. 10 Crore or more to obtain the prior approval of the Shareholders by way of special resolution before entering into any transactions with the related parties.

Further as per revised Clause 49 of the Listing Agreement which is effective from October 1, 2014, all existing material related party contracts or arrangements which are likely to continue beyond March 31, 2015 also requires the approval of the shareholders.

Item No. 11 : Related Party Transaction with M/s. Bansal Chemicals (India)

The Company wants to sell its metallic oxides products in retail market. However due to uneconomical quantities involved and large number of buyers in the retail market, the Company is not able reach to the end customer directly though the products are sold directly by the company to the bulk customers. M/s. Bansal Chemicals (India) where some of the Directors are interested as partners are traders in chemicals approached the company to sell the products of the company through their retail marketing network. Similarly when some of the raw materials are not available with the regular suppliers or where there is price advantage, purchase can be made from M/s. Bansal Chemicals (India) as they are dealers in chemicals and metals. Further M/s. Bansal Chemicals (India) is in the field of chemical trading for the past 35 years and in view of their experience in the market, they are better placed compared to the other players in the market.

Further the Company also saves transportation and carriage outward charges on the sale of small quantities to retail customers and risk involved in the realization of sale proceeds.

Item No. 12 : Related Party Transaction with M/s. Bansal Metallic Oxides

At present, the Company has limited installed capacity for the manufacture of PVC stabilizers and Metallic Oxides. To meet the market demand and to overcome the capacity constraints of the Company, a part of conversion work in the manufacture of PVC stabilizer and metallic oxides upto intermediate stage is being carried out outside on job work basis. For this work the Company is availing the services of parties who have spare capacity. The Company gives such job work to the firm M/s. Bansal Metallic Oxides where some of the Directors are interested as partners who have spare capacity. By this process, the Company is able to increase its production of PVC stabilizers and metallic oxides and supply the material in time to customers and is also able to reduce its cost of production.

Further the Company is having a unit for the manufacture of zinc metal and has obtained CPCB license and hence is capable of supplying zinc metal and has obtained to various oxide manufacturers. As M/s. Bansal Metallic Oxides is the manufacture of metallic oxide, they approached the company for the supply of zinc metal.

M/s. Bansal Metallic Oxides would like to sell the zinc oxide waste generated from their factory to the Company as we are the authorized licensed holder to reprocess the scrap.

In the above process, the Company also saves transportation cost and time since the factory of M/s. Bansal Metallic Oxides is situated nearer to the factory of the company at Pondicherry.

Item No. 13 : Related Party Transaction with M/s. Ardee Industries Private Limited

The Company has a production capacity to manufacture metallic oxide and plastic additives and buying the required raw material of zinc metals from foreign and indigenous suppliers. Due to lead time involved in the import of raw material, the Company finds it difficult to meet its raw material requirement in time and to maintain optimum inventory level, the company has to sell or purchase the required raw material as per the production schedule.

M/s. Ardee Industries Private Limited who are the manufacturers of zinc oxides having factory at Pondicherry wherein some of the Directors of the Company are interested as directors sometimes approach the Company for raw material zinc metal and if the Company has surplus quantity of raw material in excess of its requirements, its sells the raw material to Ardee Industries Private Limited with a profit margin.

Further if Ardee Industries Private Limited has surplus capacity, they can do job work for the company by manufacturing zinc oxides for the company and sell zinc oxide waste for the company's Zinc Refining Division. As the raw material is common for both the companies, sometimes the Company has to buy metal from Ardee Industries Private Limited when there is acute shortage of raw material in the Company.

Further the Company also saves transportation and carriage outward charges on the sale of excess material and risk involved in the realization of sale proceeds.

Item No. 14 : Related Party Transaction with M/s. POCL Enterprises Limited

Since M/s. POCL Enterprises Limited is wholly owned subsidiary of the Company and dealing in trading of metals, Company used to buy some of the major raw materials from them at the competitive rate when there is price advantage. Therefore in the ordinary course of business and to cater the demands of the market, the Company is required to enter into transactions with M/s. POCL Enterprises Limited with includes buying, selling of raw material and availing or rendering of services including services of job work.

The prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meeting of the Board and its powers) Rules, 2014 are given herein below for the kind perusal of members:

Related Party	Nature of Relationship	Director or Key Managerial Personnel (KMP) who are interested	*Value of Transaction per annum
Bansal Chemicals (India)	Directors of the Company are partners in the firm	Mr. Sunil Kumar Bansal Mr. Devakar Bansal	Rs. 10 Crore
Bansal Metallic Oxides	Directors of the Company are partners in the firm	Mr. Sunil Kumar Bansal Mr. Devakar Bansal	Rs. 2 Crore
Ardee Industries Private Limited	Group Company	Mr. Devakar Bansal Mr. K Kumaravel	Rs. 2 Crore
POCL Enterprises Limited	Wholly Owned Subsidiary	All Directors of POCL Enterprises Ltd are directors / Key Managerial Personnel in the Company.	Rs. 5 Crore

*Includes the nature of buying and selling of any raw material or finished goods on agreed quantity basis and availing/rendering of any services including services of job work on case to case basis for the monetary value mentioned above for a period of 3 years.

Members are hereby informed that pursuant to the second proviso to Section 188(1) of the Companies Act, 2013 no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

POCL

The Audit Committee/Board of Directors of the Company has approved the above business in their meeting held on May 28, 2014. The Board recommends the resolution in the accompanying notice for the approval of the members by means of a Special Resolution.

None of the Directors and KMP of the Company other than Dr. Padam C Bansal, Sri. Anil Kumar Bansal and Sri. R P Bansal (Being relative of Sri. Sunil Kumar Bansal and Sri. Devakar Bansal) are deemed to be concerned or interested in the above resolution.

By Order of the Board
For **Pondy Oxides & Chemicals Ltd.**

Place : Chennai
Date : May 28, 2014

K. Kumaravel
GM - Finance & Company Secretary

**Information of the Directors Seeking Re-appointment at the Nineteenth Annual General Meeting.
[As Required under Clause 49 IV [G][i] of the Listing Agreement]**

Name of the Director	Sri.Sunil Kumar Bansal	Sri.Devakar Bansal	Sri. D.P.Venkataraman	Sri. Anil Kumar Sachdev	Sri.Harish Kumar Lohia	Sri.P.N Sridharan
Date of Birth	June 30, 1959	May 23, 1960	January 30, 1936	December 19, 1953	February 27, 1958	June 15, 1969
Date of appointment	March 21, 1995	March 21, 1995	January 28, 2002	November 02, 1995	July 27, 2005	April 24, 2008
DIN	00232617	00232565	00232894	00043431	00233227	01916235
Relationship to any Director between Directors inter-se	Brother of Promoter – Directors*	Brother of Promoter - Directors*	Not related to any Director of the Company	Not related to any Director of the Company	Not related to any Director of the Company	Not related to any Director of the Company
Qualification and Expertise	B.Com Specialisation in Finance & Purchase	B.Sc Specialisation in Production	B.Sc, CAIIB Specialisation in Banking	M.B.A – Specialisation in Finance	B.Com Specialisation in Marketing	M.A Public Admin Specialisation in Public Relations
Directorship held in other public companies	POCL Enterprises Limited	NIL	NIL	POCL Enterprises Limited	NIL	NIL
Membership/ Chairmanship of Committees across other public companies, committee, if any	Pondy Oxides and Chemicals Ltd Share Transfer Committee	NIL	Pondy Oxides and Chemicals Limited Audit Committee Remuneration Committee; Stakeholders Relationship Committee	Pondy Oxides and Chemicals Limited Audit Committee Remuneration Committee; Stakeholders Relationship Committee	Pondy Oxides and Chemicals Limited Audit Committee Remuneration Committee; Stakeholders Relationship Committee	Pondy Oxides and Chemicals Limited Audit Committee
Number of shares held as on March 31, 2014	4,79,747	4,84,833	NIL	3,630	17,390	NIL

* Promoter Directors are

- 1) Dr. Padam C Bansal,
- 2) Sri. Anil Kumar Bansal
- 3) Sri. Sunil Kumar Bansal
- 4) Sri. R. P. Bansal
- 5) Sri. Devakar Bansal

PONDY OXIDES AND CHEMICALS LIMITED

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

CIN : L24294TN1995PLC030586

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s) :
Registered address :
E-mail ID :
Folio No./Client ID. DP ID :

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : Address :

E-mail ID : Signature :or failing him,

2. Name : Address :

E-mail ID : Signature :or failing him,

3. Name : Address :

E-mail ID : Signature :or failing him,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Friday, 12th September 2014, at 12.15 p.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K.Road, Chennai – 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 st March 2014 and Statement of Profit and Loss for the year ended 31 st March 2014 together with notes thereto, the Auditors Report and Directors' Report thereon.
2.	To declare Dividend on Equity Shares for the financial year ended 31 st March 2014.
3.	To appoint a Director in the place of Mr. Sunil Kumar Bansal (DIN: 00232617), who retires by rotation and being eligible, offers himself for reappointment.
4.	To appoint a Director in the place of Mr. Devakar Bansal (DIN: 00232565), who retires by rotation and being eligible, offers himself for reappointment.
5.	To appoint Statutory Auditors and fix their remuneration
Special Business	
6.	Appointment of Sri. D.P. Venkataraman as an Independent Director
7.	Appointment of Sri. Anil Kumar Sachdev as an Independent Director
8.	Appointment of Sri. Harish Kumar Lohia as an Independent Director
9.	Appointment of Sri. P.N. Sridharan as an Independent Director
10.	Increase in borrowing powers

(Cont.,...)

Resolution No.	Resolution
	Special Business
11.	Related Party Transaction with M/s. Bansal Chemicals (India)
12.	Related Party Transaction with M/s. Bansal Metallic Oxides
13.	Related Party Transaction with M/s. Ardee Industries Private Limited
14.	Related Party Transaction with M/s. POCL Enterprises Limited

Signed this day of 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix Rs.1 Revenue Stamp

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details of member(s) in the above box before submission.



ATTENDANCE SLIP

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

PONDY OXIDES AND CHEMICALS LIMITED

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

Name and Address

--

No. of shares	Folio / ID No.

19th ANNUAL GENERAL MEETING AT 12.15 P.M.
ON FRIDAY THE 12th SEPTEMBER, 2014
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.

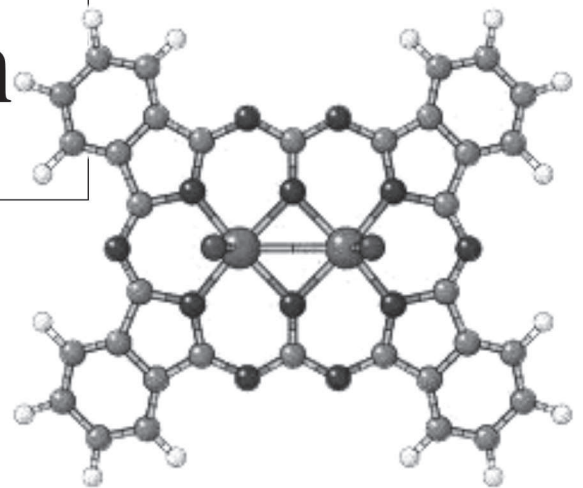
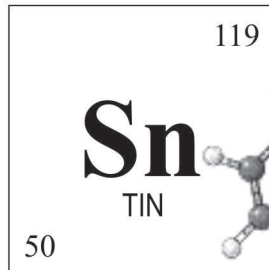
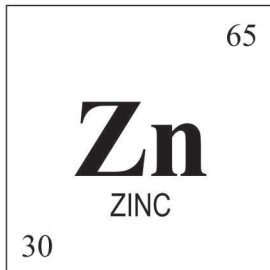
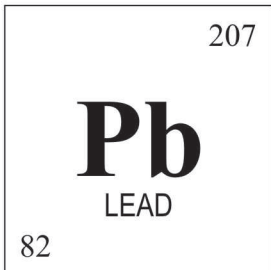
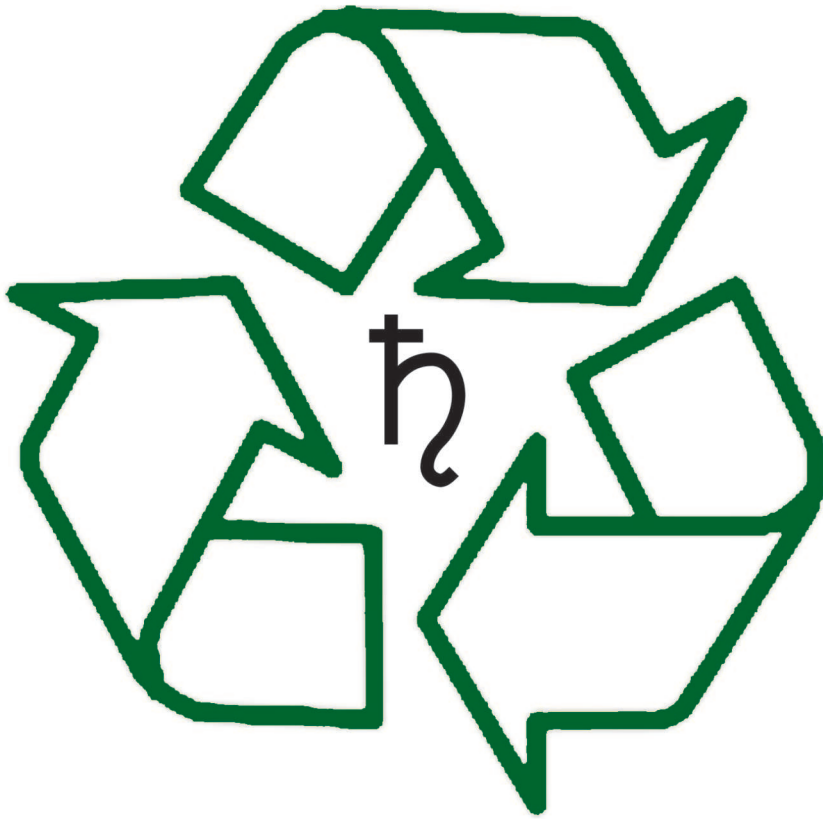
A member / proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the meeting hall.

NO GIFTS WILL BE DISTRIBUTED

Name of Proxy [if any] in BLOCK LETTERS

Signature of Member / Proxy

POCL



NINETEENTH ANNUAL REPORT
2013-2014

PONDY OXIDES & CHEMICALS LIMITED

PONDY OXIDES AND CHEMICALS LIMITED

BOARD OF DIRECTORS

Dr. Padam C 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

Metalic Oxides Division [M O D]

Behind A-73 & 74, PIPDIC Industrial Estate
Mettupalayam, Puducherry– 605 009

Plastic Additives Division [P A D]

Sembiapalayam, Korkadu post
Puducherry – 605 110

Smelter Division [S M D]

G 17 - G 19 & G 30 - G 32, SIPCOT Industrial
Park, Pondur Post, 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 - 603209

REGISTERED OFFICE

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

AUDITORS

M/s Jeeravla & Co.,
Chartered Accountants
New # 27 (Old # 19A) Ist Floor, Barnaby Road,
Kilpauk, Chennai - 600 010
Phone No. : +91-044 - 26421022

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai – 600 002
Phone : 91-044-28460390 [5 lines]
Fax : 91-044-28460129
E-mail : cameo@cameo.india.com

LISTING

The Bombay Stock Exchange
Madras Stock Exchange
National Stock Exchange [Under permitted Category]

NINETEENTH ANNUAL GENERAL MEETING

Day : Friday

Date : September 12, 2014

Time : 12.15 p.m.

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

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DIRECTORS' REPORT

Dear Shareowners,

Your Directors have pleasure in presenting Nineteenth Annual Report together with the Audited Balance Sheet and Statement of Profit and Loss for the financial year ended March 31, 2014.

FINANCIAL RESULTS

Rs. in Lakhs

PARTICULARS	2013-14	2012-13
Operational Income	44824.36	34242.64
Other Income	135.59	375.12
EBIDAT	1479.64	1339.33
Interest and Financial Charges	832.02	763.55
Depreciation & amortization	224.55	232.90
Profit before taxation	423.07	342.88
Exceptional Item	—	60.85
Provision for taxes	141.71	127.67
Net Profit for the year	281.36	276.06
Appropriations		
General Reserve	15.00	15.00
Proposed Dividend on equity shares	111.52	111.52
Tax on proposed dividend	18.09	18.09
Surplus carried forward to next year	136.75	131.45

DIVIDEND

Your Directors has recommended a dividend of Re. 1 [10%] per equity share of Rs.10/- each for the financial year 2013-14. The payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting. The total cash flow on account of this dividend including dividend distribution tax thereon will be Rs. 129.61 Lakhs. The dividend will be tax free in the hands of the shareholders.

PERFORMANCE REVIEW

The highlights of the Company's performance are as under:

- Revenue from Operations of the Company increased from Rs. 34242.64 Lakhs to Rs.44824.36 Lakhs thereby showing a growth of 31%
- Exports of the Company increased from Rs. 14061.14 Lakhs to Rs. 21366.00 Lakhs showing an increase of 52% over the previous year and reflects that products of the company are considered favorably in the international market
- Profit before exceptional and extra-ordinary items for the year was Rs. 423.07 Lakhs against Rs. 342.88 Lakhs showing an increase of 23% over the previous year though profit after tax of the company remained at Rs. 281.36 Lakhs as compared to Rs. 276.06 Lakhs of previous year.

APPROPRIATIONS

For the year under review, the Board has proposed to transfer Rs. 15.00 Lakhs to General Reserve and an amount of Rs. 136.76 Lakhs is proposed to be retained in the Profit & Loss account.

SUBSIDIARY COMPANY

The Company as on March 31, 2014 has one Subsidiary Company namely M/s. POCL Enterprises Limited. The Subsidiary Company is prominently engaged in trading of various metals and chemicals and there has been no material change in the nature of business of the subsidiary company other than the change in the turnover and profitability during the year 2013-14.

As per Section 212 of the Companies Act, 1956, we are required to attach the Balance Sheet, Statement of Profit and Loss and other documents of our subsidiary company. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011, dated February 08, 2011, exempted companies from complying with Section 212, provided such companies, *inter alia* publish audited consolidated financial statements in the Annual Report.

The Company has consolidated its annual accounts with its subsidiary company and the same forms part of this Annual Report. Accordingly, this Annual Report does not contain the financial statements of our subsidiary. Further the statement pursuant to Section 212 of Companies Act, 1956, highlighting the summary of the financial performance of our subsidiary is annexed to this report.

Any member intends to have a certified copy of the Balance Sheet and other financial statements of the subsidiary may write to the Company. These documents are available for inspection during business hours at the Registered Office of the Company and also at the Registered Office of the subsidiary company.

Further the accounts of the Company including that of the subsidiary company are available at the website of the company which may be accessed at www.pocl.co.in.

RESTRUCTURING OF COMPANIES

At present, Your Company have three segments namely (i) Metal (ii) Metallic Oxides and (iii) Plastic Additives, located in Puducherry and Tamilnadu. Out of the total turnover of the Company, Metal segment contributes 65% of total turnover of the Company as per audited Balance Sheet for the year 2012-13. To focus more on the individual products and to give value addition to the shareholders of the company, the Board of Directors in their meeting held on December 18, 2013 approved the Demerger of the undertakings subject to the approval of various authorities and shareholders and accordingly it is proposed to demerge the verticals representing Metallic Oxides and Plastic Additives Division with subsidiary company M/s. POCL Enterprises Limited, while the Metal Division represented by Lead Smelting and Alloying will be retained with the Company. The Division retained by the Company currently contributes to 2/3rd of the total turnover which is expected to go up further.

The above demerger is proposed, *inter alia*, for the following reasons:

- The demerger will help better Risk Management by the respective companies against business volatilities faced by different Divisions.
- Further, this Demerger will enable the respective companies to focus their attention on their respective Divisions taking into account the development in the respective industry.
- Furthermore, this will have a positive impact on the Company's growth plan to excel in the non-ferrous metals field and create a stronger foot hold in the market space by further increasing its presence as a focused player in the non-ferrous metal industry.
- The Shareholders will get appreciation for their original investment based on the growth of both entities in turnover and profitability.
- As a combined effect, the shareholders also are expected to get benefitted by the demerger. They will also have the benefit of two listed entities and hence better liquidity for their shares and possibility of better returns, compared to pre-merger scenario.

POCL

On receipt of necessary approvals from the Stock Exchanges and statutory authorities, the Scheme will be presented to the shareholders for their approval.

AWARDS AND RECOGNITION

The Company has been awarded a Gold Trophy for being one of the Top Exporter for the financial year 2011-12 by Engineering Export Promotion Council (EEPC India). The Hon'ble Chief Minister of Kerala has presented the awarded to the Company.

The award has boosted the morale of the Company. The Board is confident about the future prospectus of the Company and will strive to improve its sales performance at National and Global level.

EXPANSION PROGRAMME

Andhra Project

As informed in the earlier Annual Report, POCL is setting up its smelter in Chittoor District in Seemandra and the capacity of the lead metal production will shoot up by approximately 24,000 Mt per annum and this will be the right time for market growth as we expect deficit from primary producers. The plant is expected to be completed by October 2014 with production commencing from December 2014.

Sriperumbudur Project

In the last Annual Report for the year 2013, company has informed the stakeholder's that 1.36 acres of land had been purchased at SIPCOT Industrial Park, Pondur Post, Sriperumbudur, Kancheepuram District, Tamilnadu and has made arrangements for setting up a trading warehouse for metals not manufactured by the Company.

DIRECTOR

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Sri.Sunil Kumar Bansal and Sri.Devakar Bansal are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

As per the provisions of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Sri.D P Venkataraman, Sri.Anil Kumar Sachdev, Sri.Harish Kumar Lohia and Sri.P.N. Sridharan are proposed to be appointed for a period of five years.

AUDITORS

The Statutory Auditors M/s. Jeeravla & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to accept office, if re-appointed.

Further the Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits as provided under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

Your Directors recommend re-appointment of M/s. Jeeravla & Co., Chartered Accountants, Chennai as the statutory auditors of the Company for the financial year 2014-15 and request the members to authorize the Board of Directors to fix their remuneration.

COST AUDITOR

The Board of Directors at their meeting held on May 30, 2013 has appointed M/s. Vivekanandan Unni & Associates, Cost Accountants as Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year 2013-14.

DEPOSITS

The Company has not invited deposits from public during the year under review. However it has accepted unsecured loans from directors, friends and related parties.

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.

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.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As at March 31, 2014, Dividend amounting to Rs. 10.84 Lakhs has not been claimed by shareholders. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

As per the provisions of Section 205A(5) and 205C of the Companies Act, 1956 dividends which remained unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account are required to be credited to IEPF.

Accordingly, unclaimed dividend amount of Rs 1.36 Lakhs in respect of the financial year 2005-06 was transferred to IEPF during the year.

Further, Unclaimed dividend amounting to Rs. 1.04 Lakhs in respect of the financial year 2006-07 is due for transfer to IEPF on September 26, 2014.

In terms of Section 205C of the Companies Act, 1956, no claim would lie against the Company or the said fund after the said transfer.

Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2014 on its website (www.pocl.co.in).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements 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, 2014, the applicable Accounting Standards have been followed along with proper explanation 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, 2014 and of the Profit or Loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.'

CORPORATE GOVERNANCE

Your Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations without compromising compliances with laws and regulations framed by SEBI in this regard. The Company is committed to maintain the highest standard of Corporate Governance.

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis Report and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, forming part of this Annual Report.

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

POCL

officers, staff and employees of the Company at all levels for their dedicated efforts to improve the performance of the Company.

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 expressed/ implied, depending on the economic conditions, Government policies and other incidental factors and developments.

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 28, 2014

Anil Kumar Bansal
Managing Director
(DIN: 00232223)

D.P.Venkataraman
Vice Chairman
(DIN: 00232894)

ANNEXURE 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, 2014.

1. Conservation of energy

- a. Energy Conservation measures taken : Nil
- b. Additional investments and proposals if any, being implemented for reduction of consumption of energy; : Nil
- 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. : Not applicable
- d. Total Energy consumption and energy consumption per unit of production

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

1. Part A - Power and fuel consumption

S. No.	Particulars	Current Year 2013-2014	Previous Year 2012-2013
1.	Electricity		
	a. Purchased		
	Units	2067224	1994879
	Total Amount	Rs. in lakhs 135.10	101.25
	Rate	Rs. per unit 6.54	5.07
	b. Own Generation		
	Through Diesel Generator	Units 845930	956762
	Value of diesel consumed	Rs. in lakhs 124.08	161.26
	Cost	Rs. Per unit 14.67	16.85
	Units per litre of diesel	3.59	3.05
2.	Coal		
	Quantity	In Mt 496.80	1232
	Amount	Rs. in lakhs 45.96	112.52
	Average Rate	Rs. 9247	9134
3.	Furnace Oil		
	Quantity	In K. Ltrs 1176	1511
	Amount	Rs. in lakhs 500.66	610.75
	Average Rate	Rs. 42557	40420
4.	Others:		
	Diesel		
	Quantity	In K. Ltrs 864	665
	Amount	Rs. in lakhs 460.63	325.47
	Average Rate	Rs. 53302	48910

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.21,366 lacs (Export Sales) and used Foreign Exchange of Rs.30,950.07 lacs (Raw Materials Rs.30,912.68 lacs and Rs.32.61 lacs towards Foreign Travel, Membership Fees and Commission expenses and Rs.4.78 lacs towards dividend)

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 28, 2014

Anil Kumar Bansal
Managing Director
(DIN: 00232223)

D.P.Venkataraman
Vice Chairman
(DIN: 00232894)

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement, the report containing the details of corporate governance systems and processes at Pondy Oxides and Chemicals Limited is as follows:

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

POCL believes that Corporate Governance of a company lies in the two pillars:

- ✓ Transparency and
- ✓ Accountability

At POCL, we aim to achieve highest level of transparency and accountability. We conduct our business and operations with equity and ethics and without compromising compliances with laws and regulations.

The Company files all necessary and timely information with all the regulatory authorities to enable the investors and shareholders to take sound investment decision. POCL takes ethical business decision and conducts its business with a firm commitment to values while meeting shareholders expectations. At POCL, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

We also take several initiatives for maintaining the highest standards of corporate governance which include efficient shareholders' communications, observance of Secretarial Standards issued by the Institute of Company Secretaries of India, best governance practices etc.,

The Company will continue its journey in raising the standards in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

BOARD OF DIRECTORS

Composition

The Board of Directors is the body constituted by the shareholders for overseeing the Company's overall functioning. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors so as to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2014, the Board consists of 11 directors:

Category	Name of Director
Promoter Non-Executive Director/ Chairman	Dr. Padam C Bansal
Promoter Executive Directors	Sri. Anil Kumar Bansal Sri. Sunil Kumar Bansal Sri. R P Bansal Sri. Devakar Bansal Sri. Ashish Bansal
Executive Director	Sri. Y V Raman
Independent Directors	Sri. D P Venkataraman Sri. Anil Kumar Sachdev Sri. Harish Kumar Lohia Sri. P N Sridharan

Board Meetings

A Minimum of four Board Meetings are held every year. Additional Board Meetings are convened depending upon the needs and business to be transacted. Notice and Agenda for the Board Meetings are circulated in

POCL

advance to enable the directors to understand the business to be transacted at the meeting so that a sound and wise decisions can be taken.

Eight Board meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings are given below:

Date of Board Meeting	Board Strength	No. of Directors Present
April 1, 2013	11	7
May 30, 2013	11	8
July 30, 2013	11	10
August 28, 2013	11	8
October 25, 2013	11	8
December 18, 2013	11	9
February 7, 2014	11	7
March 20, 2014	11	6

At least One Board Meeting was held during every quarter. The Maximum gap between two Board Meetings was not more than 120 days.

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies were as under:

Name of Director	Attendance at Meetings during 2013-14		Number of Directorships in other public Companies	Memberships of other Committee	
	Board meeting	Last AGM		Chairman	Member
Sri. Anil Kumar Bansal	8	Yes	1	1	-
Sri. Sunil Kumar Bansal	6	Yes	1	-	1
Dr. Padam C Bansal	1	Yes	-	-	-
Sri. R P Bansal	6	Yes	1	-	-
Sri. Devakar Bansal	8	Yes	-	-	-
Sri. Ashish Bansal	7	Yes	1	-	-
Sri. Y V Raman	8	Yes	-	-	1
Sri. D P Venkataraman	8	Yes	-	3	-
Sri. Anil Kumar Sachdev	4	Yes	1	-	3
Sri. Harish Kumar Lohia	3	Yes	-	-	3
Sri. P N Sridharan	4	Yes	-	-	1

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

AUDIT COMMITTEE

Terms of Reference

Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956 (Corresponding to Section 177 of the Companies Act, 2013) mandates the Company to form an Audit Committee.

The primary objective of the Audit Committee is to:

- Monitor and oversee the Company's financial reporting process and disclosure of its financial information.
- Recommend the appointment of statutory auditors and internal auditors.
- Review and discuss with the auditors all aspects of internal control system including the scope of audit, 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;

- Review the reports of the Company's Internal Auditors and to discuss with them any significant findings for follow up action thereon;
- Review the financial statements audited by the Statutory Auditors and also to review financial and risk management policies and practices.

Composition and attendance

During the year 2013-2014, the Committee met Six times on:-

1. May 30, 2013
2. July 30, 2013
3. October 25, 2013
4. December 18, 2013
5. February 7, 2014
6. March 20, 2014

Name of the Director	Category	Meetings attended
Sri. D. P Venkataraman	Non-Executive Director-Independent-Chairman	6
Sri. Anil Kumar Sachdev	Non-Executive Director-Independent-Member	6
Sri. Harish Kumar Lohia	Non-Executive Director-Independent-Member	6
Sri. P.N.Sridharan	Non-Executive Director-Independent-Member	6

- All the Members of the Audit Committee were present for all the meetings.
- 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 Eighteen Annual General Meeting held on August 27, 2013.

REMUNERATION COMMITTEE

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 / Whole Time Director[s].

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 from April 1 annually) within the salary scale approved by the Members and permitted under the Companies Act, 1956 / 2013.

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Composition and attendance at meetings of Remuneration Committee

During the year 2013-2014, the Committee met on April 01, 2013 to decide on increment in remuneration payable to Directors for the year 2013-14. Further, the Committee also met on March 20, 2014 to decide on increment in remuneration payable Directors for the year 2014-15. The composition and attendance at the Remuneration Committee meeting during the year was as under:

Name of the Director	Category	Meeting Attended
Sri.D.P. Venkataraman	Non-Executive Director-Independent – Chairman	2
Sri.Anil Kumar Sachdev	Non-Executive Director-Independent - Member	2
Sri.Harish Kumar Lohia	Non-Executive Director-Independent - Member	2

The G.M Finance & Company Secretary acts as the Secretary of the Remuneration Committee.

The nomenclature of the Committee has been changed to Nomination and Remuneration Committee to bring line-in with the provision of Section 178 of the Companies Act, 2013.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Terms of Reference

The Shareholders'/Investors' Grievance Committee, inter alia, 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.

The nomenclature of the Committee has been changed to Stakeholders Relationship Committee to bring line-in with the provision of Section 178 of the Companies Act, 2013

Composition

The Committee comprises of 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 2013-2014, the Committee met four times on the following dates and reviewed/ resolved the Investors' Grievances:

1. April 1, 2013
2. July 30, 2013
3. October 25, 2013
4. February 7, 2014

The G.M Finance & Company Secretary acts as the Secretary of the Committee.

The status of the Complaints received from the shareholders during the period April 1, 2013 to March 31, 2014 is detailed as 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	15	15	Nil

SHARE TRANSFER COMMITTEE**Terms of Reference**

- Transfer/ transmission/ transposition of shares.
- Consolidation/ Splitting of shares.
- Issue of Duplicate Share Certificates, confirmation of demat / remat requests, review of shares dematerialized and all other related matters.

Composition:

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

During the year 2013-2014, the Committee met Seven times on

- April 3, 2013
- May 3, 2013
- June 3, 2013
- October 3, 2013
- December 6, 2013
- February 4, 2014
- March 3, 2014

The Committee in its meetings held on above dates approved the Transfer of shares of 1,012 and Dematerialisation request of 11,152 shares.

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
2010-11	16th AGM - September 24, 2011	11.00 a.m.	Narada Gana Sabha Mini Hall, 314 (Old No.254), T.T.K. Road, Chennai-600 018.	NIL
2011-12	17th AGM - September 7, 2012	10.15 a.m.	Music Academy, 306 T.T.K. Road, Chennai – 600014	NIL
2012-13	18 th AGM - August 27, 2013	11.00 a.m.	Music Academy, 306 T.T.K. Road, Chennai – 600014	NIL

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14

Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

REMUNERATION OF DIRECTORS

Rs. in lakhs

Name of the Director	Salary [Basic]	Perquisites & Allowances	Total
Sri. Anil Kumar Bansal - Managing Director	24.00	15.57	39.57
Sri. Sunil Kumar Bansal - Whole Time Director	19.20	13.06	32.26
Sri. R.P. Bansal - Whole Time Director	19.20	11.86	31.06
Sri. Devakar Bansal - Whole Time Director	19.20	10.30	29.50
Sri. Ashish Bansal – Whole Time Director	16.80	12.34	29.14
Sri. Y. V. Raman - Whole Time Director	5.64	4.33	9.97

The Board of Directors decides the remuneration / sitting fees of Non-Executive - Independent Directors). The Non-Executive-Independent Directors are paid sitting fees of Rs. 3,000/- each per meeting of the Board, attended by them.

Details of shares of the Company held by the Non-Executive Directors as on March 31, 2014 are as under:

Dr. Padam C Bansal	: 4,25,626 shares
Sri. D.P.Venkataraman	: Nil
Sri. Anil Kumar Sachdev	: 3,630 shares
Sri. Harish Kumar Lohia	: 17,390 shares
Sri. P.N.Sridharan	: Nil

DISCLOSURES

[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. The Code is also hosted on the website of 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] Reconciliation of Share Capital Audit Report

In line with the requirements of SEBI, Reconciliation of Share Capital Audit Report is carried out on a quarterly basis by a qualified Practicing Company Secretary to confirm that the aggregate 1,11,51,985 (One Crore Eleven Lakhs Fifty One Thousand Nine Hundred and Eighty Five) number of Equity Shares of the Company held in NSDL and CDSL and in physical form tally with the total number of issued/ paid up, listed and admitted capital of the Company.

MEANS OF COMMUNICATION

The Company has a functioning website (www.pocl.co.in) wherein the details about the Company, its shareholding pattern and financial results are being updated on a quarterly basis. The financial results are also published in daily newspapers in accordance with the Listing agreement.

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, Companies Act, 2013 and other applicable laws.

[b] Remuneration Committee

The Board has set up a Remuneration Committee (Nomenclature of the Committee has been changed to Nomination and Remuneration Committee to bring in-line with Section 178 of the Companies Act, 2013) 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

Financial Performances are published in a leading Tamil and English Newspapers having wide circulation and are also hosted on the website (www.pocl.co.in) of the Company. Hence, half-yearly declaration of financial performance including summary of the significant events is not being sent to shareholders individually.

[d] Audit Qualifications

During the period under review, there are no audit qualifications in its 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 five 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.

[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.

No personnel of the Company have been denied access to the Audit Committee.

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.

GENERAL SHAREHOLDERS INFORMATION

1. Company Registration Details

Pondy Oxides and Chemicals Limited was incorporated on March 21, 1995. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is **L24294TN1995PLC030586**. Presently, the Registered Office of the Company is situated at KRM Centre, 4th Floor, #2, Harrington Road, Chetpet, Chennai- 600 031.

2. Annual General Meeting

Annual General Meeting of the Company will be held on Friday, September 12, 2014 at 12.15 p.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K Road, Chennai- 600 014.

3. Financial Year

April 1, 2013 to March 31, 2014

4. Book Closure

Share Transfer Books of the Company will remain closed on September 12, 2014

5. Dividend Payment Date:

The final dividend, if declared shall be Credit/paid on or after September 12, 2014 but before October 11, 2014.

6. Listing on Stock Exchange and Stock Code

Equity Shares of the Company are listed in:

1. The Bombay Stock Exchange Limited
Stock Code: 532626
2. Madras Stock Exchange Limited
Trading Symbol: PONDYOXIDE
3. National Stock Exchange of India Limited (Under permitted category)
International Security Identification Number allotted [ISIN] allotted to our shares under Depository System is **INE063E01038**

Payment of Listing / Custodian Fee

Annual Listing Fee to BSE and MSE and Custodian Fee to NSDL and CDSL for the year 2013-14 had been paid by the Company. Listing Fees and Custodian Fees for the year 2014-15 has also been paid.

7. Registrar and Share Transfer Agents

Name and Address : M/s. Cameo Corporate Services Limited
Unit: Pondy Oxides and Chemicals Limited
Subramanian Building, No.1, Club House Road
Chennai – 600 002
Telephone :91-044-2846 0390
Fax No :91-044 2846 0129
Email : cameo@cameo.india.com
Website : www.cameoindia.com

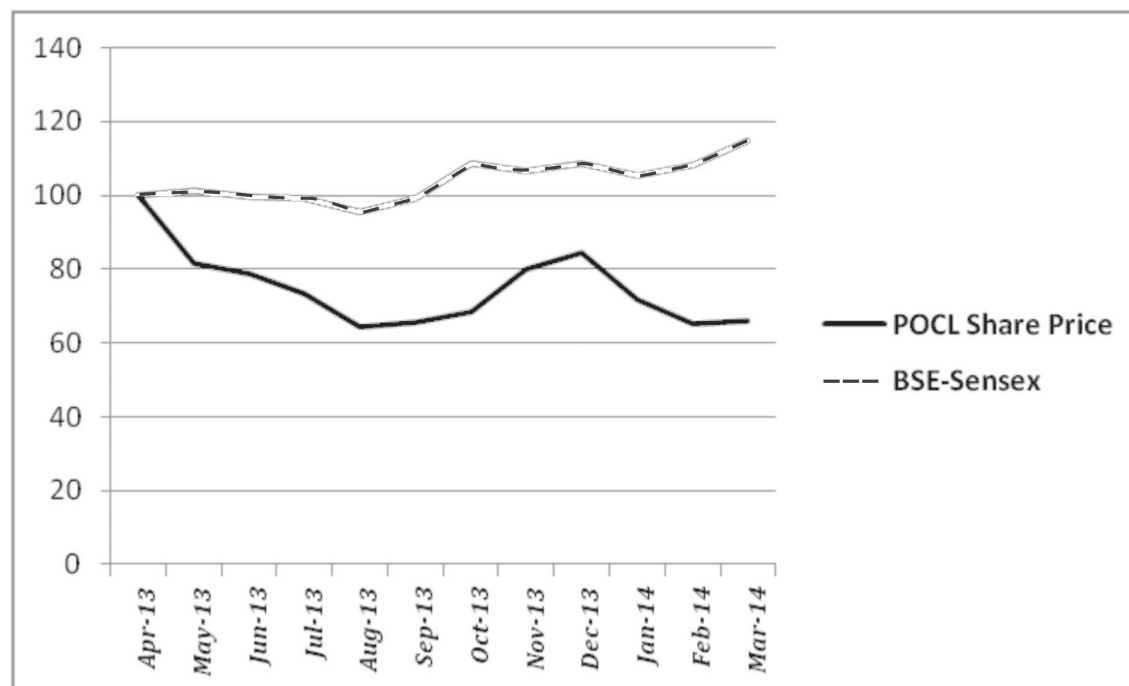
Contact Person : Sri.R.D. Ramaswamy, Director

Market Price Data

High, Low (Based on daily closing prices) during each month in the year 2013-14 on BSE:

Period	High Price	Low Price
Apr-13	35.00	21.20
May-13	31.65	24.25
Jun-13	28.70	21.60
Jul-13	25.50	20.90
Aug-13	22.30	18.60
Sep-13	22.95	19.05
Oct-13	23.80	19.40
Nov-13	27.00	18.55
Dec-13	28.90	22.95
Jan-14	27.05	21.45
Feb-14	23.00	19.10
Mar-14	22.00	18.85

Performance of the share price of the company in comparison to the BSE Sensex:



8 Share Transfer System

97.91% of the equity shares of the Company are held in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Registrar and Transfer Agents at any of the above mentioned addresses.

Share transfers in physical forms are processed and share certificates duly endorsed are returned within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. to Share Transfer Committee which severally approves the transfer and are also noted at subsequent Board Meeting.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

9. Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity shares of the Company representing 97.91% of the Company's equity share capital are dematerialised as on March 31, 2014

During the year 11,152 shares are dematerialised by the Shareholders.

The Company's equity shares are regularly traded on BSE and NSE (traded under permitted category) in dematerialised form.

Mode of holding	Number of Shares held on March 31, 2014	% of total number of shares
No. of shares held in NSDL	93,75,651	84.07
No. of shares held in CDSL	15,43,039	13.84
No of shares held in physical form	2,33,295	2.09
Total	1,11,51,985	100

10. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments in the past and hence as on March 31, 2014, the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

11. (a) Distribution of Shareholding as on March 31, 2014

Category Code	Category of Shareholder	Number of shareholder	Total Number of shares	As a percentage of Total Shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	17	5372305	48.17
(2)	Foreign	1	425626	3.82
	Total Shareholding of Promoter and Promoter Group	18	5797931	51.99
(B)	Public Shareholding			
(1)	Bodies Corporate	192	670569	6.01
(2)	Individuals	7779	4633502	41.55
(3)	Non- Resident Indian	45	49983	0.45
	Total Public Shareholding	8016	5354054	48.01
	Total (A)+(B)	8034	11151985	100.00

(b) Distribution of Shareholding by Size as on March 31, 2014

No. of Shares held	Number of Shareholders	% of Total of Shareholders	Number of Shares held	% of Total Shares
Upto 5000	6,491	80.80	966573	8.67
5001-10000	728	9.06	584460	5.24
10001-20000	421	5.24	615336	5.52
20001-30000	132	1.64	334308	3.00
30001-40000	66	0.82	229341	2.06
40001-50000	57	0.71	261780	2.35
50001-100000	68	0.85	445955	4.00
Above 100000	71	0.88	7714232	69.16
Total	8,034	100.00	11151985	100.00

Plant Locations**A. Metallic Oxides Division [MOD]**

Behind A-73 & 74, PIPDIC Industrial Estate, Mettupalayam, Puducherry-605 009

B. Plastic Additives Division [PAD]

Sembiapalayam, Korkadu post, Puducherry-605 110

C. Smelter Division [SMD]

G 17 - G 19 & G 30 - G 32, SIPCOT Industrial Park, Pondur Post, Sriperumbudur, Kancheepuram, Tamil Nadu -602 105

D. Zinc Refining Division [ZRD]

G-47, SIDCO Industrial Estate, Kakkalur, Thiruvallur, Tamil Nadu-602 003

E. Alloying & Refining Division [ARD]

B 19 & 20 SIDCO Industrial Estate, Maraimalai Nagar, Kancheepuram District, Tamil Nadu-603209

Address for correspondence

Shareholders correspondence should be addressed to the Company's Registrar and Share Transfer Agents at the address mentioned above.

Shareholders may also contact Sri.K Kumaravel, GM Finance & Company Secretary, at the Registered Office of the Company for any assistance. He can be contacted at kk@pocl.co.in.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management discussion and analysis report sets out developments in the business environment and the Company's performance since the last report. The analysis supplements the Directors' report, which forms part of this Annual Report

Industry Structures and Developments

Lead metal market (including secondary production) was in surplus in 2013 driven by higher Chinese production and reached 11.2 million MT, compared to the demand of 11.1 million MT.

The medium term growth outlook for lead remains robust with over 4% globally and India expected to be around 8%. India is the second largest consumer of Lead after China in the Asian region and the growth prospects are positive.

The single largest consumer of lead is the battery sector accounting for around 80% to 85% of lead demand. SLI (Starting-Lighting-Ignition) batteries currently account for over 55% to 60% of all lead demand. These are mainly used in cars and light vehicles, but are also found in other applications such as golf carts and boats.

Industrial batteries currently consume 15%-20% of all lead produced. This sector can be split roughly 60:40 into stationary and traction batteries. Stationary batteries are used for back-up power supply as in the UPS and inverter segment and also used extensively in telecom networks. Traction batteries are used for motive power in equipment like forklift trucks and other material-handling equipment.

The remaining 15% to 20% of lead consumed is in various small uses, which has been declining over the years. Majority of this usage is in the chemical industry for pigments and compounds, PVC stabilizers, glass and rolled and extruded products like sheets (for radiation shielding in medical applications and others), strips, counter weights and cable sheathings.

Asian Lead demand growth forecast is estimated in the range of 5% to 6% upto 2018, bulk of which is from China and India. India being the second most important in the region followed by smaller volumes from S. Korea, Indonesia and Thailand, which are more dependent on the growth of their export demand unlike China and India who are driven by their domestic demand. The key drivers will be the growing vehicle usage, and therefore replacement of batteries, China's e-bike, India's inverter and UPS battery market, and ongoing investment in new 3G and 4G telecom networks.

India is the second-largest lead consuming country in Asia after China and driven by its inverter and UPS application demand along with the growing vehicle population. Although these segments have been impacted by weak economic conditions and poor sentiments, we expect this to change in the near future since the new government has taken charge which will concentrate infrastructure development, and therefore there will be increase in lead demand.

One area where the progress will be slow is the power sector where huge investments coming in can only change the scenario, until then inverter and UPS batteries will continue to play a major role in lead acid battery demand accounting to almost 35% of the total demand.

We forecast that the lead market will be in deficit until 2018 as a result of poor availability of concentrates. This will push the secondary producers to grow strongly as better pricing and production cutbacks from primary producers will be at its peak also pushing the stocks to record lows. Added to this the US EPA regulations regarding the lead air emissions become more and stringent and will spread to other regions in Europe will affect the supply and benefit other regions manufacturers from supply deficit. We look at this duration as declining stocks and rising prices. S. Korea is also becoming a major hub for battery exports and in turn emerging as a strong consumer of lead. S. Korea being one of the main export focus countries for POCL adds weightage to our export portfolio with growing demand for their battery export and in turn larger demand for Lead.

Long term demand for lead remains positive and bullish as till date there has been no techno-commercially sound substitute for the Lead Acid batteries, thus making Lead Acid batteries the preferred choice in years to come.

Opportunities and Treats

POCL believes that it has a competitive edge in the market as the Company delivers timely and quality products to its customer. The Company has long standing relationships with many of its customers and vendors. POCL also believes that the real strength of the Company lies with its employees and they are assets of the company.

POCL suffers from treats like currency fluctuations as the company has significant forex exposure. The prices of products in which the company deal in are highly volatile.

Segment-wise performance

The business of the company is structured in to the following three segments and their related performances are as follows:

(Rs. In Lakhs)			
Sl.No	Segments	Turnover	Profit/(Loss) before Finance cost and Tax
1.	Metal	34078.77	1179.57
2.	Metallic Oxide	8211.44	135.07
3.	Plastic Additives	6070.95	312.71

Metal segment had contributed almost 76% of the turnover to the company and remained to be the most profitable amongst all the segments. The Directors are confident that other segments of the company will perform better in the years to come based on the steps taken by the management.

Outlook

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. Due to the own processing plant the company is able to quote better rates and maintain high quality & productivity in the finished goods manufactured. The products of the Company are used in various industries like tyre, ceramic, battery, PVC Pipe etc.

The demand for Lead is strong as discussed in Industry Structures and Development and production and sale of lead metal will be increased considerably. Further since automobile industry also showing improvement sale of metallic oxide also will improve further.

Metal segment of the Company contributes about 2/3rd of the Company's turnover. As the demand for the lead metal is strong and is likely to go up, the company is expanding its operations in Lead segment. Further the company is also coming out with another unit for Lead products in Andhra Pradesh which will help the company to further increase its production and profit.

Risks and concerns

Risk is an integral factor in virtually all businesses. At POCL, risks are adequately measured, estimated and controlled. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same by identifying and measure risks, leverage an in depth-knowledge of the business and competitors and respond flexibly in our risk understanding and management.

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 its global presence with import and export trade, we are subject to currency rate fluctuation which may result into gain or losses. In order to safeguard the business, your company does natural hedging to protect itself against currency fluctuation.

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Raw material availability and commodity price fluctuation also remains an area of concern. To overcome the fluctuation in metal prices, company fixing the selling price with major customers on average LME rate basis and accordingly purchase price is also hedged properly to minimize the risk in metal price fluctuation.

Internal control systems and their adequacy

Your Company has an established system of internal controls for ensuring optimal utilization of various resources. Investment decisions involving capital expenditure are taken up only after due appraisal and review and adequate policies have been laid down for approval and control of expenditure. Internal audit is carried out by a firm of Chartered Accountants to ensure adequacy of the internal control systems. The internal audit report is reviewed by the Audit Committee to ensure that all policies and procedures are adhered to and all statutory obligations are complied with.

Financial performance with respect to operational performance

During the year under review, the Company's overall performance was attractive. The Company profitability was partially affected due to exchange fluctuation which was on account of significant decline in the value of Rupee against Dollar in the middle of the year. Financial details are forming part of Directors' Report under the heading "Financial Results"

Human Resources / Industrial Relations

Your company believes that its employees are the main force in driving performance and developing competitive advantage. POCL is maintaining good employer-employee relationship. The Company continued the welfare activities for the employees, which include Medical Care and Canteen Facility. POCL also provides food allowances to all its employees working in its manufacturing plant to ensure their health conditions.

During the year, your Company has focused efforts for 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. Your Company conducts regular training programs for both factory and head office employees.

Your Company conducts STAFF MEETING of employees periodically. Staff meeting includes interacting with employees on various areas which can help the Company to improve the performance of the individual employees.

Industrial relations continued to remain cordial and harmonious during the year.

The total number of employees at the end of the year was 300.

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.K. Kumaravel, GM Finance & Company Secretary (CFO) was placed at the meeting of the Board of Directors held on May 28, 2014.

On behalf of the Board of Directors
For **Pondy Oxides and Chemicals Ltd.**

Place : Chennai
Date : May 28, 2014

Anil Kumar Bansal
Managing Director
(DIN: 00232223)

D.P.Venkataraman
Vice Chairman
(DIN: 00232894)

AUDITORS' 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 2014, 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 with the conditions of Corporate Governance as stipulated in the said clause. 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 Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2014, no investor grievances are pending for the period exceeding one month against the Company as per the records maintained by the Shareholders committee

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 Registration No : 001323S

Place : Chennai
Date : May 28, 2014

Sohan C.J.Parmar
Proprietor
Membership No. 022321

Independent Auditors' Report

To the Members of
Pondy Oxides and Chemicals Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Pondy Oxides and Chemicals Limited ("the Company"), which comprise the Balance sheet as at 31.03.2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to

POCL

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 affairs of the Company as at March 31, 2014
- b) In the case of the Profit and Loss Account, 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.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order , 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit,
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in the agreement with the books of accounts.
 - (d) In our opinion, the Balance sheet, Statement of Profit and Loss, Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **JEERAVLA & CO.**,
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: May 28, 2014

ANNEXURE TO AUDITORS' REPORT DATED May 30, 2014

The annexure referred to in the Auditors' Report to the Members of Pondy Oxides and Chemicals Limited ("the Company") for the year ended 31st March 2014

1) In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The assets have been physically verified by the management at the end of financial year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year and the going concern status of the Company is not affected.

2) In respect of its Inventories:

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no materials discrepancies noticed on physical verification of inventories as compared to the book records.

3) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

- (a) The Company has given loans to its Subsidiary. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs 3.93 Cr and the year-end balance is Rs 1.61 Cr.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- (c) The principal amount is repayable on demand.
- (d) In respect of the said loans and interest thereon, there are no overdue amounts.
- (e) The Company has taken loans during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs 9.56 Cr and the year-end balance is Rs 3.60 Cr..
- (f) In our opinion, the rate of interest and other terms and conditions of the said loan are not prima facie prejudicial to the interest of the company.
- (g) 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 an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

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- 5) In respect of the contract or arrangement referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- 6) The company has accepted Fixed Deposits from Directors & their relatives/friends. 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 Companies Law Board or National Company Law Tribunal or RBI or any Other Tribunal on the Company.
- 7) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9) In respect of Statutory dues:
- (a) 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 applicable have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and Cess were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating Rs 7.01 Lakhs that have not been deposited on account of dispute pending before appropriate authorities are as under:

S.No	Name of the Statute	Nature of 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 does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowings by way of debentures.
- 12) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of

pledge of shares, debentures and other securities. Hence paragraph 4(xii) of the CARO, 2003 is not applicable to this Company.

- 13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, and as per the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. In respect of the Long term investments made in the equity shares of another company, proper records have been maintained and timely entries have been made therein and the shares have been held by the Company in its own name.
- 15) According to the information & explanations given to us, the Company has given guarantee for loans taken from banks by its subsidiary; the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- 16) The company has raised new term loan during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short term basis that have been used for long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year
- 20) The Company has not raised any money by public issue during the year.
- 21) In our Opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **JEERAVLA & CO.**,
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: May 28, 2014

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Balance Sheet as at 31 March, 2014

Rs. in Lakhs

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,115.20	1,115.20
(b) Reserves and surplus	2	<u>2,740.03</u>	<u>2,578.58</u>
		3,855.23	3,693.78
Share application money pending allotment		-	-
2 Non-current liabilities			
(a) Long-term borrowings	3	968.44	789.58
(b) Deferred tax liabilities (net)	4	72.48	63.34
(c) Other long-term liabilities	5	20.00	20.00
(d) Long-term provisions	6	<u>108.10</u>	<u>96.15</u>
		1,169.02	969.06
3 Current liabilities			
(a) Short-term borrowings	7	6,414.76	6,704.31
(b) Trade payables	8	1,483.30	1,439.24
(c) Other current liabilities	9	466.74	477.03
(d) Short-term provisions	10	<u>304.03</u>	<u>263.62</u>
		8,668.83	8,884.20
TOTAL		<u>13,693.08</u>	<u>13,547.05</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	2,189.06	2,279.72
(ii) Capital work-in-progress		<u>304.40</u>	<u>145.93</u>
		2,493.46	2,425.65
(b) Non-current investments	12	112.33	102.33
(c) Long-term loans and advances	13	36.83	34.99
(d) Other non-current assets	14	<u>11.59</u>	<u>12.04</u>
		2,654.21	2,575.01
2 Current assets			
(a) Inventories	15	3,892.23	2,861.89
(b) Trade receivables	16	4,840.49	5,186.44
(c) Cash and cash equivalents	17	536.29	1,179.43
(d) Short-term loans and advances	18	1,276.75	1,437.40
(e) Other current assets	19	<u>493.11</u>	<u>306.88</u>
		11,038.87	10,972.04
TOTAL		<u>13,693.08</u>	<u>13,547.05</u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 39		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No. 022321

Place : Chennai
Date : May 28, 2014

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 March, 2014

Rs. in Lakhs

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
A Income			
1 Revenue from operations (gross)	20	48,741.37	37,294.34
Less: Excise duty		3,917.00	3,051.70
Revenue from operations (net)		44,824.37	34,242.64
Other income	21	135.59	375.12
Total Revenue		44,959.96	34,617.76
2 Expenses			
(a) Cost of materials consumed	22	39,156.10	29,994.65
(b) Purchases of stock-in-trade	23	978.56	350.99
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(400.03)	(453.72)
(d) Employee benefits expense	25	814.19	701.50
(e) Finance Costs	26	832.02	763.55
(f) Depreciation and amortisation expense	27	224.55	232.90
(g) Other expenses	28	2,931.51	2,685.01
Total Expenses		44,536.90	34,274.88
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		423.07	342.88
4 Exceptional items	29	0.00	60.85
5 Profit / (Loss) before extraordinary items and tax (3 ± 4)		423.07	403.73
6 Profit / (Loss) before tax		423.07	403.73
7 Tax expense:			
(a) Current tax expense for current year		132.57	96.69
(b) Deferred tax		9.14	30.98
8 Profit / (Loss) for the year		281.36	276.06
Earnings per equity share of face value of Rs.10 each			
Basic and diluted - Rs.	30	2.52	2.48
Significant Accounting Policies Notes on Financial Statements	1 to 39		

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No. 022321

Place : Chennai
Date : May 28, 2014

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	[Rs. in lakhs]	
	Year ended March 31, 2014	Year ended March 31, 2013
(A) Cash Flow from Operating activity		
Profit before tax	423.07	403.73
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	212.02	217.58
Loss on foreign exchange fluctuation	251.78	-
Interest Paid	832.02	763.55
Less:		
Profit on foreign exchange fluctuation	-	217.03
Dividend income	0.22	0.20
Interest received	79.88	79.00
Rent Received	33.28	33.00
Profit on sale of assets	4.26	30.24
Miscellaneous Income	17.95	11.76
Prior Period item	-	60.85
Profit on sale of investments	-	3.90
Operating Profit from Working Capital Changes	<u>1,583.30</u>	<u>948.90</u>
Adjustments for :		
(Increase) / Decrease in Inventories	(1,030.35)	413.63
(Increase) / Decrease in Trade Receivable	345.94	(2,798.99)
(Increase) / Decrease in Short term Loans & advances	160.65	(398.36)
(Increase) / Decrease in Other current assets	(186.23)	(245.00)
Increase / (Decrease) in Trade Payables	44.06	616.53
Increase / (Decrease) in Other current liabilities	(10.29)	2.27
Increase / (Decrease) in Short term provisions	50.60	(153.23)
Income Tax paid	(130.00)	(65.00)
Net Cash flow from operating activities	<u>827.68</u>	<u>(1,679.26)</u>
(B) Cash Flow from Investing Activities		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	11.68	38.80
Dividend received	0.22	0.20
Interest received	79.88	79.00
Rent Received	33.28	33.00
Proceeds from sale of Investments	-	7.48
Pre-operative expenses on lease hold land	-	1.78
Less:		
Increase / (Decrease) in Investments	10.00	-
Purchase of Tangible assets	141.81	353.15
Adjustment to Capital work-in-progress	158.48	(15.72)
Net Cash From Investing Activities	<u>(185.23)</u>	<u>(177.17)</u>
(C) Cash Flow from Financing Activities		
Adjustments for:		
Add		
Increase / (Decrease) in Long term borrowings	178.86	97.30
Increase / (Decrease) in Other long term liabilities	-	-
Increase / (Decrease) in long term provisions	11.95	1.89
(Increase) / Decrease in Long term loans and advances	(1.85)	(1.75)
(Increase) / Decrease in Other non current assets	10.45	4.02
Increase / (Decrease) in Short term borrowings	(289.55)	2,535.65
Profit on Foreign exchange fluctuation	-	217.03
Miscellaneous Income	17.95	11.76
Less		
Dividend Paid	129.61	130.00
Interest Paid	832.02	763.55
Loss on foreign exchange fluctuation	251.78	-
Net cash from / (used) from Financing Activities	<u>(1285.60)</u>	<u>1,972.35</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>(643.15)</u>	<u>115.92</u>
Cash & Cash Equivalents as at 01.04.2013	1,179.43	1,063.51
Cash & Cash Equivalents as at 31.03.2014	536.29	1,179.43

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No: 001323S

Sohan C.J. Parmar
Proprietor
M.No. 022321

Place : Chennai
Date : May 28, 2014

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 ACCOUNTS

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.

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.

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.

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.

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

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Standards – 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.

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.

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 or 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.

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.

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.

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.

Forward exchange contracts:

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expenses/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.

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.

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 employee's 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.

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

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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 reliability 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 of 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 by 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.

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.

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.

Cash flow statements:

Cash flows are reported using the indirect method, where by 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.

Notes forming part of the financial statements

	Particulars	Rs. in Lakhs		
		As at 31 March, 2014	As at 31 March, 2013	
1.0 Share Capital				
(a) Authorised				
Equity shares of Rs 10/- each 1,24,00,000 (1,24,00,000)		1,240.00	1,240.00	
(b) Issued, Subscribed and Paid-up				
Equity shares of Rs 10/- each 1,11,51,985 (1,11,51,985)		1,115.20	1,115.20	
Total		1,115.20	1115.20	
1.1 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash		1,102,500	1,102,500	
1.2 The details of Shareholders holding more than 5% shares:				
		As at March ,2014	As at March ,2013	
		No of Shares	No of Shares	
		% Held	% Held	
1.2.1 Sri. Anil Kumar Bansal	720,196.00	6.46	649,720.00	
1.2.2 Smt. Neelam Bansal	619,698.00	5.56	616,897.00	
1.2.3 Smt. Manju Bansal	585,101.00	5.25	547,887.00	
1.2.4 Sri. Ashish Bansal	778,127.00	6.98	591,354.00	
1.3 Reconciliation of the number of shares outstanding is set out below				
	As at 31 March	As at 31 March	Weighted	Weighted
	2014	2013	Average	Average
			of Shares	of Shares
			2014	2013
Equity shares at the beginning of the year	11,151,985	11,151,985	11,151,985	11,151,985
Add : Shares issued on amalgamation of subsidiary	-	-	-	-
Less : Shares extinguished on crossholding, on amalgamation	-	-	-	-
Equity shares at the end of the year	11,151,985	11,151,985	11,151,985	11,151,985

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Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
2.0 Reserves and Surplus		
(a) Securities premium account		
Opening balance	363.10	363.09
Add : Premium on shares issued during the year	-	-
Closing balance (A)	363.10	363.09
(b) General reserve		
Opening balance	45.00	30.00
Add: Transferred from surplus in Statement of Profit and Loss	15.00	15.00
Less: Utilised / transferred during the year for:	-	-
Closing balance (B)	60.00	45.00
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,170.49	2,057.19
Add: Profit / (Loss) for the year	281.36	276.05
Excess Provision for Current Tax Reversed	9.69	-
Less: Dividends proposed to be distributed to equity shareholders of Rs 1.00 /- per share (Rs 1.00 /- per share)	111.52	111.52
Tax on dividend	18.09	18.09
Transferred to:		
Short Provision for Current Tax Reversed	-	18.14
General reserve	15.00	15.00
Closing balance (C)	2,316.93	2,170.49
Total (A +B +C)	2,740.03	2,578.58
3.0 Long Term Borrowings		
(a) Term loans from Banks		
Secured *	208.05	75.56
Sub Total (A)	208.05	75.56
(b) Term loans from Others		
1 Secured*	-	1.48
2 Unsecured**	879.44	780.44
Sub Total (B)	879.44	781.92
Total (A + B)	1,087.49	857.47
(c) Less : Shown under Current Maturities of Long term debt	119.05	67.90
Balance Shown above	968.44	789.58

*3.1 Rs. 189.08 lacs (Rs. 58.46 lacs) of term loan for building and machinery are secured by way of first mortgage /Charge on the immovable / movable assets situated in factories of the company and guaranteed by promoter directors of the company.

*3.2 Rs. 18.97 lacs (Rs. 17.10 lacs) of term loan for Vehicles are secured by way of specific assets.

*3.3 Represents loan received from directors, friends and related parties

		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
4.0 Deferred Tax Liability (Net)			
(a) Deferred Tax Liability			
Related to Fixed Assets	72.48	63.34	
Total	<u>72.48</u>	<u>63.34</u>	
5.0 Other Long Term Liabilities			
(a) Trade Payables	-	-	
(b) Others			
Trade / security deposits received	20.00	20.00	
Total	<u>20.00</u>	<u>20.00</u>	
6.0 Long Term Provisions			
(a) Provision for employee benefits:			
Provision for gratuity (net)	108.10	96.15	
Total	<u>108.10</u>	<u>96.15</u>	
7.0 Short Term Borrowings			
(a) Loans repayable on demand			
(i) Secured			
1 Working Capital Loans			
1.1 From Banks			
1.1.1 Rupee Loans	6,403.16	6,292.34	
1.1.2 Foreign Currency Loans	-	257.26	
Total (a)	<u>6,403.16</u>	<u>6,549.60</u>	
(ii) Unsecured			
1 From Banks	-	1.98	
1.1 Deposits	11.60	5.50	
2 From Others	-	147.24	
Total (b)	<u>11.60</u>	<u>154.71</u>	
Total (a+b)	<u>6,414.76</u>	<u>6,704.31</u>	
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 Other loans and advances from others includes unsecured loan from friends and relatives.			
8.0 Trade Payables			
(a) Trade payables			
1 Micro, Small and Medium Enterprises *	3.77	1.20	
2 Others	1,479.53	1,438.04	
Total	<u>1,483.30</u>	<u>1,439.24</u>	

* MSME Payable were based on the information provided by the entities

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		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
9.0 Other Current Liabilities			
(a) Current maturities of long-term debt (Refer Note 3(c) (above))	119.05	67.90	
(b) Interest accrued but not due on borrowings	46.62	179.52	
(c) Unpaid / Unclaimed dividends	10.84	10.71	
(d) Unclaimed Fractional Shares dividends	-	0.02	
(e) Other payables			
1 Payables on purchase of fixed assets	-	2.96	
2 Advances from customers	6.08	11.06	
3 Audit Fee Payables	8.03	7.65	
4 Others *	276.12	197.21	
Total	466.74	477.03	

* Includes excise duty and tax on sales payable

10.0 Short Term Provisions

(a) Provision for employee benefits:

Provision for bonus	41.85	37.32
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(b) Provision - Others:

1 Provision for tax	132.57	96.69
2 Provision for proposed equity dividend and Dividend Tax	129.61	129.61
Total	304.03	263.62

11.0 Fixed Assets

Sl. No.	Description	Gross block				Depreciation				Net block	
		As on 1.04.2013	Additions	Deduction/ Adjustments	As on 31.03.2014	Upto 31.03.2013	For the Year	Deduction/ Adjustments	As on 31.03.2014	As on 31.03.2013	As on 31.03.2014
	Tangible Assets:										
1	Leasehold Land	269.31	0.19	-	269.50	9.02	0.97	-	9.99	260.29	259.51
2	Free hold land	125.04	4.15	-	129.19	-	-	-	-	125.04	129.19
3	Building	1,694.61	-	-	1,694.61	525.88	84.67	-	610.54	1,168.73	1,084.06
4	Plant & machinery	1,070.01	111.58	0.24	1,181.35	593.67	76.89	0.23	670.33	476.34	511.01
5	Furniture & Fittings	74.78	-	-	74.78	37.97	6.66	-	44.63	36.82	30.15
6	Office Equipment	114.73	9.60	-	124.33	62.80	12.91	-	75.71	51.93	48.62
7	Vehicles	139.91	14.44	21.55	132.80	77.60	16.70	14.15	80.16	62.31	52.64
8	Lab Equipments	96.17	1.85	-	98.02	55.45	6.39	-	61.84	40.72	36.18
9	Electrical fittings	117.19	-	-	117.19	72.68	6.82	-	79.50	44.51	37.69
	Total	3,701.75	141.81	21.79	3,821.76	1,435.07	212.01	14.38	1,632.70	2,266.69	2,189.06
	Previous Year 2012-13	3,394.52	353.15	32.89	3,714.78	1,300.89	217.58	86.97	1,435.06	2,093.63	2,279.72
	Capital Work in progress									145.92	304.40

11.1 Capital work in progress includes

- | | | |
|--|---|---------------------------------|
| i. Project under construction | : | Rs.220.33 lacs (Rs. 28.19 lacs) |
| ii. Machinery and Electrical Fittings etc under installation | : | Rs.84.06 lacs(Rs. 117.18 lacs) |

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
12.0 Non Current Investments		
Investments (At cost)		
I Investment in Equity Instruments		
(a) In Equity Shares of Subsidiary Company		
Unquoted		
7,81,465 (7,81,465) Equity Shares of Rs.10/- each in POCL Enterprises Limited (Fully Held Subsidiary)	78.15	78.15
Total (A)	78.15	78.15
(b) In Equity Shares of Other Companies		
(i) Quoted		
1 360 (360) Equity Shares of Rs 5/- each fully paid in ONGC	0.43	0.43
2 250 (1000) Equity Shares of Rs.10/- each in Jyothy Laboratories Ltd. formerly known as Hencle Spic (I) Ltd	0.60	0.60
3 67 (67) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.11	0.11
4 300 (300) Equity Shares of Rs.10/- each in Indian Overseas Bank	0.07	0.07
5 100 (100) Equity Shares of Rs.10/- each in Uco Bank	0.01	0.01
6 100 (100) Equity Shares of Rs.10/-each in Vijaya Bank	0.02	0.02
Total (B)	1.24	1.24
(ii) UNQUOTED		
1 725420 (725420) Equity Shares of Rs.1/- each fully paid in Madras Stock Exchange	19.09	19.09
2 32093 (32093) Equity Shares of Rs.10/-each fully paid in MSE Financial Services Ltd.	3.85	3.85
Total (C)	22.94	22.94
Canara bank Mutual Fund — D	10.00	-
Total E = (B + C)	24.18	24.18
Total (A + D+ E)	112.33	102.33
Market Value of Quoted Investments is Rs. 2.70 lacs (Rs. 2.24 Lakhs)		
13.0 Long Term Loans & Advances (Unsecured and considered good)		
Security deposits	36.83	34.99
Total	36.83	34.99

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Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
14.0 Other Non Current Assets		
(a) Misc. Expenditure (to the extent not return off or adjusted)		
(i) Amalgamation Expenses	12.04	16.05
(ii) Demerger Expenses	3.56	-
Less : Written off	4.01	4.01
Total	11.59	12.04
15.0 Inventories (At lower of cost and net realisable value)		
(a) Raw materials	1,856.39	1,459.57
(b) Raw Material transit	267.47	67.12
(c) Work-in-progress	281.36	210.81
(d) Finished goods (other than those acquired for trading)	1,422.61	1,030.69
(e) Stores and spares	47.37	71.10
(f) Loose tools	17.03	22.60
Total	3,892.23	2,861.89
16.0 Trade Receivables		
(a) Trade receivables outstanding for a period exceeding 180 days		
(i) Unsecured and considered good	34.68	3.23
(b) Other Trade receivables		
(i) Secured and considered good	529.96	1,708.08
(ii) Unsecured and considered good	4,275.85	3,475.13
Total (b)	4,805.81	5,183.21
Total (a) + (b)	4,840.49	5,186.44
17.0 Cash and Cash Equivalents		
(a) Cash & Cash Equivalents		
Balances with bank		
1 On Current & Cash Credit Accounts	8.78	759.64
2 On Unpaid dividend accounts	10.84	11.28
3 Deposits with Original Maturity less than 3 months *	419.17	345.72
4 In Margin Money	-	0.39
5 Cash on hand	3.29	5.69
Other bank balances		
Deposits with Original maturity for more than 3 months but less than 12 months *	94.21	56.71
Total	536.29	1,179.43

* Includes deposits earmarked for bank facilities.

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
18.0 Short Term Loans & Advances (Unsecured and considered good)		
(a) Loans and advances to related parties *	160.77	259.47
(b) Loans and advances to employees	3.54	5.07
(c) Prepaid expenses - Unsecured, considered good	20.00	19.48
(d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 Central Excise Deposit	423.58	291.18
2 TNVAT	10.00	-
3 Central Service Tax	6.01	11.37
4 Income Tax	169.29	117.90
5 Commissioner of Customs	9.10	
(e) Others -Suppliers Advance (including for expenses)	474.46	732.93
Total	1,276.75	1,437.40
* Refer Note 34 for details of loans to related parties		
19.0 Other Current Assets		
(a) Interest accrued on deposits	38.30	92.29
(b) Rebate Receivables	454.81	214.59
Total	493.11	306.88
Notes forming part of the financial statements		
20.0 Revenue from Operations		
(a) Sale of Products	48,735.39	37,292.96
(b) Other operating revenues	5.98	1.38
	48,741.37	37,294.34
Less:		
(c) Excise duty	3,917.00	3,051.71
Total	44,824.37	34,242.63
20.1 Particulars of Sale of Products		
(a) Sale of products comprises :		
I <u>Manufactured goods</u>		
1 Metals	30,901.13	21,394.67
2 Metallic Oxides	7,235.76	6,312.58
3 PVC Stabilisers	6,042.65	5,674.63
4 Others	169.00	55.92
Total - Sale of manufactured goods	44,348.54	33,437.80

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		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
II Traded goods			
1 Metals	325.51	740.52	
2 PVC Stabilisers	-	5.00	
3 Others	144.34	57.92	
Total - Sale of traded goods	469.85	803.44	
Total - Sale of products	44,818.39	34,241.24	
(b) Other operating revenues :			
Conversion Charges Received	5.98	1.38	
Total - Other operating revenues	5.98	1.38	
21.0 Other Income			
(a) Interest income	79.88	79.00	
(b) Dividend income			
- From long-term investments			
Others	0.22	0.20	
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	217.03	
(d) Other non-operating income (net of expenses directly attributable to such income)	55.49	74.99	
(e) Profit from Sale of Investment	-	3.90	
Total	135.59	375.12	
21.1 Particulars of Interest Income			
(I) (a) Interest from banks on:			
- deposits	56.24	50.05	
(b) Interest on loans and advances	23.64	28.95	
Total - Interest income	79.88	79.00	
21.2 Particulars of Other Non-Operating Income			
(II) Other non-operating income comprises:			
1 Rental income from operating leases	33.28	33.00	
2 Profit on sale of fixed assets [net of expenses directly attributable]	4.26	30.23	
3 Miscellaneous income [net of expenses directly attributable]	17.95	11.76	
Total - Other non-operating income	55.49	74.99	

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
22.0 Cost of Materials Consumed		
(a) Opening stock	1,459.57	1,556.57
(b) Add: Purchases	39,552.92	29,897.66
	<u>41,012.49</u>	<u>31,454.23</u>
(c) Less: Closing stock	1,856.39	1,459.57
Cost of material consumed (a + b -c)	<u>39,156.10</u>	<u>29,994.65</u>
Material consumed		
1 Lead Metal	19,331.24	11,164.38
2 Lead Scrap	10,482.36	5,862.93
3 Zinc Metals	4,073.33	3,135.39
4 Battery Plates	1,698.67	4,679.04
5 Other items	3,570.50	5,152.91
Total	<u>39,156.10</u>	<u>29,994.65</u>
23.0 Purchase of traded goods		
1 Metals	956.66	266.13
2 Others	21.90	84.86
Total	<u>978.56</u>	<u>350.99</u>
24.0 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(a) <u>Inventories at the end of the year:</u>		
1 Finished goods	1,422.61	1,030.69
2 Work-in-progress	281.36	210.81
3 Stock-in-trade	-	-
Total (a)	<u>1,703.97</u>	<u>1241.50</u>
(b) <u>Inventories at the beginning of the year:</u>		
1 Finished goods	1,030.69	729.70
2 Work-in-progress	210.80	24.98
3 Stock-in-trade	-	-
Total (b)	<u>1,241.49</u>	<u>754.68</u>
(c) Excise duty on finished goods *	62.45	33.11
Net (increase) / decrease (b-a)+c	<u>(400.03)</u>	<u>(453.72)</u>
* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
25.0 Employee benefits expense		
1 Salaries and wages	641.48	553.66
2 Contributions to provident and other funds	52.10	44.77
3 Staff welfare expenses	120.61	103.07
Total	<u>814.19</u>	<u>701.50</u>

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Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
25.1 Employee Benefits (AS -15 revised)		
As per Accounting Standard 15 " Employee benefits", the disclosures as defined in the Accounting Standard are given below:		
25.2 Defined Benefit Plan :		
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.		
i) Amount to be recognise in Balance Sheet	As at 31 March, 2014 Gratuity Unfunded	As at 31 March, 2013 Gratuity Unfunded
Present value of unfunded obligations	108.10	96.15
Net Liability	108.10	96.15
Amount in the balance sheet		
Liabilities	108.10	96.15
Net Liability	108.10	96.15
ii) Expenses Recognised in Income Statement		
Current service cost	10.09	11.45
Interest on obligation	7.59	7.43
Net actuarial losses (gains) recognised in the year	(3.16)	(14.16)
Expenses recognised in P & L	14.52	4.72
iii) Changes in Benefit Obligations		
Opening defined Benefit obligation on 01-04-2013	96.15	94.26
Current service cost	10.09	11.45
Interest cost for the year	7.59	7.43
Actuarial losses (gains)	(3.16)	(14.16)
Benefits paid	(2.57)	(2.83)
Closing defined benefit obligation on 31-03-2014	108.10	96.15
26.0 Finance costs		
(a) Interest expense on:		
1 Bank Borrowings	601.49	565.02
2 On Unsecured Loans	134.74	119.52
(b) Bank Charges	95.79	79.01
Total	832.02	763.55

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
27.0 Depreciation & Amortisation Expenses		
1 Depreciation	212.03	217.58
2 Preliminary & Pre-Operative Exp. Written off	4.01	4.01
3 Tools & Implements written off	8.51	11.30
Total	224.55	232.90
28.0 Other expenses		
1 Consumption of stores and spare parts	27.03	44.38
2 Advertisement	1.42	1.24
3 Bad trade and other receivables, loans and advances written off	18.85	12.87
4 Business promotion	8.39	0.37
5 Computer Maintenance	2.91	1.38
6 Consumption of packing materials	89.24	81.05
7 Conversion Charges Paid	95.13	80.82
8 Director Sitting Fees	0.51	0.66
9 Entertainment Expenses	2.62	7.49
10 Environmental Control Expenses	26.94	66.91
11 Exhibition Expenses	9.88	0.03
12 Loss on foreign exchange transactions	251.78	-
13 Factory Expenses	71.22	69.79
14 Freight and forwarding	465.77	392.72
15 General Expenses	6.26	3.67
16 Insurance	32.36	32.11
17 Laboratory Expenses	10.55	6.76
18 Legal and professional	16.13	15.57
19 Membership Fee	6.02	3.70
20 Newspaper & Periodicals	0.61	0.39
21 Office Maintenance	5.17	11.11
22 Payments to auditors	7.30	7.24
23 Postage ,Telegram & Telephone Expenses	21.71	27.66
24 Power and fuel	1,238.52	1,307.98
25 Printing and stationery	7.83	8.74
26 Purchase Commission	5.65	12.61
27 Rates and taxes	32.72	29.52
28 Rent & Amenities Charges	2.63	3.08
29 Repairs and maintenance - Buildings	25.62	26.28
30 Repairs and maintenance - Machinery	109.05	144.60
31 Repairs and maintenance - Others	47.31	29.27
32 Sales commission	94.83	65.83
33 Sales discount	45.35	61.98
34 Service tax paid	14.51	13.74
35 Share transfer expenses	0.44	0.50
36 Travelling and Conveyance	106.86	88.22
37 Vehicle Maintenance	22.39	23.97
38 Loss on fixed assets sold / scrapped / written off	-	0.77
Total	2,931.51	2,685.01

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Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
28.1 Payment to Auditors as		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
1 As auditors - statutory audit	6.18	6.12
2 For taxation matters	1.12	1.12
Total	7.30	7.24
29.0 Exceptional items		
Keyman insurance maturity proceeds	-	60.85
Total	-	60.85
30.0 Earning Per Share (EPS)		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	281.36	276.06
(ii) Weighted average number of Equity Shares	11,151,985	11,151,985
(iii) Basic Earning & Diluted Earning Per Share in Rs	2.52	2.48
(iv) Face Value per Equity Shares	10.00	10.00
31.0 Expenditure in Foreign Currency		
(i) Import of Raw Materials	30,912.68	25,548.36
(ii) Membership Fee	4.36	1.41
(iii) Travelling Expenses	10.55	3.08
(iv) Commission	17.69	13.99
32.0 Earnings in Foreign Exchange		
Sales	21,366.00	14,061.14
Total	21,366.00	14,061.14
33.0 Remittance in Foreign Currency on Account of Dividend		
Number of Non Resident Shareholders	47	52
Number of Equity Shares held by them	477,672	481,826
Amount Remitted in Foreign Currency	4.78	4.82
Year to which dividend relates	2012-13	2011-12

34.0 (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

<u>S.No</u>	<u>Name</u>	<u>Designation</u>
1	Dr. 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	Director

(d) Relatives of Key Management Personnel

<u>S.No</u>	<u>Name</u>	<u>Relationship</u>
1	Smt. Vijaya Bansal	W/o. Dr. Padam C.Bansal
2	Smt. Manju Bansal	W/o . Sri. Anil Kumar Bansal
3	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
4	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
5	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
6	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
7	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
8	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
9	Sri. Sagar Bansal	S/o. Sri. Devakar Bansal
10	Smt. Megha Choudhari	D/o. Sri. Anil Kumar Bansal
11	Sri. Punit Choudhari	Daughter's husband of Sri. Anil Kumar Bansal
12	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
13	Sri. Narendra Kumar Gupta	Sister's husband of Sri. Anil Kumar Bansal
14	Sri. Manoj Kumar Bansal	Brother of Sri. Anil Kumar Bansal
15	Smt. Sushma Gupta	D/o Sri. R P Bansal
16	Sri. Amber Bansal	S/o Sri. Devakar Bansal

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(ii) Transaction during the year with related parities

(Rs. in Lakhs)

S.No	Nature of Transaction	Subsidiary	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
I	Transactions during the year				
	Purchases				
	Goods & Materials	765.05 (440.39)	628.87 (580.38)	Nil (Nil)	Nil (Nil)
	Sales				
	Goods & Materials	Nil (3.23)	605.86 (664.04)	Nil (Nil)	Nil (Nil)
	Conversion Charges Paid	Nil (Nil)	91.83 (80.81)	Nil (Nil)	Nil (Nil)
	Remuneration Paid	Nil (Nil)	Nil (Nil)	171.51 (155.46)	Nil (Nil)
	Interest Paid	0.53 Nil	22.30 (22.83)	37.90 (39.74)	28.93 (27.29)
	Interest Received	23.64 (28.95)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Sales and distribution Expenses	Nil (Nil)	17.01 (22.50)	Nil (Nil)	Nil (Nil)
II	Finance and Investment during the Year				
	Inter Corporate				
	Deposit Paid	1,129.06 (1,419.19)	17.58 (15.69)	Nil (Nil)	Nil (Nil)
	Inter Corporate Deposit Received	989.08 (1,249.47)	10.21 (26.05)	Nil (Nil)	Nil (Nil)
	Loan Taken	Nil (Nil)	25.00 (Nil)	310.80 (368.80)	232.97 (282.25)
	Loan Paid	Nil (Nil)	Nil (50.00)	439.30 (414.75)	320.21 (234.75)
III	Balance as at 31.03.2014				
	Investments	78.15 (78.15)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Trade and other Payables	Nil (3.28)	211.16 (69.23)	165.83 (302.56)	155.33 (247.90)
	Trade and other Receivables	Nil Nil	79.27 (87.61)	Nil Nil	Nil Nil
	Inter Corporate Deposit	160.77 (259.47)	104.97 (112.34)	Nil (Nil)	Nil (Nil)
	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 include Rs.628.87 lacs(Rs. 578.35 lacs) from M/s. Bansal Chemicals (India), Rs.NIL (Rs.0.50 lacs) from M/s. Ardee Industries Pvt. Ltd and Rs.NIL (Rs.1.53 lacs) from M/s. Bansal Metallic Oxides.
- 2 Sale include Sale of Rs. 12.43 lacs (Rs. 13.41 lacs) to M/s.Ardee Industries Pvt. Ltd., Rs.584.30 lacs (Rs.626.38 lacs) to M/s. Bansal Chemicals (India) and Rs. 9.13 lacs (Rs.24.25 lacs) to M/s. Bansal Metallic Oxides.
- 3 Conversion Charges paid include Rs.23.21 lacs (Rs.18.07 lacs) to M/s. Ardee industries Pvt.Ltd and Rs. 68.62 lacs (Rs.62.74 lacs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid include Rs. 39.57 lacs (Rs.35.98 lacs) to Sri.Anil Kumar Bansal, Rs.32.26 lacs (Rs. 29.62 lacs) to Sri.Sunil Kumar Bansal; Rs.31.06 lacs (Rs.28.41 lacs) to Sri. R P Bansal, Rs.29.50 lacs (Rs.27.49 lacs) to Sri. Devakar Bansal, Rs.9.97 lacs (Rs.9.35 lacs) to Sri. Y.V. Raman, Rs.29.14 lacs (Rs.24.61 lacs) to Sri.Ashish Bansal.
- 5 Interest paid include Rs.13.39 lacs (Rs.11.52 lacs) to M/s. Ardee Industries Pvt. Ltd., Rs.8.91 lacs (Rs.11.31 lacs) to M/s.Daman Metallic Oxides , Rs. 1.29 lacs (Rs. 2.37 lacs) to M/s. Rajendra Metchem, Rs.6.91 lacs (Rs.5.54 lacs) to Dr. Padam C Bansal, Rs.5.85 lacs (Rs.6.10 lacs) to Sri.Anil Kumar Bansal, Rs.NIL (Rs.0.89 lacs) to Sri. Sunil Kumar Bansal, Rs.14.52 lacs (Rs.6.44 lacs) to Sri.R P Bansal, Rs.1.00 lacs (Rs.15.57 lacs) to Sri.Devakar Bansal, Rs.8.27 lacs (Rs.2.77 lacs) to Sri.Ashish Bansal, Rs. 0.06 lacs (Rs.0.06 lacs) to Sri. Y.V.Raman, Rs.12.91 lacs (Rs.11.78 lacs) to Smt.Vijaya Bansal, Rs.2.50 lacs (Rs.1.27 lacs) to Smt.Manju Bansal, Rs.NIL (Rs.1.73 lacs) to Smt.Neelam Bansal, Rs.3.62 lacs (Rs.1.45 lacs) to Smt.Saroj Bansal, Rs.1.73 lacs (Rs. 2.54 lacs) to Smt.Megha Choudhari, Rs.3.65 lacs (Rs.3.43 lacs) to Smt.Charu Bansal, Rs.NIL (Rs.0.19 lacs) to Sri.Harsh Bansal, Rs.1.09 lacs (Rs.0.99 lacs) to Sri.Pawan Bansal, Rs.NIL (Rs.0.47 lacs) to Sri.Sagar Bansal, Rs.1.20 lacs (Rs.1.20 lac) to Smt.Sashi Gupta,Rs.0.38 lacs (Rs.0.38 lacs) to Sri.Narendra Kumar Gupta, Rs.0.37 lacs (Rs.1.73 lacs) to Smt.Vandana Bansal and Rs.0.58 lacs (Rs.0.13 lacs) to Sri. Punit Choudhari Rs.0.11 lacs (Rs. NIL) to Sri. Amber Bansal, Rs.0.20 lacs (Rs. NIL) to Sri. Manoj Kumar Bansal, Rs.0.59 lacs (Rs. NIL) to Smt. Sushma Gupta.
- 6 Sales and distribution expenses represents Rs. 16.81 lacs (Rs.22.50 lacs) paid to M/s. Bansal Chemicals (India), Rs. 0.20 lacs (Rs. NIL) paid to M/s. Ardee Industries Pvt. Ltd.
- 7 Inter Corporate Deposit Paid Rs.17.58 lacs (Rs.15.69 Lacs) to M/s. Ardee Industries Pvt. Ltd.
- 8 Inter Corporate Deposit Received Rs.10.21 lacs (Rs.26.05 lacs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken include Rs. 25.00 lacs (Rs.NIL) from M/s. Daman Metallic Oxides, Rs.NIL (Rs.12.55 lacs) from Dr.Padam C Bansal, Rs.73.58 lacs (Rs.104.75 lacs) from Sri.Anil Kumar Bansal, Rs.NIL (Rs. 18.50 lacs) from Sri. Sunil Kumar Bansal, Rs.114.75 lacs (Rs.114.50 lacs) from Sri.R P Bansal, Rs.NIL (Rs. 67.00 lacs) from Sri. Devakar Bansal, Rs. 122.47 lacs (Rs.51.50 lacs) from Sri.Ashish Bansal, Rs.72.50 lacs (Rs.30.50 lacs) from Smt.Manju Bansal,Rs.30.50 lacs (Rs. 11.25 lacs) from Smt.Charu Bansal and Rs.44.00 lacs (Rs.76.50 lacs) from Smt.Megha Choudhary, Rs.64.00 lacs (Rs.20.00 lacs) from Smt.Saroj Bansal, Rs.10.50 lacs (Rs. 84.50 lacs) from Smt.Vandana Bansal, Rs. NIL (Rs.2.50 lacs) from Sri. Pawan Bansal, Rs. NIL (Rs.51.00 lacs) from Smt. Neelam Bansal and Rs. 5.00 lacs (Rs. 2.00 lacs) from Sri. Punit Choudhari and Rs. NIL (Rs. 4.00 lacs) from Sri.Sagar Bansal and Rs.1.25 lacs (Rs. NIL) from Smt. Vijaya Bansal, Rs. 5.22 lacs (Rs. NIL) from Smt. Sushma Gupta.
- 10 Loan paid Include Rs. NIL (Rs.50.00 lacs) to M/s. Daman Metallic Oxides, Rs. 3.25 lacs (Rs.NIL) to Dr. Padam C Bansal, Rs.107.35 lacs (Rs.169.97 lacs) to Sri. Anil Kumar Bansal, Rs.NIL (Rs.18.50 lac) to Sri. Sunil Kumar Bansal, Rs.91.45 lacs (Rs. 87.80 lacs) to Sri.Devakar Bansal Rs.93.30 lacs (Rs. 90.46. lacs) to Sri. R P Bansal, Rs. 143.95 lacs (Rs.48.02 lacs) to Sri. Ashish Bansal, Rs.NIL (Rs.51 lacs) to Smt.Neelam Bansal, Rs.90.87 lacs (Rs.18.88 lacs) to Smt.Manju Bansal, Rs.30.50 lacs (Rs.38.00 lacs) to Smt.Charu Bansal, Rs.54.94 lacs (Rs. 82.99 lacs) to Smt.Megha Choudhari,

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Rs.62.30 lacs (Rs.24.50 lacs) to Smt.Vandana Bansal, Rs.81.61 lacs (Rs.13.11 lacs) to Smt.Saroj Bansal, Rs. NIL (Rs. 4.00 lacs) to Sri. Sagar Bansal and Rs. NIL (Rs.2.27 lacs) to Smt. Sashi Gupta.

- 11 Trade and other payable Include Rs.91.83 lacs (Rs.65.93 lacs) to M/s.Daman Metallic Oxides, Rs.NIL (Rs.3.30 lacs) to M/s.Bansal Metallic Oxide, Rs. 119.33 lacs (Rs. NIL) to M/s.Bansal Chemicals (India), Rs. 10.00 lacs (Rs. NIL) to M/s. Rajendra Metchem, Rs. NIL (Rs.45.72 lacs) to Sri. Anil Kumar Bansal; Rs.NIL (Rs.113.83 lacs) to Sri.Devakar Bansal, Rs.55.33 lacs (Rs.58.58 lacs) to Dr.Padam C Bansal, Rs.100.00 lacs (Rs.56.29 lacs) to Sri.R P Bansal, Rs. NIL (Rs.0.81 lacs) to Sri. Sunil Kumar Bansal, Rs.NIL (Rs.26.83 lacs) to Sri.Ashish Bansal, Rs.0.50 lacs (Rs.0.50 lacs) to Sri.Y.V. Raman, Rs.107.68 lacs (Rs.106.43 lacs) to Smt.Vijaya Bansal, Rs.NIL (Rs. 0.79 lacs) to Smt.Neelam Bansal, Rs.NIL (Rs.19.90 lacs) to Smt.Manju Bansal, Rs.9.12 lacs (Rs. 9.12 lacs) to Sri. Pawan Bansal, Rs.Nil (Rs.13.74 lacs) to Smt.Megha Choudhari, Rs.10.50 lacs (Rs. 64.03 lacs) to Smt.Vandana Bansal, Rs.10.00 lacs (Rs. 10.00 lacs) to Smt.Sashi Gupta, Rs.NIL (Rs.19.91 lacs) to Smt.Saroj Bansal, Rs.NIL (Rs. 0.79 lacs) to Smt.Neelam Bansal, Rs.3.19 lacs (Rs.3.19 lacs) to Sri. Narendra Kumar Gupta, Rs 7.11 lacs (Rs.NIL) to Sri. Punit Choudhari, Rs 0.90 lacs (Rs.NIL) to Sri. Amber Bansal, Rs 1.61 lacs (Rs.NIL) to Sri. Manoj Kumar Bansal and Rs 5.22 lacs (Rs.NIL) to Smt.Sushma Gupta.
- 12 Trade and other Receivables includes Rs.79.27 (Rs.87.61 lacs) from M/s. Bansal Chemicals (India).
- 13 Inter Corporate Deposit outstanding include Rs.104.97 lacs (Rs.112.34 lacs) payable to M/s. Ardee Industries Pvt Ltd.
- 14 Pandy Oxides and Chemicals Ltd has given Corporate Guarantee of Rs. 30.00 lacs (Rs. 30.00 lacs) to M/s. POCL Enterprises Ltd.

35.0 Contingent Liabilities and Commitments

(Rs. in Lakhs)

(A) Contingent Liabilities

Particulars	As at 31 March, 2014	As at 31 March, 2013
(I) (i) Gurantees to bank and Financial Institutions against credit facilities extended to subsidiary company	30.00	30.00
(ii) Performance/ Finance Guarantees	25.00	1.36
(iii) Other Money for which the company is contingently liable		
(a) Liability in Respect of LC Opened	608.30	138.60
(b) Liability in respect of Bills Discounted with Banks	542.93	814.38
(II) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	310.55	27.25

36.0 Segment Reporting (AS -17)

Segment Revenue

External Turnover

a. Metal	34,078.77	26,225.19
b. Metallic Oxides	8,211.44	7,730.75
c. Plastic Additives	6,070.95	6,515.61
Total	48,361.16	40,471.55
Less: Inter segment Turnover	3,536.80	3,177.21
Net sales / Income from operations	44,824.35	37,294.34

Segment Results	(Rs. in Lakhs)	
Profit / (loss) (before tax and interest from each segment)		
a. Metal	1,179.62	519.76
b. Metallic Oxides	135.07	260.73
c. Plastic Additives	312.66	476.44
Total	<u>1,627.35</u>	<u>1,256.93</u>
Interest & Finance Charges	832.01	763.55
Other unallocable expenditure net of un-allocable income	372.27	150.50
Profit before tax before exceptional Income / (Expenses) - Net	<u>423.07</u>	<u>342.88</u>
Exceptional Income / (Expense)	0.00	60.85
Profit from ordinary activities before tax	<u>423.07</u>	<u>403.73</u>
Capital employed (Segment Assets		
Less Segment Liabilities)		
a. Metal	1,894.84	1,416.81
b. Metallic Oxides	786.25	1,197.87
c. Plastic Additives	394.40	185.21
e. Un-allocable Assets less Liabilities	779.76	893.90
Total Capital Employed	<u>3,855.24</u>	<u>3,693.79</u>

37.0 Value of imported and indigenous Raw Material and Spare Parts consumed**Raw Materials**

(i) Imported	31,320.60	25,548.37
(ii) Others	7,835.52	4,446.27
Total	<u>39,156.12</u>	<u>29,994.64</u>

38.0 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 subsidiaries has been included in the Consolidated Financial Statements.

39.0 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. 022321

Place : Chennai
Date : May 28, 2014

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

POCL

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

Particulars	POCL Enterprises Ltd.
The Financial Year of the Subsidiary ended on	March 31, 2014
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, 2014	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2014	Rs. 10.27 lakhs
The Net aggregate of profits / losses of the subsidiary company for its previous financial year so far as they concern the members of Pondy Oxides and Chemicals Limited	
a. Dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2013	—
b. Not dealt with in the accounts of Pondy Oxides and Chemicals Ltd., for the year ended March 31, 2013	Rs. 50.10 lakhs

For and on behalf of the Board

Place : Chennai
Date : May 28, 2014

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance &
Company Secretary

STATEMENT PURSUANT TO APPROVAL OF THE CENTRAL GOVERNMENT U/S 212[8] OF THE COMPANIES ACT 1956 ABOUT THE FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES AS AT MARCH 31, 2014

[Rs. in Lakhs]

Name of the subsidiary	POCL Enterprises Ltd.
Issued and Subscribed share capital	78.15
Reserves	116.17
Total Assets	668.20
Total Liabilities	668.20
Investments (except investments in subsidiaries)	1.97
Turnover	1677.44
Profit/(Loss) before taxation	15.16
Provision for taxation	4.89
Profit/(Loss) after taxation	10.27
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 8th 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 companies and related detailed information if sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies 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 companies concerned.

For and on behalf of the Board

Place : Chennai
Date : May 28, 2014

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance &
Company Secretary

POCL

Pondy Oxides and Chemicals Limited

CONSOLIDATED FINANCIAL STATEMENTS

2013-2014

Independent Auditors' Report

To The Board of Directors of
Pondy Oxides and Chemicals Limited

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of Pondy Oxides & Chemicals Limited (the "Company") and its subsidiary, which comprise the consolidated Balance sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with accounting policies generally accepted in India including Accounting Standards referred to in Sub-section (3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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 state of affairs of the Company as at March 31, 2014;
- b) In the case of the consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Other Matters

We have audited the financial Statements / consolidated financial statements of the subsidiaries which reflect total assets (net) of Rs. 668.20 Lakhs as at March 31, 2014, total revenues (net) of Rs. 1691.76 Lakhs and net cash flows amounting to Rs. 22.01 Lakhs for the year ended on that date

For **JEERAVLA & CO.**,
Chartered Accountants
(Firm Registration No.001323S)

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: May 28, 2014

POCL

Consolidated Balance Sheet as at 31 March, 2014

Particulars	Note No.	Rs. in Lakhs	
		As at 31 March, 2014	As at 31 March, 2013
A Equity and Liabilities			
1 Shareholders' Funds			
(a) Share Capital	1	1,115.20	1,114.82
(b) Reserves and Surplus	2	2,856.23	2,686.18
		3,971.43	3,801.00
2 Non Current Liabilities			
(a) Long Term Borrowings	3	982.69	789.58
(b) Deferred Tax Liabilities (Net)	4	72.61	63.49
(c) Other Long Term Liabilities	5	20.00	20.00
(d) Long Term Provisions	6	108.10	96.15
		1,183.40	969.22
3 Current Liabilities			
(a) Short Term Borrowings	7	6,425.41	6,733.53
(b) Trade Payables	8	1,760.06	1,776.22
(c) Other Current Liabilities	9	472.84	515.98
(d) Short Term Provisions	10	309.24	288.22
		8,967.54	9,313.95
TOTAL		14,122.38	14,084.17
B ASSETS			
1 Non Current Assets			
(a) Fixed assets			
(i) Tangible Assets	11	2,204.07	2,295.41
(ii) Capital Work-in-Progress		304.40	145.92
		2,508.48	2,441.33
(b) Non Current Investments	12	36.15	26.47
(c) Long Term Loans and Advances	13	38.43	36.59
(d) Other Non Current Assets	14	11.60	12.04
		2,594.65	2,516.43
2 Current Assets			
(a) Inventories	15	4,177.05	3,301.44
(b) Trade Receivables	16	4,857.16	5,271.54
(c) Cash and Cash Equivalents	17	702.45	1,323.59
(d) Short Term Loans and Advances	18	1,286.00	1,339.49
(e) Other Current Assets	19	505.07	331.68
		11,527.73	11,567.74
TOTAL		14,122.38	14,084.17

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. 022321

Place : Chennai
Date : May 28, 2014

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 March, 2014

Rs in Lakhs

Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Income			
1 Revenue from operations (gross)	20	49,877.09	39,118.93
Less: Excise duty		4,140.33	3,242.85
Revenue from operations (net)		45,736.76	35,876.08
Other income	21	125.71	362.00
Total Revenue		45,862.47	36,238.08
2 Expenses			
(a) Cost of materials consumed	22	39,156.11	29,994.63
(b) Purchases of stock-in-trade	23	1,706.39	2,258.24
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(299.96)	(838.60)
(d) Employee benefits expense	25	817.47	704.21
(e) Finance Costs	26	849.25	776.04
(f) Depreciation and amortisation expense	27	225.43	233.80
(g) Other expenses	28	2,969.28	2,694.75
Total Expenses		45,423.97	35,823.07
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		438.50	415.01
4 Exceptional items	29	(0.30)	60.85
5 Profit / (Loss) before extraordinary items and tax (7 + 8)		438.20	475.86
6 Profit / (Loss) before tax (9 + 10)		438.20	475.86
7 Tax expense:			
(a) Current tax expense for current year		137.48	118.80
(b) Deferred tax		9.12	30.96
		146.60	149.76
8 Profit / (Loss) for the year		291.60	326.10
Earnings per equity share of face value of Rs.10 each			
Basic and diluted - Rs.	30	2.61	2.93
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. 022321

Place : Chennai
Date : May 28, 2014

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	[Rs.in lakhs]	
	Year ended March 31, 2014	Year ended March 31, 2013
(A) Cash Flow from Operating activity		
Profit before tax	438.20	475.90
Adjustments for:		
Add:		
Depreciation as per the Companies Act 1956	225.43	218.48
Loss of Long Term Investments	0.30	-
Loss on foreign exchange fluctuation	267.87	-
Interest Paid	849.25	776.03
Less:		
Profit on foreign exchange fluctuation	-	216.12
Dividend income	0.23	0.21
Interest received	69.74	64.38
Rent Received	33.28	35.40
Profit on sale of assets	4.26	30.23
Miscellaneous Income	17.96	11.76
Profit on sale of investments	0.24	3.90
Prior Period item	-	60.85
Operating Profit from Working Capital Changes	<u>1,655.34</u>	<u>1,047.56</u>
Adjustments for :		
(Increase) / Decrease in Inventories	(875.61)	(25.92)
(Increase) / Decrease in Trade Receivable	414.38	(2,884.09)
(Increase) / Decrease in Short term Loans & advances	183.49	(339.85)
(Increase) / Decrease in Other current assets	(173.39)	(257.91)
Increase / (Decrease) in Trade Payables	(16.15)	953.51
Increase / (Decrease) in Other current liabilities	(43.14)	40.83
Increase / (Decrease) in Short term provisions	(108.16)	(153.21)
Income Tax paid	<u>(130.00)</u>	<u>(75.00)</u>
Net Cash flow from operating activities	<u>906.77</u>	<u>(1,694.09)</u>
(B) Cash Flow from Investing Activities		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	11.67	38.80
Dividend received	0.23	0.21
Interest received	69.74	64.38
Rent Received	33.28	35.40
(Purchase) / Proceeds from Long term Investments	(9.68)	7.48
Pre-operative expenses on lease hold land	-	1.78
Less:		
Purchase of Tangible assets	142.02	353.15
Adjustment to Capital work-in-progress	<u>158.48</u>	<u>(15.70)</u>
Net Cash From Investing Activities	<u>(195.26)</u>	<u>(189.40)</u>
(C) Cash Flow from Financing Activities		
Adjustments for:		
Add		
Increase / (Decrease) in Long term borrowings	193.11	97.31
Profit on sale of investments	0.24	-
Increase / (Decrease) in long term provisions	11.95	1.89
(Increase) / Decrease in Long term loans and advances	(1.84)	3.01
(Increase) / Decrease in Other non current assets	0.44	4.00
Loss of Long Term Investments	0.30	-
Increase / (Decrease) in Short term borrowings	(308.12)	2,564.86
Profit on Foreign exchange fluctuation	-	216.12
Miscellaneous Income	17.96	11.76
Less		
Dividend Paid	129.61	130.00
Interest Paid	849.25	775.97
Loss on foreign exchange fluctuation	<u>267.86</u>	<u>-</u>
Net cash from / (used) from Financing Activities	<u>(1,332.67)</u>	<u>1992.97</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	(621.16)	109.48
Cash & Cash Equivalents as at 01.04.2013	1,323.59	1,214.11
Cash & Cash Equivalents as at 31.03.2014	702.45	1,323.59

As per our Report of even date

For Jeeravla & Co.,
Chartered Accountants
FRN No : 001323S

Sohan C.J. Parmar
Proprietor
M.No. 022321

Place : Chennai
Date : May 28, 2014

For and on behalf of the Board

Anil Kumar Bansal
Managing Director

Sunil Kumar Bansal
Director

K.Kumaravel
GM Finance & Company Secretary

ACCOUNTING POLICIES & NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.14

1.0 A) List of Subsidiaries

The consolidated financial statement represents consolidation of accounts of M/s.Pondy Oxides and Chemicals Limited., with its subsidiaries as detailed below :

Name of the company : M/s.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 Standards 21 - " Consolidated Financial Statements" issued by ICAI.
 - ii. The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill, which is not being amortized or capital reserve as the case may be.
- 2.0 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

Particulars	Rs in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(a) Authorised		
Equity shares of Rs.10 /- each 1,24,00,000 (1,24,00,000)	1,240.00	1,240.00
(b) Issued, Subscribed and Paid-up		
Equity shares of Rs.10 /- each 1,11,51,985 (1,11,51,985)	1,115.20	1,115.20
Less: NIL(3813) Equity Shares of Rs 10/- each held by Subsidiary Company	-	0.38
Total	1,115.20	1,114.82

- 1.1 Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash
- | | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| of amalgamation without payments being received in cash | 1,102,500 | 1,102,500 |
- 1.2 The details of Shareholders holding more than 5% shares:

Name of Share Holder	As at 31 March,2014		As at 31 March, 2013	
	No of Shares	% Held	No of Shares	% Held
1.3.1 Sri. Anil Kumar Bansal	720,196	6.46	649,720	5.83
1.3.2 Smt. Neelam Bansal	619,698	5.56	616,897	5.53
1.3.3 Smt. Manju Bansal	585,101	5.25	547,887	4.91
1.3.4 Sri. Ashish Bansal	778,127	6.98	591,354	5.30

POCL

		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
1.4	Reconciliation of the number of shares outstanding is set out below		
	Equity shares at the beginning of the year	11,151,985	11,151,985
	Add : Shares issued on amalgamation of subsidiary	-	-
	Less : Shares extinguished on crossholding, on amalgamation	-	-
	Less : Crossholding held by Subsidiary in Holding Company	-	3,813
	Equity shares at the end of the year	11,151,985	11,148,172
2.0	Reserves and surplus		
(a)	Securities premium account		
	Opening balance	363.10	363.09
	Add : Premium on shares issued during the year	-	-
	Less : Utilised during the year for:	-	0.14
	Closing balance	363.10	362.95
(b)	General reserve		
	Opening balance	45.00	30.00
	Add: Transferred from surplus in Statement of Profit and Loss	15.00	65.10
	Less: Utilised / transferred during the year.	-	-
	Closing balance	60.00	95.10
(c)	Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	2,278.20	2,114.78
	Add: Profit / (Loss) for the year	291.60	326.15
	Excess Provision for Current Tax Reversed	7.94	-
	Transfer on Consolidation	-	0.18
	Less:		
	Dividends proposed to be distributed to equity shareholders of ' Rs 1.00 /- per share (' Rs 1.00 /- per share)	111.52	111.52
	Tax on dividend	18.09	18.09
	Short provision for current tax reversed	-	18.14
	Transfer on Consolidation	-	0.13
	Transferred to:		
	General reserve	15.00	65.10
	Closing balance	2,433.13	2,228.13
	Total (a +b + c)	2,856.23	2,686.18
3.0	Long-term borrowings		
(a)	Term loans from Banks		
	Secured [refer note no 3.1 and 3.2]	208.05	75.56
	Sub total	208.05	75.56
(b)	Term loans from Others		
	1.00 Secured	-	1.48
	2.00 Unsecured	893.69	780.44
	Sub total	893.69	781.92
	Total	1,101.74	857.48
	Less : Shown under Current Maturities of Long term debt	119.05	67.90
	Balance Shown above	982.69	789.58

*3.1 Rs. 189.08 lacs (Rs.58.46 lacs) of term loan for building and machinery are secured by way of first mortgage/Charge on the immovable / movable assets situated in factories of the company and guaranteed by promoter directors of the company.

*3.2 Rs. 18.97 lacs (Rs.17.10 lacs) of term loan for Vehicles are secured by way of specific assets.

4.0 **Deferred Tax Liability (NET)**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Deferred Tax Liability		
Related to Fixed Assets	72.61	63.49
Total	72.61	63.49
5.0 Other long-term liabilities		
Trade / security deposits received	20.00	20.00
Total	20.00	20.00
6.0 Long-term provisions		
Provision for employee benefits:		
- Provision for gratuity (net)	108.10	96.15
Total	108.10	96.15
7.0 Short-term borrowings		
(a) Loans repayable on demand		
Secured		
1 Working Capital Loans [refer note no 7.1]		
1.1 From Banks		
1.1.1 Rupee Loans	6,413.81	6,321.55
1.1.2 Foreign Currency Loans	-	257.26
Total (a)	6,413.81	6,578.81
(b) Unsecured		
1 Banks	-	1.98
2 Deposits	11.60	5.50
3 From Others [refer note no 7.2]	-	147.24
Total (b)	11.60	154.72
Total (a+b)	6,425.41	6,733.53

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 The holding company has extended a corporate guarantee for the working capital facilities availed by the subsidiary company.

7.3 Other loans and advances from other includes unsecured loan from directors, friends and relatives.

POCL

Particulars		Rs. in Lakhs	
		As at 31 March, 2014	As at 31 March, 2013
8.0 Trade payables			
(a) Trade payables			
1 Micro, Small and Medium Enterprises *	3.77	1.20	
2 Others	1,756.29	1,775.02	
Total	1,760.06	1,776.22	
* MSME Payable were based on the information provided by the entities			
9.0 Other current liabilities			
(a) Current maturities of long-term debt (Refer Note (i) below)	119.05	67.90	
(b) Interest accrued and due on borrowings	47.88	205.58	
(c) Unpaid /Unclaimed dividends	10.84	10.71	
(d) Unclaimed Fractional Shares dividends	-	0.02	
(e) Other payables			
1 Payables on purchase of fixed assets	-	2.96	
2 Advances from customers	7.19	11.32	
3 Audit Fee Payables	9.05	8.66	
4 Others *	278.83	208.83	
Total	472.84	515.98	
* Includes excise duty and tax on sales payable			
10.0 Short-term provisions			
(a) Provision for employee benefits:			
Provision for bonus	42.15	37.60	
(b) Provision - Others:			
1 Provision for tax	137.48	121.01	
2 Provision for proposed equity dividend and Dividend Tax	129.61	129.61	
Total	309.24	288.22	

11.0 Fixed Assets

Sl. No.	Description	Gross Block				Depreciation				Net Block	
		As on 1.04.13	Additions	Deduction/ Adjustments	As on 31.03.14	Upto 31.03.13	For the Year	Deduction/ Adjustments	As on 31.03.14	As on 31.03.13	As on 31.03.14
Tangible Assets :											
1	Leasehold Land	269.31	0.19	-	269.50	9.02	0.97	-	9.99	260.29	259.51
2	Free hold land	133.17	4.15	-	137.32	-	-	-	-	133.17	137.32
3	Building	1,723.35	-	-	1723.35	547.77	85.35	-	633.13	1,175.57	1,090.22
4	Plant & machinery	1,070.01	111.58	0.24	1181.35	593.67	76.89	0.23	670.33	476.34	511.01
5	Furniture & Fittings	75.19	-	-	75.19	38.35	6.67	-	45.02	36.84	30.17
6	Office Equipment	114.99	9.81	-	124.80	62.98	13.00	-	75.98	52.01	48.82
7	Vehicles	139.95	14.44	21.55	132.84	77.64	16.70	14.15	80.20	62.31	52.64
8	Lab Equipments	97.15	1.85	-	99.00	56.35	6.40	-	62.75	40.81	36.26
9	Electrical fittings	122.44	-	-	122.44	77.40	6.90	-	84.31	45.03	38.13
Total		3,745.56	142.02	21.79	3,865.79	1,463.19	212.90	14.37	1,661.72	2,282.38	2,204.08
Previous Year 2012-13		3,438.33	353.15	32.89	3,758.60	1,328.12	218.47	83.41	1,463.19	2,110.21	2,295.42
Capital Work in progress										145.92	304.40

11.1 Capital work in progress includes

- i. Project under construction : Rs.220.33 lacs (Rs.28.74 lacs)
- ii. Machinery and Electrical Fittings etc under installation : Rs.84.06 lacs(Rs.117.18 lacs)

		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
12.0 Non-current investments			
Investments (At cost)			
I <u>Investment in Equity Instruments</u>			
<u>A In Equity Shares of Other Companies</u>			
(i) <u>Quoted</u>			
1 360 (360) Equity Shares Of Rs 5/- each fully paid in ONGC	0.43	0.43	
2 250 (1000) Equity Shares of Rs.10/- each in Jyothy Laboratories Ltd. formerly known as Hencle Spic (I) Ltd	0.60	0.60	
3 67 (67) Equity Shares of Rs.10/- each in Bata (India) Ltd.	0.11	0.11	
4 300 (300) Equity Shares of Rs.10/- each in Indian Overseas Bank	0.07	0.07	
5 200(200) Equity Shares of Rs.10/- each in Uco Bank	0.03	0.03	
6 200 (200) Equity Shares of Rs.10/-each in Vijaya Bank	0.05	0.05	
7 2000(2000) Equity Shares of Rs.10/- each in Bhagawandoss Metals Ltd	-	0.30	
8 300(300) Equity Shares of Rs.10/- each in Orchid Chemicals Ltd.	0.31	0.31	
9 250(250) Equity Shares of Rs.10/- each in Rama Newsprint Ltd	0.10	0.10	
10 539 (539) Equity Shares of Rs.10/- each fully paid in Ramco Systems Ltd	1.52	1.52	
Total (A)	3.22	3.53	
(ii) <u>UNQUOTED</u>			
1 725420 (725420) Equity Shares of Rs.10/- each fully paid in Madras Stock Exchange	19.09	19.09	
2 32093 (32093) Equity Shares of Rs.10/- each fully paid in MSE Financial Services Ltd.	3.85	3.85	
Total (B)	22.94	22.94	
3 Canara bank Mutual Fund — C	10.00	-	
Total D = (A + B)	26.15	26.47	
Total (C + D)	36.15	26.47	
Market Value of Quoted Investments is Rs. 3.61 Lakhs (Rs 4.17 lakhs)			
13.0 Long-term loans and advances (Unsecured and considered good)			
Security deposits	38.43	36.59	
Total	38.43	36.59	
14.0 Other non-current assets			
Misc. Expenditure (to the extent not return off or adjusted)			
Demerger Expenses	3.56	0.00	
Amalgamation Expenses	12.05	16.05	
Less : Written off	4.01	4.01	
Total	11.60	12.04	

POCL

		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
15.0 Inventories			
(At lower of cost and net realisable value)			
(a) Raw materials	1,856.39	1,459.57	
(b) Goods-in-transit	267.47	121.78	
(c) Work-in-progress	281.36	210.81	
(d) Finished goods (other than those acquired for trading)	1,422.61	1,030.69	
(e) Stock-in-trade	284.81	384.88	
(f) Stores and spares	47.38	71.11	
(g) Loose tools	17.03	22.60	
Total	<u>4,177.05</u>	<u>3,301.44</u>	
16.0 Trade receivables			
(a) Trade receivables outstanding for a period exceeding 180 days			
Unsecured and considered good	34.68	3.23	
(b) Other Trade receivables			
(i) Secured and considered good	529.96	1,733.03	
(ii) Unsecured and considered good	<u>4,292.52</u>	<u>3,535.28</u>	
Total (b)	<u>4,822.48</u>	<u>5,268.31</u>	
Total (a) + (b)	<u>4,857.16</u>	<u>5,271.54</u>	
17.0 Cash and cash equivalents			
(a) Cash & Cash Equivalents			
Balances with bank			
1 In Current and Cash Credit Accounts	9.71	272.16	
- Unpaid dividend accounts	10.84	11.28	
2 In EEFC accounts	-	488.70	
3 Deposits with Original Maturity less than 3 months	419.17	485.74	
4 In Margin money	-	2.89	
Cash	3.49	6.11	
Other bank balances			
Deposits with Original maturity for more than 3 months but less than 12 months *	259.24	56.71	
Total	<u>702.45</u>	<u>1,323.59</u>	
* Includes deposits earmarked for bank facilities.			
18.0 Short-term loans and advances (Unsecured and considered good)			
(a) Loans and advances to related parties *	-	2.16	
(b) Loans and advances to employees	3.71	5.07	
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	20.00	19.48	

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
(d) Balances with Excise, Sales Tax and Income Tax Authorities		
1 Central Excise Deposit	538.94	428.60
2 TNVAT	10.00	0.00
3 Central Service Tax	6.01	11.37
4 Income Tax	170.93	132.28
5 Commissioner of Customs	9.10	-
(e) Others -Suppliers Advance (including for expenses)	527.31	740.53
Total	<u>1,286.00</u>	<u>1,339.49</u>
* Refer Note 34 for details of loans to related parties		
19.0 Other current assets		
(a) Interest accrued on deposits	50.26	117.09
(b) Rebate Receivables	454.81	214.59
Total	<u>505.07</u>	<u>331.68</u>
20.0 Revenue from operations		
(a) Sale of products	49,871.11	39,117.55
(b) Other operating revenues	5.98	1.38
	<u>49,877.09</u>	<u>39,118.93</u>
<u>Less:</u>		
(c) Excise duty	4,140.33	3,242.85
Total	<u>45,736.76</u>	<u>35,876.08</u>
20.1 Particulars of Sale of Products		
(a) Sale of products comprises :		
I <u>Manufactured goods</u>		
Metals	30,901.13	21,394.67
Metalic Oxides	7,235.76	6,312.58
PVC Stabilisers	6,042.65	5,674.63
Others	169.00	55.93
Total - Sale of manufactured goods	<u>44,348.54</u>	<u>33,437.81</u>
II <u>Traded goods</u>		
Metals	1,227.21	2,360.94
PVC Stabilisers	-	5.00
Others	155.03	70.95
Total - Sale of traded goods	<u>1,382.24</u>	<u>2,436.89</u>
Total - Sale of products	<u>45,730.78</u>	<u>35,874.70</u>
(b) Other operating revenues :		
1 Conversion Charges Received	5.98	1.38
Total - Other operating revenues	<u>5.98</u>	<u>1.38</u>

POCL

		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
21.0 Other Income			
(a) Interest income	69.74	64.38	
(b) Dividend income			
- From long-term investments			
- Others	0.23	0.21	
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	216.12	
(d) Other non-operating income (net of expenses directly attributable to such income)	55.74	77.39	
(e) Profit from Sale of Investment	-	3.90	
Total	125.71	362.00	
21.1 Particulars of Interest Income			
(a) Interest from banks on:			
- deposits	46.10	35.43	
(b) Interest on loans and advances	22.58	28.95	
Total - Interest income	68.68	64.38	
21.2 Particulars of other non-operating Income			
Other non-operating income comprises:			
1 Rental income from operating leases	33.28	35.40	
2 Profit on sale of shares	0.24	-	
3 Profit on sale of fixed assets [net of expenses directly attributable]	4.26	30.23	
4 Miscellaneous income [net of expenses directly attributable]	17.96	11.76	
Total - Other non-operating income	55.74	77.39	
22.0 Cost of materials consumed			
(a) Opening stock	1459.57	1,556.57	
(b) Add: Purchases	39,552.92	29,897.63	
	41,012.49	31,454.20	
(c) Less: Closing stock	1,856.38	1,459.57	
Cost of material consumed (a + b -c)	39,156.11	29,994.63	
Material consumed			
1 Lead Metal	19,331.24	11,164.38	
2 Lead Scrap	10,482.36	5,862.93	
3 Zinc Metals	4,073.33	3,135.39	
4 Battery Plates	1,698.67	4,679.04	
5 Other items	3,570.51	5,152.91	
Total	39,156.11	29,994.65	

Particulars		Rs. in Lakhs	
		As at 31 March, 2014	As at 31 March, 2013
23.0	Purchase of traded goods		
1	Metals	1681.93	2157.70
2	Others	24.45	100.54
	Total	1,706.38	2,258.24
24.0	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	(a) <u>Inventories at the end of the year</u>		
1	Finished goods	1,422.61	1,415.58
2	Work-in-progress	281.36	210.81
3	Stock-in-trade	284.81	-
	Total (a)	1,988.78	1,626.39
	(b) <u>Inventories at the beginning of the year:</u>		
1	Finished goods	1,030.69	729.70
2	Work-in-progress	210.80	24.97
3	Stock-in-trade	384.88	-
	Total (b)	1,626.37	754.67
	(c) Excise duty on finished goods *	62.45	33.11
	Net (increase) / decrease (b-a)	(299.96)	(838.60)
	* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished		
25.0	Employee benefits expense		
1	Salaries and wages	644.57	556.18
2	Contributions to provident and other funds	52.10	44.77
3	Staff welfare expenses	120.80	103.26
	Total	817.47	704.21
26.0	Finance costs		
	(a) Interest expense on:		
1	Borrowings	617.79	577.50
2	On Unsecured Loans	135.67	119.53
	(b) Other borrowing costs	95.79	79.01
	Total	849.25	776.04
27.0	Depreciation & Amortisation Expenses		
	Depreciation	212.91	218.48
	Preliminary & Pre-Operative Exp. Written off	4.01	4.01
	Tools & Implements written off	8.51	11.31
	Total	225.43	233.80

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		Rs. in Lakhs	
Particulars		As at 31 March, 2014	As at 31 March, 2013
28.0	Other expenses		
1	Consumption of stores and spare parts	27.03	44.38
2	Advertisement	1.42	1.24
3	Bad trade and other receivables, loans and advances written off	24.15	12.87
4	Business promotion	8.40	0.39
5	Computer Maintenance	2.91	1.38
6	Consumption of packing materials	89.25	81.07
7	Conversion Charges Paid	97.48	80.82
8	Director Sitting Fees	0.78	0.90
9	Discount & Rebates	0.04	0.00
10	Entertainment Expenses	2.62	7.50
11	Environmental Control Expenses	26.94	66.91
12	Exhibition Expenses	9.88	0.03
13	Loss on foreign exchange transactions	267.86	0.00
14	Factory Expenses	71.22	69.79
15	Freight and forwarding	467.75	394.88
16	General Expenses	6.75	4.37
17	Insurance	32.93	32.46
18	Laboratory Expenses	10.55	6.76
19	Legal and professional	17.49	16.07
20	Membership Fee	6.16	3.77
21	Newspaper & Periodicals	0.61	0.39
22	Office Maintenance	5.61	11.24
25	Payments to auditors	8.43	8.65
26	Postage ,Telegram & Telephone Expenses	21.75	27.76
27	Power and fuel	1,238.94	1,308.43
28	Printing and stationery	7.87	8.81
29	Purchase Commission	8.72	12.74
30	Rates and taxes	33.46	30.11
31	Rent & Amenities Charges	4.67	4.38
32	Repairs and maintenance - Buildings	25.62	26.28
33	Repairs and maintenance - Machinery	109.08	144.60
34	Repairs and maintenance - Others	47.60	29.32
35	Sales commission	94.83	65.91
36	Sales discount	45.35	61.98
37	Service tax paid	14.86	13.91
38	Share transfer expenses	0.46	0.51
39	Travelling and Conveyance	107.18	89.10
40	Vehicle Maintenance	22.63	24.27
41	Loss on fixed assets sold / scrapped / written off	-	0.77
	Total	2,969.28	2,694.75

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
28.1 Payment to Auditors as		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
1 As auditors - statutory audit	7.31	7.53
2 For taxation matters	1.12	1.12
3 For other services	0.00	0.30
Total	8.43	8.95
29.0 Exceptional items		
1 Keyman insurance maturity proceeds	(0.30)	-
2 Prior Period item	-	60.85
Total	(0.30)	60.85
30.0 Earning Per Share (EPS)		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	291.60	326.13
(ii) Weighted average number of Equity Shares	11,151,985	11,148,172
(iii) Basic Earning & Diluted Earning Per Share in Rs	2.61	2.93
(iv) Face Value per Equity Shares	10.00	10.00
31.0 Expenditure in Foreign Currency		
(i) Import of Raw Materials	31,771.64	27,682.38
(ii) Membership Fee	4.36	1.41
(iii) Travelling Expenses	10.55	3.08
(iv) Commission	20.75	13.99
32.0 Earnings in Foreign Exchange		
Sales	21,366.00	14,061.14
33.0 Remittance in Foreign Currency on Account of Dividend		
Number of Non Resident Shareholders	47	52
Number of Equity Shares held by them	477,672	481,826
Amount Remitted in Foreign Currency (Rs) in lacs	4.78	4.82
Year to which dividend relate	2012-13	2011-12

34.0 (i) **Related Party Disclosures in accordance with Accounting Standard 18, the disclosure required is given below**

(a) Name of the related parties and relationship

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

<u>S.No</u>	<u>Name</u>	<u>Designation</u>
1	Dr. 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	Director

(d) Relatives of Key Management Personnel

<u>S.No</u>	<u>Name</u>	<u>Relationship</u>
1	Smt. Vijaya Bansal	W/o. Dr. Padam C Bansal
2	Smt. Manju Bansal	W/o . Sri. Anil Kumar Bansal
3	Smt. Neelam Bansal	W/o. Sri. Sunil Kumar Bansal
4	Smt. Saroj Bansal	W/o. Sri. R.P. Bansal
5	Smt. Vandana Bansal	W/o. Sri. Devakar Bansal
6	Smt. Charu Bansal	W/o. Sri. Ashish Bansal
7	Sri. Pawan Bansal	S/o. Sri. R.P. Bansal
8	Sri. Harsh Bansal	S/o. Sri. Sunil Kumar Bansal
9	Sri. Sagar Bansal	S/o. Sri. Devakar Bansal
10	Smt. Megha Choudhari	D/o. Sri. Anil Kumar Bansal
11	Sri. Punit Choudhari	Daughter's husband of Sri. Anil Kumar Bansal
12	Smt. Shashi Gupta	Sister of Sri. Anil Kumar Bansal
13	Sri. Narendra Kumar Gupta	Sister's husband of Sri. Anil Kumar Bansal
14	Sri. Manoj Kumar Bansal	Brother of Sri. Anil Kumar Bansal
15	Smt. Sushma Gupta	D/o Sri. R P Bansal

(ii) Transaction during the year with related parities

(Rs. in Lakhs)

S.No	Nature of Transaction	Other Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
[I]	Purchases			
	Goods & Materials	628.87 (580.38)	Nil (Nil)	Nil (Nil)
[II]	Sales			
	Goods & Materials	620.83 (671.76)	Nil (Nil)	Nil (Nil)
[III]	Expenses			
	Conversion Charges Paid	91.83 (80.81)	Nil (Nil)	Nil (Nil)
	Remuneration	Nil (Nil)	171.51 (155.46)	Nil (Nil)
	Interest Paid	22.30 (22.83)	39.20 (39.74)	29.09 (27.29)
	Sales & Distribution expenses	17.01 (22.50)	Nil (Nil)	Nil (Nil)
[IV]	Finance and Investment during the Year			
	Inter Corporate Deposit Paid	17.58 (15.69)	Nil (Nil)	Nil (Nil)
	Inter Corporate Deposit Received	10.21 (26.05)	Nil (Nil)	Nil (Nil)
	Loan Taken	25.00 (Nil)	325.05 (368.80)	237.97 (282.25)
	Loan Paid	Nil (50.00)	439.30 (414.75)	320.21 (234.75)
[V]	Outstanding			
	Trade & Other Payables	211.16 (69.23)	180.08 (302.56)	155.33 (247.90)
	Trade & Other Receivables	79.27 (89.77)	Nil Nil	Nil Nil
	Inter Corporate Deposit	104.97 (112.34)	Nil (Nil)	Nil (Nil)
	Financial Guarantees	Nil (Nil)	Nil (Nil)	Nil (Nil)

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

- 1 Purchase / Material Consumed include Rs.628.87 lacs(Rs. 578.35 lacs) from M/s. Bansal Chemicals (India), Rs.NIL (Rs.0.50 lacs) from M/s. Ardee Industries Pvt. Ltd and Rs.NIL (Rs.1.53 lacs) from M/s. Bansal Metallic Oxides
- 2 Sale include Sale of Rs. 12.43 lacs (Rs. 13.41 lacs) to M/s.Ardee Industries Pvt. Ltd , Rs.584.30 lacs (Rs.626.38 lacs) to M/s. Bansal Chemicals (India) and Rs. 24.10 lacs (Rs.24.25 lacs) to M/s. Bansal Metallic Oxides.
- 3 Conversion Charges paid include Rs.18.07 lacs (Rs.4.09 lacs) to M/s. Ardee Industries Pvt.Ltd and Rs. 62.74 lacs (Rs.48.63 lacs) to M/s. Bansal Metallic Oxides.
- 4 Remuneration paid include Rs. 35.98 lacs (Rs.34.35 lacs) to Sri.Anil Kumar Bansal, Rs.29.62 lacs (Rs. 28.21 lacs) to Sri.Sunil Kumar Bansal; Rs.28.41 lacs (Rs.28.04 lacs) to Sri. R.P. Bansal, Rs.27.49 lacs (Rs.26.33 lacs) to Sri. Devakar Bansal, Rs.9.35 lacs (Rs.8.40 lacs) to Sri. Y.V. Raman, Rs.24.61 lacs (Rs.24.60 lacs) to Sri. Ashish Bansal.
- 5 Interest paid include Rs.13.39 lacs (Rs.11.52 lacs) to M/s. Ardee Industries Pvt. Ltd, Rs.8.91 lacs (Rs.11.31 lacs) to M/s.Daman Metallic Oxides , Rs. 1.29 lacs (Rs.2.37 lacs) to M/s. Rajendra Metchem, Rs.7.19 lacs (Rs.5.54 lacs) to Dr. Padam C Bansal, Rs.6.26 lacs (Rs.6.10 lacs) to Sri.Anil Kumar Bansal, Rs.Nil (Rs.0.89 lacs) to Sri. Sunil Kumar Bansal, Rs.15.13 lacs (Rs.6.44 lacs) to Sri.R.P.Bansal, Rs.1.00 lacs (Rs.15.57 lacs) to Sri.Devakar Bansal, Rs.8.27 lacs (Rs.2.77 lacs) to Sri.Ashish Bansal, Rs. 0.06 lacs (Rs.0.06 lacs) to Sri. Y.V.Raman, Rs.12.91 lacs (Rs.11.78 lacs) to Smt.Vijaya Bansal, Rs.2.50 lacs (Rs.1.27 lacs) to Smt.Manju Bansal, Rs.NIL (Rs.1.73 lacs) to Smt.Neelam Bansal, Rs.3.62 lacs (Rs.1.45 lacs) to Smt.Saroj Bansal, Rs.1.73 lacs (Rs.2.54 lacs) to Smt.Megha Choudhari, Rs.3.65 lacs (Rs.3.43 lacs) to Smt.Charu Bansal, Rs.NIL (Rs.0.19 lacs) to Sri.Harsh Bansal, Rs.1.09 lacs (Rs.0.99 lacs) to Sri.Pawan Bansal, Rs.NIL (Rs.0.47 lacs) to Sri.Sagar Bansal, Rs.1.20 lacs (Rs.1.20 lacs) to Smt.Sashi Gupta, Rs.0.38 lacs (Rs.0.38 lacs) to Sri.Narendra Kumar Gupta, Rs.0.37 lacs (Rs.1.73 lacs) to Smt. Vandana Bansal and Rs.0.74 lacs (Rs.0.13 lacs) to Sri. Punit Choudhari, Rs.0.11 lacs (Rs. NIL) to Sri. Amber Bansal, Rs.0.20 lacs (Rs. NIL) to Sri. Manoj Kumar Bansal, Rs.0.59 lacs (Rs. NIL) to Smt. Sushma Gupta.
- 6 Sales and distribution expenses represents Rs. 22.50 lacs (Rs.14.52 lacs) paid to M/s. Bansal Chemicals (India).
- 7 Inter Corporate Deposit Paid Rs.15.69 lacs (Rs.44.62 Lacs) to M/s.Ardee Industries Pvt. Ltd.
- 8 Inter Corporate Deposit Received Rs.26.05 lacs (Rs.43.00 lacs) from M/s. Ardee Industries Pvt Ltd.
- 9 Loan taken include Rs. 25.00 lacs (Rs.NIL) from M/s. Daman Metallic Oxides, Rs.4.25 lacs (Rs. 12.55 lacs) from Dr. Padam CBansal, Rs.77.58 lacs (Rs.104.75 lacs) from Sri.Anil Kumar Bansal, Rs.NIL (Rs. 18.50 lacs) from Sri. Sunil Kumar Bansal, Rs.120.75 lacs (Rs.114.50 lacs) from Sri.R.P.Bansal, Rs.NIL (Rs. 67.00 lacs) from Sri. Devakar Bansal, Rs. 122.47 lacs (Rs.51.50 lacs) from Sri.Ashish Bansal, Rs.72.50 lacs (Rs.30.50 lacs) from Smt.Manju Bansal, Rs.30.50 lacs (Rs.11.25 lacs) from Smt.Charu Bansal and Rs.44.00 lacs (Rs.76.50 lacs) from Smt.Megha Choudhari, Rs.64.00 lacs (Rs.20.00 lacs) from Smt.Saroj Bansal, Rs.10.50 lacs (Rs. 84.50 lacs) from Smt.Vandana Bansal, Rs. NIL (Rs.2.50 lacs) from Sri.Pawan Bansal, Rs. NIL (Rs.51.00 lacs) from Smt. Neelam

- Bansal and Rs. 10.00 lacs (Rs. 2.00 lacs) from Sri. Punit Choudhari and Rs. NIL (Rs. 4.00 lacs) from Sri.Sagar Bansal, and Rs. 1.25 lacs (Rs. NIL) from Smt. Vijaya Bansal, and Rs. 5.22 lacs (Rs. NIL) from Smt. Sushma Gupta
- 10 Loan paid Include Rs. NIL (Rs.50.00 lacs) to M/s. Daman Metallic Oxides, Rs. 3.25 lacs (Rs.NIL) to Dr. Padam C Bansal, Rs.107.35 lacs (Rs. 169.97 lacs) to Sri. Anil Kumar Bansal, Rs.NIL (Rs.18.50 lac) to Sri. Sunil Kumar Bansal, Rs.91.45 lacs (Rs. 87.80 lacs) to Sri.Devakar Bansal Rs.93.30 lacs (Rs. 90.46. lacs) to Sri. R P Bansal, Rs. 143.95 lacs (Rs.48.02 lacs) to Sri. Ashish Bansal, Rs.NIL (Rs.51 lacs) to Smt.Neelam Bansal, Rs.90.87 lacs (Rs.18.88 lac) to Smt.Manju Bansal, Rs.30.50 lacs (Rs.38.00 lacs) to Smt.Charu Bansal , Rs.54.94 lacs (Rs. 82.99 lacs) to Smt.Megha Choudhari, Rs.62.30 lacs (Rs.24.50 lacs) to Smt.Vandana Bansal ,Rs.81.61 lacs (Rs.13.11 lacs) to Smt.Saroj Bansal, Rs. NIL (Rs. 4.00 lacs) to Sri. Sagar Bansal, Rs. NIL (Rs.2.27 lacs) to Smt. Sashi Gupta and Rs.5.00 lacs (Rs. NIL) to Sri. Punit Choudhari- HUF
- 11 Trade and other payable Include Rs.91.83 lacs (Rs.65.93 lacs) to M/s.Daman Metallic Oxides, Rs.NIL (Rs. 3.30 lacs) to M/s.Bansal Metallic Oxide and Rs. 119.33 lacs (Rs NIL) to M/s.Bansal Chemicals (India), Rs. 10.00 lacs (Rs NIL) to M/s. Rajendra Metchem, Rs.4.00 lacs (Rs. 45.72 lacs) to Sri. Anil Kumar Bansal ; Rs.NIL (Rs.113.83 lacs) to Sri.Devakar Bansal, Rs.59.58 lacs (Rs.58.58 lacs) to Dr. Padam C Bansal, Rs.106.00 lacs (Rs.56.29 lacs) to Sri.R.P.Bansal, Rs. NIL (Rs.0.81 lacs) to Sri. Sunil Kumar Bansal, Rs.Nil (Rs.26.83 lacs) to Sri.Ashish Bansal, Rs.0.50 lacs (Rs.0.50 lacs) to Sri.Y.V. Raman , Rs.107.68 lacs (Rs. 106.43 lacs) to Smt.Vijaya Bansal, Rs.NIL (Rs. 0.79 lacs) to Smt.Neelam Bansal, Rs.NIL (Rs.19.90 lacs) to Smt.Manju Bansal, Rs.9.12 lacs (Rs. 9.12 lacs) to Sri.Pawan Bansal,Rs.NIL (Rs. 13.74 lacs) to Smt.Megha Choudhari, Rs.10.50 lacs (Rs. 64.03 lacs) to Smt.Vandana Bansal, Rs.10.00 lacs (Rs. 10.00 lacs) to Smt.Sashi Gupta, Rs.NIL (Rs.19.91 lacs) to Smt.Saroj Bansal, Rs.NIL (Rs. 0.79 lacs) to Smt.Neelam Bansal, Rs.3.19 lacs (Rs.3.19 lacs)to Sri.Narendra Kumar Gupta, Rs 7.11 lacs (Rs.NIL) to Sri.Punit Choudhari, Rs 0.90 lacs (Rs.NIL) to Sri.Amber Bansal, Rs 1.61 lacs (Rs.NIL) to Sri.Manoj Kumar Bansal and Rs 5.22 lacs (Rs.NIL) to Smt.Sushma Gupta
- 12 Trade and other Receivables includes Rs. 79.27 lacs (Rs. 87.61 lacs) from M/s. Bansal Chemicals (India)
- 13 Inter Corporate Deposit outstanding include Rs. 104.97 lacs (Rs. 112.34 lacs) payable to M/s Ardee Industries Pvt Ltd..

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		Rs. in Lakhs	
Particulars	As at 31 March, 2014	As at 31 March, 2013	
35.0 Contingent Liabilities and Commitments			(Rs. in Lakhs)
(A) Contingent Liabilities			
Particulars	As at 31 March, 2014	As at 31 March, 2013	
(I) (i) Gurantees to bank and Financial Institutions against credit facilities extended to third parties	30.00	-	
(ii) Performance/ Finance Guarantees	25.00	146.47	
(iii) Other Money for which the company is contingently liable			
(a) Liability in Respect of LC Opened	608.30	138.60	
(b) Liability in respect of Bills Discounted with Banks	542.93	1.27	
(II) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	310.55	27.25	
36 Segment Reporting (AS -17)			
Segment Revenue			
External Turnover			
a. Metal	33,313.72	26,221.96	
b. Metallic Oxides	8,211.44	7,730.75	
c. Plastic Additives	6,070.95	6,515.61	
d. Others	1,677.44	1,827.82	
Total	49,273.55	42,296.14	
Less: Inter segment Turnover	3,536.80	3,177.21	
Net sales / Income from operations	45,736.75	39,118.93	
Segment Results			
Profit / (loss) (before tax and interest from each segment)			
a. Metal	1,179.62	519.75	
b. Metallic Oxides	135.07	260.76	
c. Plastic Additives	312.66	476.44	
d. Others	32.37	85.26	
Total	1,659.72	1,342.21	

Particulars	Rs. in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
Interest	849.25	776.03
Other unallocable expenditure net of un-allocable income	372.27	151.16
Profit before tax before exceptional Income / (Expenses) - Net	438.20	415.02
Exceptional Income / (Expense)	0.00	60.85
Profit from ordinary activities before tax	438.20	475.87
Capital employed (Segment Assets Less Segment Liabilities)		
a. Metal	1,894.84	1,416.81
b. Metallic Oxides	947.02	1,197.87
c. Plastic Additives	394.40	185.21
d. Others	177.34	167.38
e. Un-allocable Assets less Liabilities	557.84	833.74
Total Capital Employed	3,971.44	3,801.01

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. 022321

Place : Chennai
Date : May 28, 2014

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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PONDY OXIDES AND CHEMICALS LIMITED**FIVE YEARS FINANCIAL HIGHLIGHTS**

[Rs. in lakhs]

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Summary of Operations					
Total Income	16979.48	27279.23	31979.17	37294.34	48741.37
Profit Before Tax	741.55	826.52	432.34	403.73	423.07
Profit After Tax	576.70	551.67	287.59	276.06	281.36
Net Cash Accrual	735.54	789.00	570.64	508.96	505.91
Dividend [incl. Div. Tax]	141.90	165.00	129.61	129.61	129.61
Year-end Financial Position					
Fixed Assets : Net [incl. WIP]	1751.67	2213.85	2255.27	2425.64	2493.46
Investments	296.94	296.94	105.91	149.36	160.75
Net Current Assets	4697.55	5851.33	6166.11	8792.17	8784.80
Total Assets	6746.16	8362.12	8527.29	11367.17	11439.01
Represented by					
Equity Share Capital	1010.71	1010.71	1115.20	1115.20	1115.20
Reserves & Surplus	491.60	521.60	393.10	408.09	423.10
Profit and Loss Account	1033.89	1390.55	2057.19	2170.49	2316.94
Net Worth	2536.20	2922.86	3565.49	3693.78	3855.24
Loan Funds	4178.93	5415.51	4929.45	7610.05	7511.29
Deferred Tax Liability [Net]	31.03	23.75	32.35	63.34	72.48
Total Funds	6746.16	8362.12	8527.29	11367.17	11439.01
Per Share Data					
Earning per share	5.71	5.46	2.84	2.48	2.52
Dividend per share	1.20	1.40	1.00	1.00	1.00

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

If undelivered, please return to :
Pondy Oxides and Chemicals Limited
KRM Centre, 4th Floor,
No 2, Harrington Road,
Chetpet, Chennai - 600 031.