

PONDY OXIDES & CHEMICALS LIMITED *POCL*[®]

POCL:VS:2017-18

October 3, 2017

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Submission of Annual Report for the year 2016-17

Pursuant to provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of our Company for the financial year 2016-17.

Thanking you,

Yours faithfully,
For **Pondy Oxides and Chemicals Limited**



K. Kumaravel
GM Finance & Company Secretary.



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

Metals

POCL[®]

*from generations
for generations*



Lead

Lead has been powering automotive batteries for many generations. The metal used in the batteries is recycled into refined metal yet again, thus saving environment. This self-sustaining cycle has ensured that we use the metal for generations.

Zinc

Zinc oxide is used in making tyres, paints, rubber products, cosmetics, ceramics, pharmaceuticals and others from industrial to consumer.

Pondy Oxides and Chemicals Limited

22nd ANNUAL REPORT 2016-17



EPCINDIA
ENGINEERING THE FUTURE
48TH EXPORT
Awards
NATIONAL



*National Award For
Export Excellence*

EEPC INDIA

PONDY OXIDES AND CHEMICALS LIMITED

Star Performer Award for the year 2015-16 in the product group -
Non-ferrous metals (excl aluminium) and articles thereof, Medium Enterprise



T S Bhasin
CHAIRMAN, EEPC INDIA

17 MARCH 2017

DATE

PONDY OXIDES AND CHEMICALS LIMITED**BOARD OF DIRECTORS**

Mr. Anil Kumar Bansal
Chairman

Mr. Ashish Bansal
Managing Director

Mr. R.P.Bansal
Whole Time Director

Mr. Anilkumar Sachdev
Mr. G P Venkateswaran
Dr. Shoba Ramakrishnan
Independent Directors

Key Managerial Personnel
Mr. K. Kumaravel

GM Finance & Company Secretary

Mrs. Usha Sankar
Chief Financial Officer

FACTORY DIVISIONS**Smelter Division [SMD] - I**

G-17 to G-19 & G-30 to G-32,
SIPCOT Industrial Park, Mambakkam Village,
Pondur Post, Sriperumbudhur,
Kancheepuram,
Tamilnadu – 602 105

Smelter Division [SMD] – II

Plot # 78 B, Industrial Park,
Gajulamandyam Village,
Renigunta Mandal, Chittoor,
Andhra Pradesh – 517 520

Zinc Refining Division [ZRD]

G-1, SIPCOT Industrial Park,
Pondur Post, Sriperumbudhur,
Kancheepuram,
Tamilnadu – 602 105

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**Statutory Auditors**

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

Cost Auditors

M/s. Vivekanandan Unni & Associates,
1-A, Vedammal Avenue, Dr. Subaraya Nagar Main
Road, Behind Petrol Bunk, Kodambakkam,
Chennai - 600 024
Phone No. : +91-044 - 2472 1760

Secretarial Auditors

KSM Associates,
Company Secretaries,
Office No. 40, TNHB Complex,
No. 180, Luz Church Road, Chennai - 600 004.
Phone No. : +91-044 - 4353 5195

BANKERS

Canara Bank – Anna Nagar East Branch, Chennai
HDFC Bank - Mylapore Branch, Chennai
Axis Bank - Anna Salai Branch, Chennai

REGISTRAR AND SHARE TRANSFER AGENTS

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

LISTING

BSE Limited

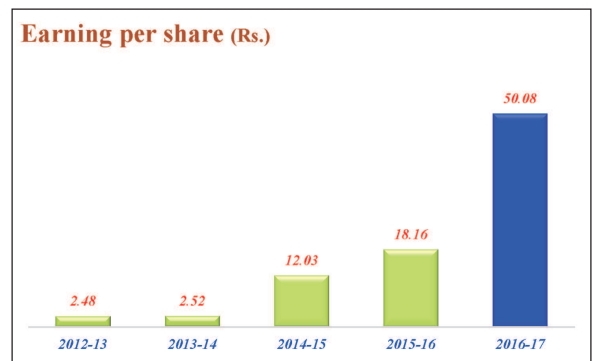
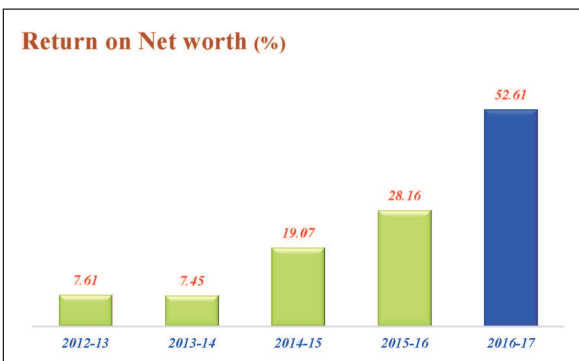
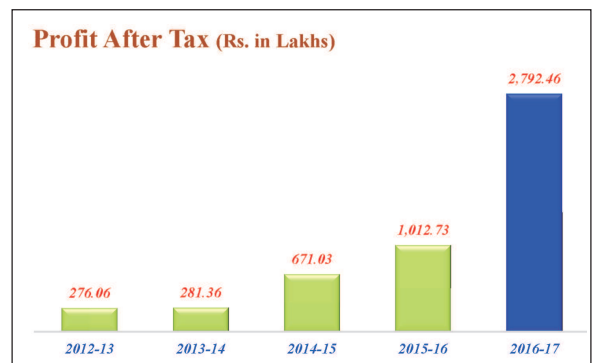
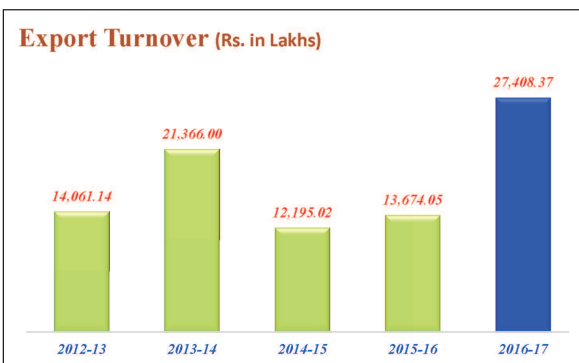
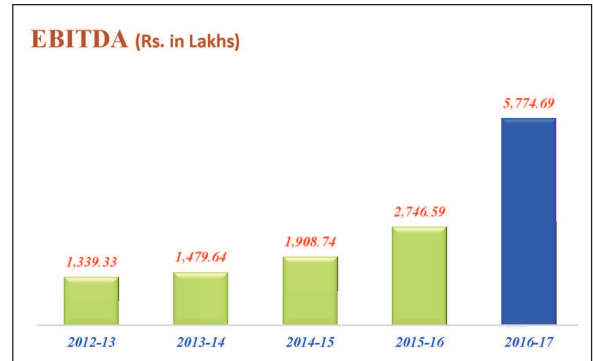
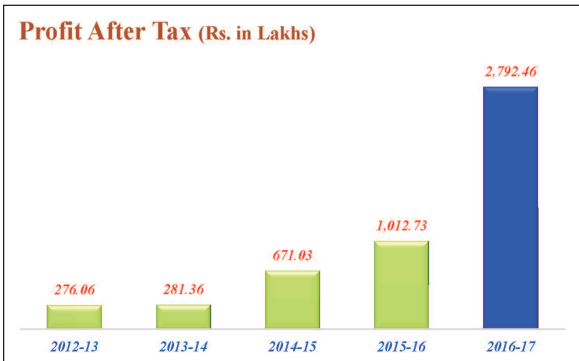
TWENTY SECOND ANNUAL GENERAL MEETING

Day : Wednesday

Date : 27.09.2017

Time : 11.30 a.m.

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



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

Rs. in Lakhs

Parameters/Year	2016-17 [^]	2015-16 [^]	2014-15 [^]	2013-14	2012-13
OPERATING RESULTS					
Net Sales	75,906.56	46,596.67	37,296.09	44,824.37	34,242.64
Profit Before Tax and Exceptional items	4,135.33	1,600.40	970.55	423.07	342.88
Profit Before Tax	4,398.40	1,600.40	970.55	423.07	403.73
Profit After Tax	2,792.46	1,012.73	671.03	281.36	276.06
Net Cash Accrual	3,199.60	1,401.32	910.59	505.91	508.96
Dividend [incl. Div. Tax]	201.33	139.09	134.22	129.61	129.61
SOURCES AND APPLICATION OF FUNDS					
SOURCE OF FUNDS					
Equity Share Capital	557.60	557.60	557.60	1,115.20	1,115.20
Reserves & Surplus	713.79	443.79	383.80	423.10	408.09
Profit and Loss Account	5,332.16	3,010.54	2,239.30	2,316.94	2,170.49
Net Worth	6,603.55	4,011.93	3,180.70	3,855.24	3,693.78
Loan Funds	10,730.00	8,074.29	5,747.15	7,511.29	7,610.05
Deferred Tax Liability [Net]	41.45	65.71	17.45	72.48	63.34
Funds Employed	17,375.00	12,151.93	8,945.30	11,439.01	11,367.17
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	2,731.13	2,652.30	2,066.21	2,493.46	2,425.64
Non Current Assets	203.13	402.07	619.40	160.75	149.36
Net Current Assets	14,440.74	9,097.56	6,259.69	8,784.80	8,792.17
Net Assets	17,375.00	12,151.93	8,945.30	11,439.01	11,367.17
RATIOS					
PBT to Sales (%)	5.79	3.43	2.60	0.94	1.18
PAT to Sales (%)	3.68	2.17	1.80	0.63	0.81
Return on Assets (ROA)* (%)	37.87	23.98	18.25	12.29	12.91
Return on Networth # (%)	52.61	28.16	19.07	7.45	7.61
Debt : Equity (times)	0.23	0.41	0.15	0.25	0.21
Fixed Assets Turnover (times)	27.79	17.57	18.05	17.98	14.12
Earning per share	50.08	18.16	12.03	2.52	2.48
Dividend (%)	30	20	20	10	10
Dividend per share	3.00	2.00	2.00	1.00	1.00
Book value per share	118.43	71.95	57.04	34.57	33.12

Note:

- * ROA is PBIT divided by Average Net Operating Assets (ANOA).
Net operating assets exclude CWIP, Cash and Non-Trade Investments
- # Return on networth is computed based on average networth
- [^] Figures of 2016-17, 2015-16 and 2014-15 are not comparable with previous years on account of Scheme of Arrangements with POCL Enterprises Limited.

ANIL KUMAR BANSAL

Mr. Anil Kumar Bansal, B.Sc., aged 63 years, is the Chairman and Whole Time Promoter Director. He took over as Chairman from June 2015 and prior to that he was the Managing Director from the date of inception of the Company. Prior to this, he was a Director in Private Limited Company and Managing Partner in various Partnership Firms. During his tenure as Managing Director he expanded the product base of the company from Metallic Oxides to Plastic Additives and he is the man behind starting of Lead Metals and Alloys manufacturing facility in Tamilnadu.

Mr. Anil Kumar Bansal served as a committee member in All India Plastic Manufacturers Association and Indian Plastics Institute. Notably he has presented various papers on the behavior of PVC stabilizers and plastics under various National and International forums.

Under his leadership, *POCL* has become one of the largest manufacturers of Lead Metal and Lead Alloys and has been awarded under various categories for exceptional performance.



ASHISH BANSAL

Mr. Ashish Bansal, MBA aged 36 years, joined *POCL* in the year 2009 and became the Managing Director of the Company in the year 2015. He graduated in Management studies from the University of Wales, United Kingdom. Prior to joining the Board, he was a Whole Time Director in Lohia Metals Pvt Ltd., and was responsible for overall operation of the Company. By virtue of his holding, he is a Promoter Director in *POCL*

An extreme innovator and believer in game-changing businesses of the future, Mr. Ashish Bansal is known for challenging conventional wisdom and spotting opportunities quickly. Mr. Ashish Bansal led *POCL* into new frontiers and was the backbone behind setting up of the new plant in Andhra Pradesh and explored the International market for company's product. During his tenure, company has been awarded largest exporter award from the Engineering Export Promotion Council (EEPC) for continuous period of four years and Star exporter award for the year 2015-16. Further he was responsible for achieving the highest turnover, profitability, EPS and Networth in the history of *POCL*. He established *POCL*'s brand image in the global market.



R.P. BANSAL

Mr.R.P.Bansal, aged about 70 years, Whole Time Promoter Director, started his career in 1965 in chemicals trading. By this virtue he gained a widespread knowledge in chemicals. He is well versed in the technical aspects of the Manufacturing process and he has rich experience in the marketing as well.

He is currently looking after the marketing of the Company in the Northern and the Eastern Region of the Country. He is also working on expansion of the Company in new areas and is focusing on the unexplored markets.



ANILKUMAR SACHDEV

Mr. Anilkumar Sachdev, MBA, aged about 63 years, joined the company in 1995 as Non-Executive Director and elevated to the position of Chairman of the Audit Committee and various other committees of the Board.

Mr. Anilkumar Sachdev is the promoter of Horizon Paper Box Private Limited, Chennai, a leading manufacturer of speciality packing boxes and polythene packing materials.

By virtue of his experience and profession, he has an eye to detail and perfection and guide the company on various critical decision making process, which is commendable.



G.P.VENKATESWARAN

Mr. G.P. Venkateswaran, FCA, FCS., aged about 74 years, is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has a rich experience in Finance and Corporate Law for the past five decades and he advises the Company on these aspects from time to time. He is also member of various Committees constituted by the Company.

He is a partner of M/s. GPV & Associates a firm of Company Secretaries and Promoter Director of Anugraha Educational and Consultancy Services P Ltd., engaged in the field of educational and consultancy services.



DR.SHOBA RAMAKRISHNAN

Dr. Shoba Ramakrishnan, Msc., M.phil and Ph.D., aged about 63 years, obtained Doctorate from University of Madras in the year 1995 and held the position of Associate Professor and Head of the Department in Women's Christian College, Chennai. She has presented research papers and published books in Chemistry for the benefit of students and for research and development in the Chemical Sector. She is holding the position of Non- Executive Independent Director in *POCL* from 2015.



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BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report on the Operations of your Company along with the Audited financial statements for the financial year ended March 31, 2017 together with Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2017 and the comparative figures for the previous year are summarized below:

(Rs. in Lakhs)

PARTICULARS	2016-17	2015-16
Income from operations	75,906.56	46,596.67
Other Income	98.69	70.71
EBITDA	5,511.62	2,746.59
Interest and Financial Charges	969.15	757.60
Depreciation & Amortization	407.14	388.59
Exceptional items	263.07	-
Profit before taxation	4,398.40	1,600.40
Tax expense	1,605.94	587.67
Net Profit for the year	2,792.46	1,012.73
Earnings per share (EPS)		
- Basic and Diluted	50.08	18.16

PERFORMANCE OVERVIEW

The Company's performance in the year 2016-17 was strong and the Company attained a commendable growth in terms of profits and volumes. Our total revenue for the financial year 2016-17 has increased from Rs. 46,597 Lakhs in the previous year to Rs. 75,907 Lakhs with a growth rate of 63%.

During the current year, the lead division recorded a turnover of Rs.72,838 Lakhs as against Rs.44,650 Lakhs in the previous year showing an increase of 63%.

The EBITDA for the year 2016-17 stands at Rs. 5,512 Lakhs showing an increase of 101% from Rs. 2,747 Lakhs of the previous year 2015-16 due to higher sales volume, efficiencies and increased capacity utilization.

The Profit After Tax (PAT) for the year stands at Rs. 2,792 Lakhs, increased by 175% from the last year's PAT which was Rs. 1,013 Lakhs. The Earnings Per Share (EPS) for the year stands at Rs. 50.08 per share, which is the highest EPS attained by the Company from its inception. We continue to deliver stronger returns for all the stakeholders.

DIVIDEND

The Board, in its meeting held on May 18, 2017, has recommended a final dividend of Rs. 3.00 (i.e. 30%) per equity share of Rs. 10/- each for the financial year ended March 31, 2017. The proposal is subject to approval of the shareholders at the ensuing Annual General Meeting. The total cash flow on account of dividend, including the Dividend Distribution Tax will be Rs. 201.33 lakhs.

TRANSFER TO RESERVES

During the year under review, the Company has transferred 10% of its net profits, amounting to Rs.270.00 lakhs to the General Reserve.

PARTICULARS OF SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY

The Company does not have a subsidiary or associate Company. The Company is also not a subsidiary of any other Company. As at March 31 2017, the Company has not entered into any joint venture.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 in the prescribed Form No. MGT 9 is annexed as Annexure - I to this report.

BOARD MEETINGS

During the year, five meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report.

BOARD OF DIRECTORS

Appointment

During the previous year, the Board of Directors appointed Mr. G.P.Venkateswaran as Independent Director subject to the approval of the shareholders. Subsequently, during the year under review, the shareholders confirmed the appointment of Mr. G.P.Venkateswaran as Independent Director of the Company and appointed him for a period of five years and he shall hold the office upto the conclusion of the 25th Annual General Meeting to be held in the year 2020.

Re-appointment

In accordance with the provisions of Act and the Articles of Association of the Company, Mr. Ashish Bansal, Managing Director is retiring by rotation and has offered himself for re-appointment.

The existing tenure of Mr. Anil Kumar Bansal and Mr. R.P. Bansal as Whole-Time Directors and Mr. Ashish Bansal as Managing Director expires on March 31, 2018. The Nomination and Remuneration Committee has recommended their re-appointment for a further period of three years with revision in their remuneration. The appointment is subject to approval of the Members.

Brief profiles of Mr. Anil Kumar Bansal, Mr. Ashish Bansal and Mr. R.P. Bansal along with the disclosures required pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and the Companies Act, 2013 are given in the Notice of the Annual General Meeting, forming part of the Annual Report.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. L. Krishnamoorthy has resigned as a Chief Financial Officer ("CFO") of the Company and Mrs. Usha Sankar was appointed as the CFO with effect from November 14, 2016. The Key Managerial Personnel of the Company during the FY 2016-17 are Mr. Anil Kumar Bansal, Whole-Time Director, Mr. Ashish Bansal, Managing Director, Mr. R.P. Bansal, Whole-Time Director, Mr. K. Kumaravel, Company Secretary and Mrs. Usha Sankar, Chief Financial Officer.

INDEPENDENT DIRECTORS

The Company's Board has an equal balance of Independent and Non-Independent Directors for effective Corporate Governance. During the year 2016-17, the Company had three Independent Directors - Mr. Anilkumar Sachdev, Dr. Shoba Ramakrishnan and Mr. G.P. Venkateswaran. All the Independent Directors have provided declarations that they meet the criteria of Independence as laid out under Section 149(6) of the Companies Act, 2013 and LODR Regulations.

The details of the programme for familiarization of the Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company. <http://pocl.co.in/policies/Details-of-Familiarisation-programme.pdf>

BOARD COMMITTEES

In Compliance with the provisions of Companies Act, 2013 and the LODR Regulations, the Company has constituted the following Committees of the Board:

Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share transfers Committee.

The details of the composition, scope, terms of reference, meetings and other information in respect of the Committees forms part of the Corporate Governance Report.

The Nomination and Remuneration Committee has laid down a Nomination and Remuneration Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. The said policy can be viewed on the Company's website <http://pocl.co.in/policies/Nomination-and-Remuneration-Policy.pdf>

It is further brought to the attention of the members that the Board has accepted all the recommendations made by the Audit Committee during the year under review.

PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided as Annexure - II to this Report.

In accordance with provisions of Rule 5(2) and Rule 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing names and other particulars of the top ten employees is annexed to the Directors' Report as Annexure- III. There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) and Rules 5 (3) of the said rules.

DETAILS OF LOANS/GUARANTEES/INVESTMENT MADE BY THE COMPANY

The Company has not given any loans or guarantees as envisaged under Section 186 of the Companies Act, 2013 during the year under review. The details of the investments made and securities provided are given under the notes forming part of the financial statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In accordance with the provisions of Companies Act, 2013 and the LODR Regulations, the Company has formulated a policy on materiality of related party transactions and on dealing with the related party transactions and the same is available on the website of the Company <http://pocl.co.in/policies/Related-Party-Transaction.pdf>

The Audit Committee of the Company has provided omnibus approval for the related party transactions on an annual basis. The updates on the transactions with the related parties are placed before the Audit Committee on quarterly basis.

All the contracts/arrangements/transactions entered by the Company during the financial year with its related parties are on arm's length basis, in the ordinary course of business and in compliance with applicable provisions of Companies Act, 2013 and the LODR Regulations. During the year, there have been no materially significant related party transactions entered by the Company as defined under Regulation 23 of the LODR Regulations and as per the policy on materiality of related party transactions and dealing with related party transactions of the Company.

Accordingly, the disclosure required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable to your Company.

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

(A) Conservation of Energy

(i) Steps taken on conservation of energy:

Energy Conservation measures taken:

All efforts for saving energy are being pursued by your company and the major measures taken during the year are:

- The Company engaged energy auditors to implement energy conservation initiatives wherever required.
- The Company replaced the existing sodium vapor lamps with LED lamps in factory locations and replaced the conventional lights in buildings and general areas with LED lamps.
- The Company has upgraded the Pollution Control Equipments with modern equipments to effectively control the hazardous gases and pollutants in order to maintain its operation eco Friendly with low energy consumption.
- The Company installed soft start for EOT crane which resulted in reduction of initial ampere hour by 80%.

(ii) Steps taken for utilizing alternate source of energy

The company is taking steps and efforts to utilize alternate source of energy for its smelting operations based on the energy audit.

(iii) The capital investment on energy conservation equipments

The company has made sizeable investment in capital equipments mainly energy conservation equipments during the year.

(B) Technology absorption

The Company has not absorbed any new technology during the year under review. However, the Company continued to improve the quality of products through its normal research and development system and improved the quality of the product and reduced the cost of production.

(C) Foreign Exchange Earnings and Outgo (Rs. in Lakhs)

(a) Foreign Exchange Earnings on exports	- Rs. 27,408.37
(b) Foreign Exchange Outgo -	
- Raw Materials	- Rs. 63,023.70
- Capital goods	- Rs. 31.23
- Membership fee	- Rs. 7.60
- Travelling	- Rs. 55.92

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of Companies Act, 2013 read with applicable rules, all the unclaimed or unpaid dividend where there have been remained unpaid for a period of 7 years are required to be transferred by the Company to the IEPF established by the Central Government. Accordingly, the Company has transferred unpaid and unclaimed dividends amounting to Rs.0.75 lakhs to the IEPF during the year.

CORPORATE SOCIAL RESPONSIBILITY

As required under Section 135 of Companies Act, the Company has constituted Corporate Social Responsibility Committee comprising of Mr. Anilkumar Sachdev as the Chairman of the Committee and Mr. Ashish Bansal and Dr. Shoba Ramakrishnan as Members of the said Committee. The said Committee has formulated and recommended a CSR policy and the same has been approved by the Board and is available on the Company's website <http://pocl.co.in/policies/CSR-Policy.pdf>

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes for promotion of education. The contributions in this regard have been made to Registered Trusts which are undertaking these schemes. Detailed Report on CSR activities in the prescribed format is attached as Annexure IV.

AUDITORS

Statutory Auditors

M/s. Jeeravla & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company in the 20th Annual General Meeting held on September 16, 2015 for a period of two years who shall hold the office upto the 22nd Annual General Meeting of the Company.

M/s. Jeeravla & Co., Chartered Accountants, have provided the Statutory Audit report for the financial year 2016-17 and the same forms a part of the Annual Report. There are no qualifications, reservation, adverse remarks or disclaimers made by the Auditors in their report for the year ending March 31, 2017. The Statutory Auditors have not reported any matter in respect of fraud under section 143 of the Act and hence no detail is required to be disclosed under Section 134 (ca) of the Act.

Since the tenure of M/s. Jeeravla & Co., Chartered Accountants expires at this Annual General Meeting, the Audit Committee of the Company has recommended to appoint M/s. L. Mukundan and Associates, Chartered Accountants (Firm Registration No:010283S) as the statutory auditors of the Company. The Board of Directors have also considered their appointment and recommends to the shareholders to appoint them as statutory auditors for a period of 5 years and shall hold their office until the conclusion of the 27th Annual General Meeting of the Company to be held during the year 2022.

Cost Auditor

As per Section 148 of the Companies Act, 2013, the Company is required to have audit of its cost records conducted by a cost accountant in practice. The Board has, on recommendation of Audit Committee, appointed M/s. Vivekanandan Unni & Associates, Cost Accountants (having Firm Registration No: 00085) as Cost Auditor of the Company to audit the cost records for the financial year 2016-17 at a remuneration of Rs. 30,000/- (plus applicable taxes and reimbursement of out of pocket expenses, if any). The Board recommends the shareholders to approve their remuneration.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. KSM Associates, Company Secretaries, to undertake the Company's Secretarial Audit for the financial year 2016-17.

The Report of the Secretarial Audit in Form MR-3 is annexed as Annexure V. The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimers.

CORPORATE GOVERNANCE

The report on Corporate Governance for the year ended March 31, 2017 pursuant to Regulation 34 of the LODR Regulations is annexed hereto and forms an integral part of this report. The Certificate from the auditor regarding the compliance of conditions of Corporate Governance is attached to the report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) of the Listing Regulations, is presented in a separate section forming part of the Annual Report.

BOARD EVALUATION

Pursuant to provisions of Companies Act, 2013 and LODR Regulations, the Board has carried out Annual Formal Evaluation of its own performance, the Directors, Committees and on the performance of the Independent Directors.

The Independent Directors evaluated the performance of the Non-Independent Directors and the Board as a whole. They also evaluated the performance of the Chairman of the Company and reviewed the access, the quality, quantity and timeliness of flow of information between the company management and the Board.

The Board of Directors assessed the performance of the Independent Directors and have recommended their continuation on the Board. The Board also assessed the performance of the Individual Directors and the Board Committees.

The annual evaluation was carried out based on the criteria laid down by the Nomination and Remuneration Committee and was conducted by way of one-on-one oral assessments.

DEPOSITS

During the period under review the Company has not accepted deposits either from the members or public under the provisions of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There were no outstanding deposits as at the end of the financial year. The Company has however received loans from Directors and in accordance with the provisions of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of the loan received is given under Note 33 of the Notes forming part of the financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

Reclassification of Promoters of the Company

During the year 2016-17, the Company received requests from Mr. Padam C Bansal, Ardee Industries Private Limited, Mrs. Vandana Bansal, Mr. Devakar Bansal, Mr. Sagar Bansal, Mr. Sunil Kumar Bansal, Mrs. Neelam Bansal and Mr. Harsh Bansal to re-classify/de-recognize them from the category of 'promoter/promoter group' to 'public category' as their shareholding is minimum and they do not either individually or jointly or severally take part in the Management or policies of our company and they do not have ability to appoint any of the Directors to the Board of our Company.

The Board of Directors in their meeting held on 14th November, 2016 approved the reclassification of promoters. In accordance with the provisions of Regulation 31A (2) read with 31A (7) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has made an application to the BSE Limited ("BSE") for allowing the said re-classification of the promoters and the matter is pending for approval from the BSE.

INTERNAL FINANCIAL CONTROLS

The Company has Internal Control Systems commensurate with the size, scale and complexity of its operations. The Board has devised systems, policies, procedures and frameworks for the internal control which includes adherence to company's policy, safeguarding assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose.

RISK MANAGEMENT POLICY

The Board has adopted a suitable Risk Management Policy for the company which identifies therein different elements of risk which may threaten the existence of the company.

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The Policy of Vigil Mechanism is available on the Company's website <http://pocl.co.in/policies/Whistle-Blower-Policy.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

- a) in the preparation of the annual accounts applicable accounting standards has been followed and there is no material departure from the same;
- b) the Directors 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 at the end of the financial year i.e., March 31, 2017 and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company has observed that some physical certificates issued pursuant to the Demerger of the Company have returned undelivered to the Company. Attention of the members holding the Company's shares in physical form is invited to check and tally their holding with the certificates in their possession and revert in case of any discrepancy in holdings. In case there is no response after three reminders, the unclaimed shares shall be transferred to one folio in the name of "**Unclaimed Suspense Account**" and the voting rights on such shares shall remain frozen until the rightful owner claims the shares. The details of such returned certificates are available on the website of the Company. <http://pocl.co.in/unclaimed-shares>

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, there were no complaints received pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

ACKNOWLEDGEMENT

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

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.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017
Place : Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

*(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)***I. REGISTRATION AND OTHER DETAILS**

i	CIN	L24294TN1995PLC030586
ii	Registration Date	21/03/1995
iii	Name of the Company	Pondy Oxides and Chemicals Limited
iv	Category/Sub-Category of the Company	Public Company limited by Shares; Indian Non-Government Company
v	Address of the Registered Office & Contact Details	KRM Centre, 4th Floor, # 2 Harrington Road, Chetpet, Chennai-600031 Telephone No. : +91-044-42965454 Fax No. : +91-044-42965455 Email : kk@pocl.co.in Website : www.pocl.co.in
vi	Whether Listed Company	Yes
vii	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road Chennai – 600 002 Tel: 044-2846 0390; Fax: 044 2846 0129 Email: cameo@cameo.india.com Website: www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 percent or more of the total turnover of the company shall be stated

SI. No	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Lead Metal & Alloy	24203- Manufacture of Lead, Zinc & Tin Products & Alloys	95.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1		Nil			

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2,578,435	0	2,578,435	46.24	2,579,143	0	2,579,143	46.25	0.01
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	89,807	0	89,807	1.61	52,286	0	52,286	0.94	(0.67)
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
SUB- TOTAL (A)(1)	2,668,242	0	2,668,242	47.85	2,631,429	0	2,631,429	47.19	(0.66)
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other- Director Relative (NRI)	212,813	-	212,813	3.82	212,813	-	212,813	3.82	0.00
SUB TOTAL (A)(2)	212,813	-	212,813	3.82	212,813	-	212,813	3.82	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,881,055	-	2,881,055	51.67	2,844,242	0	2,844,242	51.01	(0.66)
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00

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IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	194,965	5	194,970	3.50	214,423	5	214,428	3.85	0.35
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									0.00
i) Individual shareholder holding nominal share capital upto Rs. 1 Lakh	1,783,606	100,837	1,884,443	33.80	1,727,692	89,684	1,817,376	32.59	(1.20)
ii) Individual shareholder holding nominal share capital in excess of Rs. 1 Lakh	470,852	0	470,852	8.44	522,865	0	522,865	9.38	0.93
c) Others (specify)									0.00
i) Clearing Members	5,962	0	5,962	0.11	11,467	0	11,467	0.21	0.10
ii) Directors & their Relatives	0	1935	1,935	0.03	0	1935	1,935	0.03	0.00
iii) Hindu Undivided Families	86,380	0	86,380	1.55	92,134	0	92,134	1.65	0.10
iv) Non-Resident Indian	50,396	0	50,396	0.90	71,546	0	71,546	1.28	0.38
SUB TOTAL (B)(2)	2,592,161	102,777	2,694,938	48.33	2,640,127	91,624	2,731,751	48.99	0.66
Total Public Shareholding(B)=(B)(1)+(B)(2)	2,592,161	102,777	2,694,938	48.33	2,640,127	91,624	2,731,751	48.99	0.66
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	5,473,216	102,777	5,575,993	100.00	5,484,369	91,624	5,575,993	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mr. Ashish Bansal	631,194	11.32	0.00	633,086	11.35	0.00	0.03
2	Mr. Anil Kumar Bansal	621,079	11.14	0.00	622,761	11.17	0.00	0.03
3	Mrs. Neelam Bansal	1,401	0.03	0.00	0	0.00	0.00	(0.03)
4	Mrs. Manju Bansal	512,627	9.19	0.00	512,627	9.19	0.00	0.00
5	Mr. R P Bansal	489,802	8.78	0.00	497,302	8.92	0.00	0.13
6	Mr. Sunil Kumar Bansal	6,777	0.12	0.00	0	0.00	0.00	(0.12)
7	Mrs. Vandana Bansal	2,500	0.04	0.00	2,500	0.04	0.00	0.00
8	Mr. Padam C Bansal	212,813	3.82	0.00	212,813	3.82	0.00	0.00
9	Mr. Pawan Kumar Bansal	123,290	2.21	0.00	123,290	2.21	0.00	0.00
10	Mrs. Saroj Bansal	183,175	3.29	0.00	183,175	3.29	0.00	0.00
11	Ardee Industries Private Limited	89,807	1.61	0.00	52,286	0.94	0.00	(0.67)
12	Mr. Harsh Bansal	2,176	0.04	0.00	0	0.00	0.00	(0.04)
13	Mrs. Charu Bansal	2,762	0.05	0.00	2,762	0.05	0.00	0.00
14	Mrs. Megha Choudhari	1,640	0.03	0.00	1,640	0.03	0.00	0.00
15	Mr. Sagar Bansal	12	0.00	0.00	0	0.00	0.00	0.00
	TOTAL	2,881,055	51.67	0.00	2,844,242	51.01	0.00	(0.66)

(iii) Change in Promoters' Shareholding

SI.No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year/shareholding at year end	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ashish Bansal				
	At the beginning of the year	631,194	11.32	631,194	11.32
	- Purchase on 26.08.2016	192	0.00	631,386	11.32
	- Purchase on 02.09.2016	1,700	0.03	633,086	11.35
	At the end of the year			633,086	11.35
2	Mr. Anil Kumar Bansal				
	At the beginning of the year	621,079	11.14	621,079	11.14
	- Purchase on 19.08.2016	1,682	0.03	622,761	11.17
	At the end of the year			622,761	11.17
3	Mrs. Neelam Bansal				
	At the beginning of the year	1,401	0.03	1,401	0.03
	- Sale on 17.06.2016	(1,401)	(0.03)	0	0.00
	At the end of the year			0	0.00

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Sl.No.	Name of the Shareholder	Share holding at the beginning of the Year		Cumulative Share holding during the year/shareholding at year end	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Mrs. Manju Bansal				
	At the beginning of the year	512,627	9.19	512,627	9.19
	At the end of the year			512,627	9.19
5	Mr. R.P. Bansal				
	At the beginning of the year	489,802	8.78	489,802	8.78
	- Purchase on 19.08.2016	7500	0.13	497,302	8.91
	At the end of the year			497,302	8.91
6	Mr. Sunil Kumar Bansal				
	- Sale on 17.06.2016	6,777	0.12	6,777	0.12
		(6,777)	(0.12)	0	0.00
	At the end of the year			0	0.00
7	Mrs. Vandana Bansal				
	At the beginning of the year	2,500	0.04	2,500	0.04
	At the end of the year			2,500	0.04
8	Dr. Padam C Bansal				
	At the beginning of the year	212,813	3.82	212,813	3.82
	At the end of the year			212,813	3.82
9	Mr. Pawan Kumar Bansal				
	At the beginning of the year	123,290	2.21	123,290	2.21
	At the end of the year			123,290	2.21
10	Mrs. Saroj Bansal				
	At the beginning of the year	183,175	3.29	183,175	3.29
	At the end of the year			183,175	3.29
11	Ardee Industries Private Limited				
	At the beginning of the year	89,807	1.61	89,807	1.61
	- Sale on 15.07.2016	(9,752)	0.17	80,055	1.44
	- Sale on 12.08.2016	(2,000)	0.04	78,055	1.40
	- Sale on 02.09.2016	(6,403)	0.11	71,652	1.29
	- Sale on 16.09.2016	(5,200)	0.09	66,452	1.19
	- Sale on 23.09.2016	(4,994)	0.09	61,458	1.10
	- Sale on 07.10.2016	(1,734)	0.03	59,724	1.07
	- Sale on 18.11.2016	(3,500)	0.06	56,224	1.01
	- Sale on 25.11.2016	(3,938)	0.07	52,286	0.94
	At the end of the year			52,286	0.94

Sl.No.	Name of the Shareholder	Share holding at the beginning of the Year		Cumulative Share holding during the year/shareholding at year end	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	Mr. Harsh Bansal				
	At the beginning of the year	2,176	0.04	2,176	0.04
	- Sale on 30.06.2016	(741)	0.01	1,435	0.03
	- Sale on 02.09.2016	(250)	0.00	1,185	0.02
	- Sale on 16.09.2016	(500)	0.01	685	0.01
	- Sale on 30.09.2016	(685)	(0.01)	0	0.00
	At the end of the year			0	0.00
13	Mrs. Charu Bansal				
	At the beginning of the year	2,762	0.05	2,762	0.05
	At the end of the year			2,762	0.05
14	Mrs. Megha Choudhari				
	At the beginning of the year	1,640	0.03	1,640	0.03
	At the end of the year			1,640	0.03
15	Mr. Sagar Bansal				
	At the beginning of the year	12	0.00	12	0.00
	- Sale on 30.09.2016	(12.00)	0.00	0	0.00
	At the end of the year			0	0.00

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(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Subramanian P				
	At the beginning of the year	15,100	0.27	15,100	0.27
	- Purchase on 14.10.2016	158,450	2.84	173,550	3.11
	- Sale on 18.11.2016	(550)	0.01	173,000	3.10
	- Sale on 02.12.2016	(135)	0.00	172,865	3.10
	- Sale on 20.01.2017	(4,865)	0.09	168,000	3.01
	- Sale on 03.03.2017	(2,000)	0.04	166,000	2.98
	At the end of the Year			166,000	2.98
2	Mr. Ashish Dubey				
	At the beginning of the year	0	0.00	0	0.00
	- Purchase on 30.09.2016	10,000	0.18	10,000	0.18
	- Purchase on 07.10.2016	5,000	0.09	15,000	0.27
	- Purchase on 18.11.2016	5,020	0.09	20,020	0.36
	- Purchase on 02.12.2016	5,520	0.10	25,540	0.46
	- Purchase on 20.01.2017	4,460	0.08	30,000	0.54
	- Purchase on 03.02.2017	5,000	0.09	35,000	0.63
	- Purchase on 17.02.2017	1,627	0.03	36,627	0.66
	- Purchase on 24.02.2017	3,373	0.06	40,000	0.72
	At the end of the Year			40,000	0.72
3	Mr. Nanjappa Rangappa				
	At the beginning of the year	0	0.00	0	0.00
	- Purchase on 03.06.2016	17,700	0.32	17,700	0.32
	- Purchase on 10.06.2016	3,400	0.06	21,100	0.38
	- Purchase on 17.06.2016	4,100	0.07	25,200	0.45
	- Purchase on 30.06.2016	800	0.01	26,000	0.47
	- Purchase on 01.07.2016	300	0.01	26,300	0.47
	- Purchase on 08.07.2016	4,900	0.09	31,200	0.56
	- Purchase on 15.07.2016	2,200	0.04	33,400	0.60
	- Sale on 29.07.2016	(900)	0.02	32,500	0.58
	- Purchase on 12.08.2016	1,700	0.03	34,200	0.61
	- Purchase on 19.08.2016	1,400	0.03	35,600	0.64
	- Purchase on 26.08.2016	400	0.01	36,000	0.65
	- Purchase on 02.09.2016	700	0.01	36,700	0.66
	- Purchase on 28.10.2016	300	0.01	37,000	0.66
	At the end of the year			37,000	0.66
4	Ms. Asha Ramesh Tolat				
	At the beginning of the year	33,308	0.60	33,308	0.60
	At the end of the year			33,308	0.60
5	Mr. Ramesh Shantilal Tolat				
	At the beginning of the year	31,564	0.57	31,564	0.57
	At the end of the year			31,564	0.57

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S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Intime Equities Limited- Client Account				
	At the beginning of the year	0	0.00	0	0.00
	- Purchase on 03.06.2016	90	0.00	90	0.00
	- Sale on 10.06.2016	(90)	0.00	0	0.00
	- Purchase on 11.11.2016	50	0.00	50	0.00
	- Purchase on 18.11.2016	20,000	0.36	20,050	0.36
	- Purchase on 25.11.2016	90	0.00	20,140	0.36
	- Sale on 02.12.2016	(90)	0.00	20,050	0.36
	- Purchase on 09.12.2016	2,001	0.04	22,051	0.40
	- Sale on 30.12.2016	(5,000)	0.09	17,051	0.31
	- Purchase on 06.01.2017	2,949	0.05	20,000	0.36
	- Purchase on 27.01.2017	60	0.00	20,060	0.36
	- Sale on 03.02.2017	(60)	0.00	20,000	0.36
	- Sale on 10.02.2017	(1,000)	0.02	19,000	0.34
	- Purchase on 17.02.2017	11,000	0.20	30,000	0.54
	- Purchase on 31.03.2017	25	0.00	30,025	0.54
	At the end of the year			30,025	0.54
7	Mr. Shyamsunder Gupta				
	At the beginning of the year	27,743	0.50	27,743	0.50
	At the end of the year			27,743	0.50
8	Mr. Ashok Kumar Lodha				
	At the beginning of the year	0	0.00	0	0.00
	- Purchase on 15.07.2016	28,000	0.50	28,000	0.50
	- Purchase on 22.07.2016	22,000	0.39	50,000	0.90
	- Purchase on 29.07.2016	6,000	0.11	56,000	1.00
	- Purchase on 05.08.2016	2,000	0.04	58,000	1.04
	- Purchase on 02.09.2016	42,000	0.75	100,000	1.79
	- Sale on 18.11.2016	(20,000)	0.36	80,000	1.43
	- Sale on 25.11.2016	(10,000)	0.18	70,000	1.26
	- Sale on 06.01.2017	(10,000)	0.18	60,000	1.08
	- Sale on 20.01.2017	(10,000)	0.18	50,000	0.90
	- Sale on 10.02.2017	(30,000)	0.54	20,000	0.36
	At the end of the year			20,000	0.36
9	Mr. Pradeep Sood				
	At the beginning of the year	0	0.00	0	0.00
	- Purchase on 17.02.2017	5,000	0.09	5,000	0.09
	- Purchase on 24.02.2017	2,500	0.04	7,500	0.13
	- Purchase on 10.03.2017	12,050	0.22	19,550	0.35
	At the end of the year			19,550	0.35
10	Ms. Sushila Balwant Bhide				
	At the beginning of the year	16,517	0.30	16,517	0.30
	At the end of the year			16,517	0.30

(v) Shareholding of Directors and Key Managerial Personnel

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year/ Shareholding at end of the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1 Mr. Ashish Bansal				
At the beginning of the year	631,194	11.32	631,194	11.32
- Purchase on 26.08.2016	192	0.00	631,386	11.32
- Purchase on 02.09.2016	1,700	0.03	633,086	11.35
At the end of the year			633,086	11.35
2 Mr. Anil Kumar Bansal				
At the beginning of the year	621,079	11.14	621,079	11.14
- Purchase on 19.08.2016	1,682	0.00	622,761	11.17
At the end of the year			622,761	11.17
3 Mr. R.P. Bansal				
At the beginning of the year	489,802	8.78	489,802	8.78
- Purchase on 19.08.2016	7,500	0.13	497,302	8.91
At the end of the year			497,302	8.91
4 Mr. Anilkumar Sachdev				
At the beginning of the year	1,815	0.03	1,815	0.03
At the end of the year			1,815	0.03
5 Dr. Shoba Ramakrishnan				
At the beginning of the year	17	0.00	17	0.00
At the end of the year			17	0.00
6 Mr. G.P. Venkateswaran				
At the beginning of the year	275	0.00	275	0.00
At the end of the year			275	0.00
7 Mr.K. Kumaravel				
At the beginning of the year	1,045	0.02	1,045	0.02
At the end of the year			1,045	0.02
8 Mrs.Usha Sankar				
At the beginning of the year	5,117	0.09	5,117	0.09
- Sale on 30.12.2016	(57)	0.00	5,060	0.09
- Sale on 03.03.2017	(500)	0.00	4,560	0.09
At the end of the year			4,560	0.09

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,935.55	1,241.51	5.41	8,182.47
ii) Interest due but not paid	0.00	94.72	0.00	94.72
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	6,935.55	1,336.23	5.41	8,277.19
Change in Indebtedness during the financial year				
Addition	2,607.43	1,006.71	0.53	3,614.66
Reduction	348.02	562.49	0.24	910.74
Net Change	2,259.41	444.22	0.29	2,703.92
Indebtedness at the end of the financial year				
i) Principal Amount	9,194.96	1,612.16	4.83	10,811.95
ii) Interest due but not paid	0.00	168.29	0.87	169.16
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	9,194.96	1,780.45	5.70	10,981.11

* Accepted as security deposit

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

(Rs. In Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. Anil Kumar Bansal	Mr. Ashish Bansal	Mr. R.P Bansal	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	39.00	81.60	39.00	159.60
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2.93	1.27	1.93	6.13
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others (specify)	0 0	0 0	0 0	0 0
5	Others (Employer's PF Contribution)	0	5.04	0	5.04
	Total (A)	41.93	87.91	40.93	170.77
	Ceiling as per the Act				171.78

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B. Remuneration to other directors: (Rs. In Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Anilkumar Sachdev	Mr. G P Venkateswaran	Dr. Shoba Ramakrishnan	
1	Independent Directors				
	(a) Fee for attending Board/ Committee Meetings	0.75	0.60	0.45	1.80
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	TOTAL (1)	0.75	0.60	0.45	1.80
2	Other Non Executive Directors				
	(a) Fee for attending Board/ Committee Meetings	0	0	0	0
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	TOTAL (2)	0	0	0	0
	TOTAL (B)= (1+2)	0.75	0.60	0.45	1.80
	Total Managerial Remuneration (A) + (B)	0	0	0	172.57
	Overall Ceiling as per the Act				188.96

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. K Kumaravel Company Secretary	Mr. L Krishnamoorthy*	Mrs. Usha Sankar *	
			Chief Financial Officer		
			(7 Months)	(5 Months)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	16.80	3.78	4.50	25.08
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.22	0.07	0.47	0.76
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission				
	- as % of profit	0	0	0	
	- Others, specify	0	0	0	
5	Others (Employer's PF Contribution, Bonus)	2.49	1.00	0.21	3.70
	TOTAL	19.51	4.85	5.18	29.54

*Mr. L.Krishnamoorthy resigned and Mrs.Usha Sankar was appointed as CFO with effect from 14/11/2016.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties or punishments levied on the company, its Directors or Officers in Default during the year. Also, there was no necessity for the Company, its Directors or Officers in Default to compound any offence.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017
Place : Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

ANNEXURE II**Disclosure under Section 197(12) of Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Name of the Director	Category	Ratio
Mr. Anil Kumar Bansal	Chairman and Whole-Time Director	32.00:1
Mr. Ashish Bansal	Managing Director	63.26:1
Mr. R.P Bansal	Whole-Time Director	31.24:1

2. **The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name of the Director	Category	Increment percentage
Mr. Anil Kumar Bansal	Chairman and Whole-Time Director	1.80%
Mr. Ashish Bansal	Managing Director	132.19%
Mr. R.P Bansal	Whole-Time Director	14.52%
Mr. K. Kumaravel	Company Secretary	21.83%
Mrs. Usha Sankar	Chief Financial Officer	27.78%

3. **The Percentage increase in the median remuneration of employees in the financial year** : 12%
4. **The Number of permanent employees on the rolls of company as on March 31, 2017** : 266
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in remuneration of employees other than managerial personnel for 2016-17 is 15% compared to the increase of 49.50% for managerial personnel.

The increase in remuneration of the managerial personnel is due to their contribution for the excellent profits achieved by your Company.

6. **Affirmation:**

It is affirmed that the remuneration is paid as per the remuneration policy of the Company.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017
Place : Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

ANNEXURE III

Statement showing the names and other particulars of the top ten employees and of employees drawing remuneration in excess of the limits in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.No	Name of the employee	Designation	Remuneration per annum [†] (Rs. in lakhs)	Nature of employment	Qualification and experience	Date of Commencement of employment	Age	Previous employment	Percentage of equity shares held [^]	Relationship with any Director/ manager
1	Mr. Ashish Bansal	Managing Director	82.87	Regular employment	MBA; Experience of 8 years in the industry.	30.07.2009	36	Director in Lohia Metals Private Limited	11.40%	Son of Mr. Anil Kumar Bansal, Chairman of the Company
2	Mr. Anil Kumar Bansal	Chairman and Whole-Time Director	41.93	Regular employment	Bachelor of Science; Experience of more than 37 years in the industry	21.03.1995	63	Managing partner in Bansal Metallic Oxides and Bansal Chemicals India.	20.36%	Father of Mr. Ashish Bansal, Managing Director and brother of Mr. R.P. Bansal, Whole-Time Director
3	Mr.R.P. Bansal	Whole-Time Director	40.93	Regular employment	Under-graduate Experience of more than 37 years in the industry	21.03.1995	70	Managing partner in Bansal Metallic Oxides and Bansal Chemicals India.	12.07%	Brother of Mr. Anil Kumar Bansal, Chairman and Whole-Time Director
4	Mr. K.Chandrasekaran	General Manager- Factory	18.37	Regular employment	DME with AMIMI and Boiler Engineering ; Experience of more than 30 years in the industry	01.03.1996	61	Maintenance Manager in Gothi Plascon India Limited	0.01%	None
5	Mr. K. Kumaravel	GM Finance & Company Secretary	17.52	Regular employment	M.com, AICWA, ACS, DLL; Experience of 30 years	07.03.1996	53	Deputy Manager (Accounts) in Tamil Nadu Magnesite Limited	0.10%	None.

S.No	Name of the employee	Designation	Remuneration per annum [#] (Rs. in lakhs)	Nature of employment	Qualification and experience	Date of Commencement of employment	Age	Previous employment	Percentage of equity shares held [^]	Relationship with any Director/manager
6	Mrs. Usha Sankar*	Chief Financial Officer	12.04	Regular employment	Under Graduate; Experience of 30 years	01.04.2010	55	Manager in Bansal Metallic Oxides	0.09%	None.
7	Mr. Premji George	Manager- Quality Assurance	9.84	Regular employment	BSC (Chemistry); Experience of more than 25 years in the industry	30.06.1993	49	Started career with Pandy Oxides and Chemicals Limited	-	None
8	Mr. I Ramakrishna Rao	President-Marketing	9.64	Regular employment	BSC (Honrs.) and Post Graduate Diploma in Marketing Management	24.01.2002	65	Regional Manager Marketing in Hindustan Zinc Limited	-	None
9	Mr. R.S.Yadav	Production Manager	9.39	Regular employment	BSC (Physics); Experience of 10 years in the industry	07.03.2016	41	Production Manager in Srivaaru Metallurgicals (Pvt) Ltd.	-	None.
10	Mr. P. Prabhakar	Manager-Systems	8.34	Regular employment	ISC, Microsoft Certified System Engineer, Redhat Certified System Engineer, ITIL Certified; Experience of 25 years	01.08.2007	42	Deputy Manager- Customer Support in Pentagon Automation	-	None

* Appointed as Chief Financial Officer with effect from November 14 2016.

Remuneration does not include Gratuity and Employer's Provident Fund Contribution.

^ Includes shareholding of the spouse.

**For and on behalf of the Board of Directors
Pandy Oxides and Chemicals Limited**

Date: 18.05.2017
Place: Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

POCL[®]

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

POCL has framed a Corporate Social Responsibility policy (CSR policy) in compliance with the provisions of the companies Act 2013 and the same is available on the website of the company <http://pocl.co.in/policies/CSR-Policy.pdf>

Our key focus area of CSR includes

- providing education to the poor and destitute children,
- health,
- environment and others.

2. Composition of the CSR Committee:

- i. Mr. Anilkumar Sachdev - Chairman of the Committee
- ii. Mr. Ashish Bansal - Member
- iii. Dr. Shoba Ramakrishnan - Member

3. Average net profit of the Company for last three financial years: Rs. 998.00 Lakhs**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 19.96 Lakhs****5. Details of CSR spent during the financial year-**

- a) Total amount to be spent for the financial year- Rs. 19.96 Lakhs
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below.

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other(2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Promotion of education and skill development for rural and backward students.	Education	Pudukkottai, Tamil Nadu	20	20	20	Sudarshan Educational Trust
2	Contribution of Drilling Machines for providing practical training to the Diploma Students	Education	Chennai, Tamil Nadu	3	3	3	Ramakrishna Mission Trust
	TOTAL			23	23	23	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Boards report.

Not applicable

7. Responsibility Statement:

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017
Place : Chennai

Ashish Bansal
Managing Director
DIN: 01543967

Anilkumar Sachdev
Chairman of the CSR Committee
DIN: 00043431

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Pondy Oxides and Chemicals Limited
CIN: L24294TN1995PLC030586
4th Floor, KRM Centre
No. 2, Harrington Road, Chetpet
Chennai-600 031

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pondy Oxides and Chemicals Limited (CIN: L24294TN1995PLC030586) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Pondy Oxides and Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pondy Oxides and Chemicals Limited (the Company) for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999¹;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008²;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009³; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998⁴;
- (vi) Following other laws applicable specifically to the company:
- a) Air (Prevention & Control of Pollution) Act, 1981 and The Air (Prevention & Control of Pollution) Rules, 1982
 - b) Water (Prevention and Control of Pollution) Act, 1974 and The Water (Prevention and Control of Pollution) Rules, 1975.
 - c) Water (Prevention and Control of Pollution) Cess act, 1977 & Water (Prevention and Control of Pollution) Cess Rules, 1978
 - d) The Environment (Protection) Act, 1986 and The Environment (Protection) Rules, 1986
 - e) Hazardous Wastes (Management and Transboundary Movement) Rules, 2016
 - f) The Factories Act, 1948 & respective State Factories rules.
 - g) The Employees State Insurance Act, 1948
 - h) The Industrial Employment (Standing Orders) Act, 1946
 - i) Industrial Disputes Act, 1947
 - j) Minimum Wages Act, 1948
 - k) Payment of Wages Act, 1936
 - l) The Tamil Nadu Shops and Establishment Act, 1947 and Rules thereunder
 - m) The Employees Provident Fund And Miscellaneous Provisions Act, 1952
 - n) Payment of Bonus Act, 1965
 - o) Payment of Gratuity Act, 1972
 - p) The Employees Compensation Act , 1923
 - q) The Legal Metrology Act, 2009 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

¹ Not applicable to the Company, as it does not have any such Scheme.

² Not applicable to the Company, as the Company does not have any debts listed.

³ Not applicable to the Company, as there was no delisting done during the year.

⁴ Not applicable to the Company, as there was no buy-back by the Company during the year.

- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the year under review. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, wherever there is any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except that the Company has applied for reclassification of certain Promoters as Public.

This Report is to be read along with Annexure A of even date which forms integral part of this Report.

For KSM Associates, Company Secretaries

Place : Chennai
Date : 18th May 2017

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039

To,
The Members,
Pondy Oxides and Chemicals Limited
CIN: L24294TN1995PLC030586
4th Floor, KRM Centre
No. 2, Harrington Road, Chetpet
Chennai-600 031

Our secretarial audit report of even date is to be read along with this letter.

- a. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial, Cost and tax records and books of accounts of the Company.
- d. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedures on test/sample basis.
- f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSM Associates, Company Secretaries

Place : Chennai
Date : 18th May 2017

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

The global economy faced a subdued growth owing to low commodity prices, low inflation rates, stagnant growth in advanced economies and geopolitical and political uncertainties. The global economic growth was at 3.1% and there was modest increase in commodity prices, restrained global trade, bouts of financial market volatility and weakening capital flows.

Stronger activity, expectations of more robust global demand, reduced deflationary pressures and optimistic financial markets are all upside developments. But structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges.

Against the dismal global conditions, the Indian economy's expansion has been noteworthy. Despite the decline in the growth rate owing to slowdown in manufacturing, decline in budgetary capital expenditure and demonetisation, India continues to be a fastest growing large economy.

INDIAN ECONOMIC OVERVIEW

During the financial year 2016-17, the Indian Economy continued to consolidate the gains achieved in restoring macro-economic stability. Despite the continuing global sluggishness and recent pick-up in petroleum prices, the economic growth has continued to be robust and inflation has remained more or less stable in the current year, while Fiscal Deficit and Current Account Deficit as percentage of GDP have improved. The Growth Rate of the economy declined slightly from 7.6% in the previous year to 7.1% for the financial year 2016-17.

The country's economic growth is facing challenges such as subdued manufacturing, lower exports of services, and lower capital expenditure. However, during FY 2017-18, cheap borrowing costs and fading impact of demonetisation could increase the private consumption and thereby drive the economic growth. The implementation of Goods and Services Tax (GST) is expected to improve tax compliance and governance and might provide an impetus to the investments and growth in the country

Due to favourable indicators such as moderate levels of inflation, reduced Current Account Deficit (CAD), fiscal consolidation and transitory impact of demonetisation, the country is currently characterised as a stable macroeconomic situation, the Government expects India's GDP to expand at a growth rate between 6.75–7.5 per cent during 2017-18. Over the medium run, the implementation of the Goods and Services Tax (GST), follow-up to demonetisation, and enacting other structural reforms should take the economy towards its potential real GDP growth of 8 per cent to 10 per cent.

INDUSTRY OVERVIEW

Global Lead Industry

After a good performance in the last financial year, demand for Lead from Europe could flatten while Chinese demand could grow by 4-5%. The **International Lead and Zinc Study Group** has reported that the global demand for refined lead metal will be 11.39 Million tons with an increase of 2.3% during the year 2017. After rising by 2.8% in 2016, world refined lead metal production is predicted to increase by a further 2.2% to 11.39 million tons in 2017. This will be primarily a consequence of higher output in China and India with smaller increases forecast in Belgium and the United States where Aqua Metals recently commissioned their new used lead-acid battery recycling plant in Nevada.

After increasing by a robust 9.8% in 2016, usage of lead metal in Europe is expected to remain unchanged in 2017. A stable outlook is also foreseen in Japan and the Republic of Korea. In both India and the United States modest growth of 1.5% is predicted.

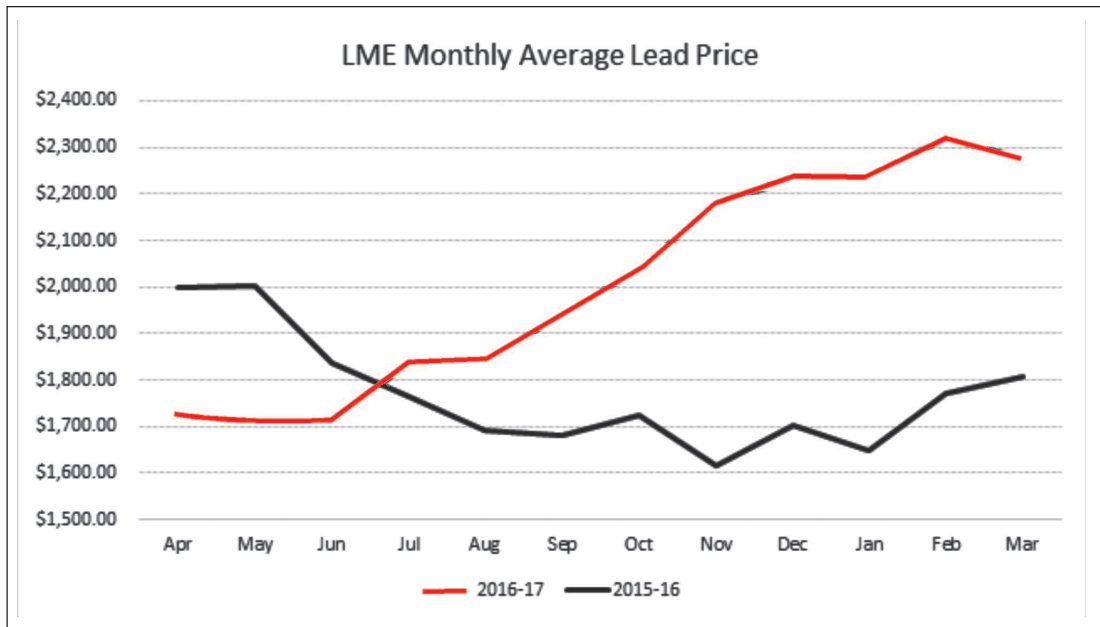
ILZSG forecasts negligible surplus or deficit for the metal in the year 2017. The agency sees a balance year for demand, supply and inventories.

Lead price outlook in the year 2017-18 will be broadly determined by growth outlook for China and value of US Dollar. Lead prices rallied to \$1,895 in March, dropped back to \$1,626 and then rallied back to \$1,882, which

is around where they are now consolidating. A push above the March high would look constructive – it would confirm a base is in place and would open the way for prices to work higher. Given production cuts, mine closures and a generally robust auto market, especially in China and Europe, as well as strong growth in the industrial battery market and relatively low stocks, the fundamental outlook for lead looks sound. Prices have, however, been in no hurry to rally until recently. Lead prices have climbed 22 percent and the market for the Lead remain bullish.

Chinese growth in 2017 has exceeded expectations thus gaining back trust of the investors. Despite discontinuance of tax credit on small cars from 01-Jan-2017, its car sales have not showed any dramatic fall. Demand for metal in China remains good. On the other hand, the trend of weakening US Dollar is supporting the metals. So as far as US Central bank keeps the rate hike on slow path, US Dollar could remain weak. Amid stable macro-economic outlook and weak dollar, Lead price could remain in the range of \$1900-2400 in the next financial year.

London Metal Exchange (LME) Monthly Lead prices for the Financial Year 2016 17



Indian Lead Industry

Lead demand in India will be strong for the next five years as sales of automobiles grow in the country, BMI Research said in a report. Lead is a primary ingredient for automotive batteries. The strong demand from the automotive sector and zinc-lead mine shutdowns are responsible for the increase in demand.

A unit of rating agency Fitch, BMI forecasts the lead market will be minimally undersupplied this year on the back of persistent supply cuts and growing demand from second-tier consumer countries, but the shortfall could quadruple to 70,000 tonnes in 2021.

India seems to be potential Lead consuming country as we foresee 10-12% per annum growth in Lead Acid Battery market between 2012 to 2020. The share of new emerging uses of batteries like Solar, E Bike, E Auto will be substantial. By 2020 India should surpass Europe and will be the third largest consumer of Lead with expected demand of over 2.2 million tones.

Lead batteries industry in India is currently estimated at Rs. 40,000 Crores with 60% automotive and 40% industrial. Over thousands of players continued recycling in India through recovery of lead from telecom, uninterrupted power supply (UPS), invertors, renewable energy and other related industries.

COMPANY OUTLOOK

POCL is positive about its growth in the upcoming years as India will lead the demand for lead for the next 5 years as sales of Automobiles grow in the country and Lead is the primary raw material for manufacture of Lead Acid Batteries. *POCL* increased its annual production of Lead Metal and Alloys from 32,140 MT in the previous year to 46,636 MT in the financial year 2016-17 showing an increase of 45%. The Company's performance during the year 2016-17 was excellent. The pricing strategies adopted by the Company, inventory management, process efficiency and cost reduction measures lead to a substantial increase in the profitability.

With a strong but volatile outlook for the sector, the Company is focused on future growth through expanded production, without losing sight of operational efficiency and cost optimization. The Company forecasts to increase its capacity utilization from 78% in the year 2016-17 to 95% in the year 2017-18. Your Company is exploring to tap the Zinc & Zinc Oxides Market and is likely to commence the production of Zinc and Zinc Oxides from August, 2017.

OPPORTUNITIES AND THREATS

The Competitive strength of the Company is the global presence which gives the Company access to local materials from different parts of the world at competitive cost. *POCL* is dedicated for timely delivery of quality products and as an outcome we have achieved long standing customer relationship. With economies of scale and vertical integration the company delivers quality products globally and has created its own brand image which is trusted by the customers all over the world.

The Company expects a dynamic growth due to a vigorous demand for Lead in the Market. This increases the risk of competition. At *POCL* we primarily focus on effective strategic programs to improve our competitive position and exploring new markets. We encourage new initiatives to achieve long-term business aspirations and to nullify or at least to mitigate the risks the company is exposed to in normal course of its business

RISK AND CONCERNS

Ongoing market volatility of Metal prices and forex are the foremost challenge faced by the Company. As your Company has its presence in both domestic and international markets, to the extent of the import and export equivalent natural hedging takes place. Over and above the import for domestic consumption proper hedging mechanism is in place to effectively mitigate the risk.

Maintenance of liquidity is another major concern and maintenance of maximized operational cashflow is essential for long-term profitability. The Company effectively manages its liquidity by making sustainable cost reductions that do not erode value and focus on working capital management for cost effectiveness. The Company is also faced with the increased challenges of changing expectations, skills shortages and effectively executing capital projects.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has devised systems, policies and procedures/ frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business. This includes adherence to the Company's policy, safeguarding assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The independent internal auditors appointed by the Company carries out the internal audit functions within the scope and authority determined by the Audit Committee. The audit committee reviews the observations and take up follow-up actions. The internal control of the Company is continuously evaluated by the Internal auditors and monitored by the Audit Committee. The internal auditors evaluate the efficacy and adequacy of the internal control system in accordance with the operating guidelines and the accounting and other policies of the Company. Based on the report of the internal auditors, the Company undertakes corrective actions to strengthen the controls.

FINANCIAL PERFORMANCE

(Rs. in lakhs)

ANNUAL FINANCIAL HIGHLIGHTS			
Particulars	FY 2016-17	FY 2015-16	y-to-y growth
Revenue	817.46	506.42	61%
EBITDA	55.12	27.47	101%
Profit Before Tax	43.98	16.00	175%
Profit After Tax	27.92	10.13	175%

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

We recognize that our human capital drives the Company's customer-driven business model. Therefore, we continuously strive to attract and retain the best talent from the local markets. Apart from having a robust performance management system, we strive to create an inspiring and rewarding work environment. Our employee's skills are constantly upgraded through a variety of training programmes and internal opportunities which increase work based knowledge and efficiencies. As on March 31, 2017 the Company has a strength of 266 permanent employees.

CAUTIONARY STATEMENT

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ materially from those expected or predicted depending on market conditions, input costs, economic development, Government policies and other incidental factors.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017
Place : Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) read with Schedule V thereto, compliance with the requirements of Corporate Governance is set out below:

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company believes that good corporate governance enhances the confidence of investors and helps in meeting the needs and aspirations of its stakeholders. The company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The company is committed to traditions and delivering the high values and follows transparency in functioning of its organization.

2. BOARD OF DIRECTORS

i. Board Composition and Category of Directors

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. As on March 31, 2017, the Company’s Board consists of six directors having considerable professional experience in their respective fields. The composition of the Board is in conformity with Regulation 17(1) of the LODR Regulations.

ii. The Composition and the category of the Board is as follows:

Name of the Director	Designation	Category
Mr. Anil Kumar Bansal, DIN : 00232223	Chairman and Whole-Time Director	Promoter – Executive
Mr. Ashish Bansal, DIN : 01543967	Managing Director	Promoter – Executive
Mr. R.P. Bansal, DIN : 00232708	Whole-Time Director	Promoter – Executive
Mr. Anilkumar Sachdev, DIN : 00043431	Director	Independent - Non Executive
Mr. G.P. Venkateswaran, DIN : 01509307	Director	Independent - Non Executive
Dr. Shoba Ramakrishnan, DIN : 02773030	Director	Independent – Non Executive

Mr. Anil Kumar Bansal and Mr. R.P. Bansal are brothers and Mr. Ashish Bansal is the Son of Mr. Anil Kumar Bansal. None of the other Directors are related inter-se.

The details of the shareholdings of the Directors are provided in Form MGT-9 which forms part of this Annual Report.

iii. 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, Agenda and Notes on Agenda for the Board Meetings are circulated in advance to enable the directors to understand the business to be transacted at the meeting.

Twenty Second Annual Report 2016-17

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

Date	Board Strength	No. of Directors Present
April 4, 2016	6	4
May 26, 2016	6	5
August 5, 2016	6	6
November 14, 2016	6	6
February 8, 2017	6	6

The Maximum gap between two Board Meetings was not more than 120 days.

(iv) Attendance at Board Meetings, last Annual General Meeting (AGM) and details of other Board and Board Committees

Name of the Director	Attendance at Meetings during 2016-17		Number of Directorships as on 31-03-2017	No. of Membership(s)/ Chairmanship(s) of Board Committee in Companies as on 31-03-2017	
	Board Meeting	Last AGM		Chairman	Member
Mr. Anil Kumar Bansal	5	Yes	1	-	-
Mr. Ashish Bansal	5	Yes	1	-	-
Mr. R.P. Bansal	5	Yes	1	-	-
Mr. Anilkumar Sachdev	5	Yes	1	2	-
Dr. Shoba Ramakrishnan	3	Yes	1	-	2
Mr. G.P.Venkateswaran	4	Yes	1	-	2

Audit Committee and Stakeholders Relationship Committee are only considered. The above number includes the Directorship, Chairmanship and Membership in this Company also.

The prescribed quorum was present for all the meetings.

During the Financial Year 2016-17, information as mentioned in Regulation 17 of the LODR Regulations has been placed before the Board for its consideration. In addition to the information as enumerated in Regulation 17 of the LODR Regulations, the Directors are presented with information on various matters related to the operations of the Company in a manner appropriate to enable them to effectively discharge their duties, especially those requiring deliberation at the highest level. Where it is not practicable to provide the relevant information as a part of the Agenda papers, the same is tabled at the meeting. Presentations are also made to the Board by functional heads on various issues concerning the Company. The Directors also have Independent access to the Senior Management at all times.

(v) Familiarisation Programme

The Company continuously provides familiarization programme for Independent Directors. The program aims to provide insights into the Company to enable the Independent Directors to understand its business, processes and functions of the Company in depth and to assist them in performing their role as Independent Directors of the Company. As a part of ongoing familiarization programme presentations were made at the meetings of the Independent Directors by various functional heads. The Independent Directors are also informed of key happenings in the Company by way of periodical email / call communication.

The details of the Familiarization program conducted has been disclosed on the website <http://pocl.co.in/policies/Details-of-Familiarisation-programme.pdf>

3. AUDIT COMMITTEE

The constitution and terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the LODR Regulations. The scope of Audit Committee inter-alia includes review of the financial reporting process, internal audit process, adequacy of internal control systems and risk management policies and recommendation on the appointment of auditors and their remuneration.

Mr. Anilkumar Sachdev, Independent Director and Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 17, 2016.

During the year 2016-17, four meetings of the Audit Committee were held on May 26, 2016; August 5, 2016; November 14, 2016 and February 8, 2017. The maximum time gap between any of the two consecutive meetings was not more than 120 days. The necessary quorum was present in all the meeting.

The Company has a qualified and independent Audit Committee comprising of Non-Executive/Independent Directors. The Chairman of the Committee is an Independent Director.

Composition and Attendance

The Chairman and the Members of the Committee are as under:

Name of Director	Designation	Attendance
Mr. Anilkumar Sachdev	Independent Director- Chairman	4
Dr. Shoba Ramakrishnan	Independent Director- Member	3
Mr. G.P. Venkateswaran	Independent Director- Member	4

Mr. K Kumaravel, Company Secretary of the Company acts as the Secretary to the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The constitution and terms of reference of the Nomination and Remuneration Committee are in accordance with and covers all the matters specified under Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR Regulations.

During the year 2016-17, four meetings of the Nomination and Remuneration Committee were held on May 26, 2016; August 5, 2016; November 14, 2016 and February 8, 2017. The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Composition and Attendance:

The Chairman and the Members of the Committee are as under:

Name of Director	Designation	Attendance
Mr. Anilkumar Sachdev	Independent Director- Chairman	4
Dr. Shoba Ramakrishnan	Independent Director- Member	4
Mr. G.P. Venkateswaran	Independent Director- Member	4

Mr. K Kumaravel, Company Secretary of the Company acts as the Secretary to the Committee.

Nomination and Remuneration Policy

On the recommendation of Nomination and Remuneration Committee, the Board of Directors has adopted

the Nomination and Remuneration policy. The Nomination and Remuneration policy applies to Directors, Key Managerial Personnel and other Senior Management Personnel of the Company.

The Company's policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high-performance workforce. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and the Whole-Time Directors. Annual increments are recommended by the Remuneration Committee within the salary scale approved by the members.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of LODR Regulations, the Board had carried out an annual evaluation of its own performance, the directors individually and of the committees of the Board.

The Nomination and Remuneration Committee lays down the criteria for Board evaluation of Independent Directors and other Directors, the Board of Directors as a whole and the Committees of Board of Directors. The criteria for Board evaluation covers the areas relevant to their functioning.

5. DIRECTORS REMUNERATION

Details of Remuneration paid to the Managing Director and Whole Time Directors during 2016-17:

(Rs. In Lakhs)

Name of the Director	Basic Salary	Perquisites and Allowance	Total
Mr. Anil Kumar Bansal	39.00	2.93	41.93
Mr. Ashish Bansal	81.60	6.31	87.91
Mr. R.P. Bansal	39.00	1.93	40.93

The remuneration to the above directors is paid as per the provisions of Companies Act, 2013. The tenure of office of the Chairman, Managing Director and Whole Time Directors is for a period of three years from the date of their respective appointments. There is no separate provision for payment of severance fees.

The Non-Executive Independent Directors are entitled to sitting fees for attending the Board meetings. The Company paid a sitting fee of Rs.15,000/- for attending each meeting of the Board thereafter.

Sitting fees paid to the Non-Executive Directors during 2016-17:

(Rs. In Lakhs)

Name of the Non-Executive Director	Sitting Fee
Mr. Anilkumar Sachdev	0.75
Dr. Shoba Ramakrishnan	0.45
Mr. G.P. Venkateswaran	0.60

The payment of sittings fees to the Non-Executive Directors is within the limits as prescribed under Companies Act, 2013.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The constitution and terms of reference of the Stakeholders' Relationship Committee are in accordance with and covers all the matters specified under section 178 of the Companies Act, 2013 and Regulation 20 of the LODR Regulations. The said committee consists of Non-executive Directors and the Committee redress the Shareholders' grievances.

Composition and Attendance

The Chairman and the Members of the Company are as under:

Name of Director	Designation	Attendance
Mr. Anilkumar Sachdev	Independent Director- Chairman	4
Dr. Shoba Ramakrishnan	Independent Director- Member	3
Mr. G.P. Venkateswaran	Independent Director- Member	4

The Stakeholders' Relationship Committee met four times on May 26, 2016; August 5, 2016; November 14, 2016 and February 8, 2017

Mr. K. Kumaravel, GM Finance & Company Secretary is the Compliance Officer of the Company.

During the year 2016-17, twelve complaints pertaining to non-receipt of dividend warrants, share certificate, etc were received and redressed to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2017.

7. SHARE TRANSFER COMMITTEE

With an understanding to provide for quick responses for request of transfer, transmission etc., from the shareholders, the Company has a committee in the style of "Share Transfer Committee".

Composition

The Chairman and the Members of the Company are as under:

Name of Director	Designation	Attendance
Mr. Anil Kumar Bansal	Chairman	1
Mr. Ashish Bansal	Managing Director -Member	1
Mr. R.P. Bansal	Director – Member	1

The share transfer committee met one time on March 13, 2017 during the financial year 2016-17.

Mr. K Kumaravel, Company Secretary of the Company acts as the Secretary to the Committee.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 of the Companies Act 2013, the Board has constituted the Corporate Social Responsibility Committee. The terms of reference of the Committee covers all the matters specified in Section 135 of the Act.

During the financial year 2016-17, two meetings of the committee was held on May 26, 2016 and on February 8, 2017

The composition of the Corporate Social Responsibility Committee and the attendance of members are given below:

Name	Category	Attendance
Mr. Anilkumar Sachdev	Independent Director- Chairman	2
Dr. Shoba Ramakrishnan	Independent Director- Member	1
Mr. Ashish Bansal	Managing Director- Member	2

Mr. K Kumaravel, Company Secretary of the Company acts as the Secretary to the Committee.

9. GENERAL BODY MEETINGS

Annual General Meeting

Year	Date	Time	Venue	Special Resolution
2013-14	19 th AGM – September 12, 2014	12.15 p.m	Music Academy, 306, T.T.K.Road, Chennai-600 014	<ol style="list-style-type: none"> 1. Increase in borrowing power u/s 180(1)(c) 2. Related Party Transaction under Section 188 of the Companies Act, 2013 with M/s.Bansal Chemicals (India) 3. Related Party Transaction under Section 188 of the Companies Act, 2013 with M/s.Bansal Metallic Oxides 4. Related Party Transaction under Section 188 of the Companies Act, 2013 with Ardee Industries P Ltd 5. Related Party Transaction under Section 188 of the Companies Act, 2013 with POCL Enterprises Ltd.
2014-15	20 th AGM – September 16, 2015	11.30 a.m	Music Academy, 306, T.T.K.Road, Chennai- 600 014	<ol style="list-style-type: none"> 1. Appointment and fixing of remuneration of Mr.Anil Kumar Bansal (DIN:00232223) as Managing Director / Executive Chairman 2. Appointment and fixing of remuneration of Mr.Ashish Bansal (DIN:01543967) as Whole Time Director / Managing Director 3. Appointment and fixing of remuneration of Mr.R.P.Bansal (DIN:00232708) as Whole Time Director
2015-16	21 st AGM – September 17, 2016	11.30 a.m	Music Academy, 306, T.T.K.Road, Chennai- 600 014	<ol style="list-style-type: none"> 1. Revision in Remuneration of Mr. Ashish Bansal (DIN:01543967), Managing Director of the Company

Postal Ballot

No Postal Ballot was conducted during the financial year 2016-17. No special resolution is proposed to be passed through postal ballot.

10. MEANS OF COMMUNICATION

The quarterly results are published in a leading Tamil & English Newspaper having wide circulation. Quarterly results were also hosted in the company's website www.pocl.co.in

The Company maintains a functional website www.pocl.co.in. The website contains a separate dedicated section "Investors" where all shareholders' information are made available. The Company also has a designated exclusive e-mail id complaints@pocl.co.in for investor services.

11. GENERAL SHAREHOLDERS INFORMATION

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. The Registered Office of the Company is situated at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai – 600 031.

Annual General Meeting

The 22nd Annual General Meeting of the Company will be held on Wednesday, September 27, 2017 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini hall), Music Academy, 306, T.T.K Road, Chennai- 600 014.

Financial Year

The Company's financial year commences from April 1, 2016 and closes with March 31, 2017.

Book Closure

The Transfer books of the Company shall be closed from September 21, 2017 to September 27, 2017 (both days inclusive).

Dividend Payment Date

The final dividend, if declared shall be credited/paid on or after September 27, 2017 but before October 26, 2017.

Listing on Stock Exchange and Stock Code

Equity Shares of the Company are listed in BSE Limited having its registered office at 25th Floor, P J Towers, Dalal Street, Mumbai- 400 023

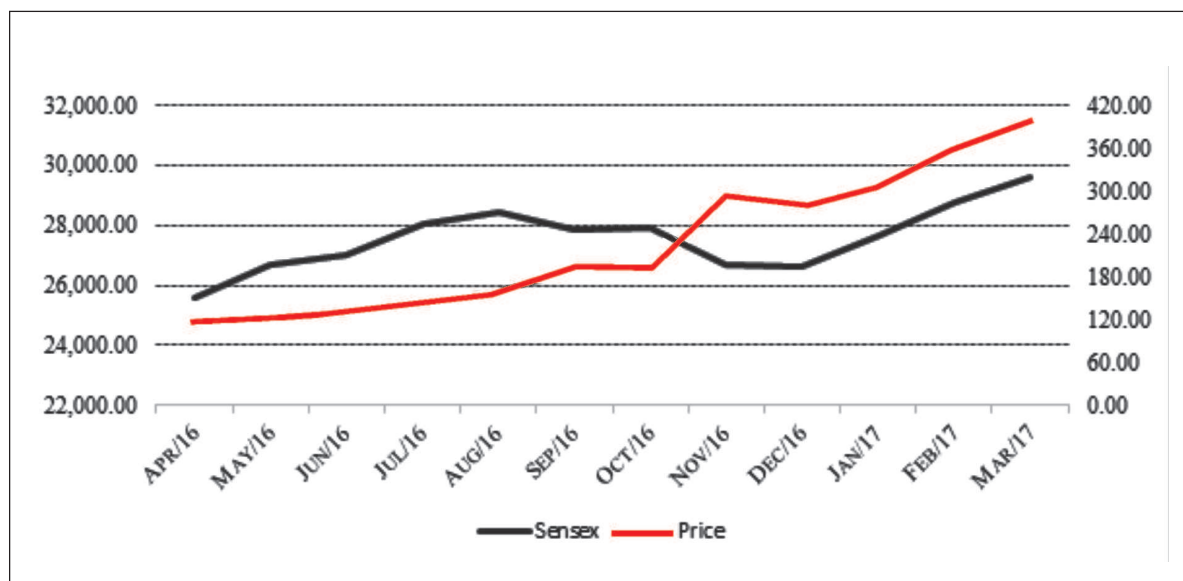
- Stock Code : 532626
- Security ID : PONDYOXIDE
- ISIN : INE063E01046

Share Market data:

The Market price data for the financial year 2016-17 is as follows-

Year and Month	High Price (Rs.)	Low Price (Rs.)
Apr-16	116.40	87.00
May-16	121.00	95.40
Jun-16	131.90	105.00
Jul-16	145.60	118.70
Aug-16	158.40	123.80
Sep-16	192.40	135.10
Oct-16	190.00	162.00
Nov-16	293.00	151.30
Dec-16	280.00	227.60
Jan-17	304.95	241.00
Feb-17	359.00	270.00
Mar-17	399.00	332.00

Performance of the share price of the Company vis-à-vis BSE Sensex during the financial year 2016-17



Payment of Annual Listing Fees/Custodian Fees

Annual Listing Fee for the financial year 2017-18 has been paid by the Company to BSE Limited. Annual Custody fee for the financial year 2017-18 has been paid by the Company to NSDL and CDSL on receipt of invoices.

Registrar and Share Transfer Agents

Cameo Corporate Services Limited
Subramanian Building, No.1, Club House Road
Chennai – 600 002
Tel: 044-2846 0390; Fax: 044 2846 0129
Email: cameo@cameoindia.com
Website: www.cameoindia.com

Share Transfer System

98.36% 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 the above mentioned address.

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 approves the transfer and are also noted at subsequent Board Meeting.

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in the BSE in dematerialized form. 98.36% of the Company's equity share capital is dematerialized form as on March 31, 2017. The Company's equity shares are regularly traded in BSE.

The details of mode of holding are as follows:

Mode of holding	Number of Shares held on March 31, 2017	% of total number of shares as on March 31, 2017
NSDL	45,57,580	81.74
CDSL	9,26,789	16.62
Physical	91,624	1.64
Total	55,75,993	100.00

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, 2017, the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

Distribution of Shareholding as on March 31, 2017

Category Code	Category of Shareholder	Number of shareholders	Total Number of shares held	As a percentage of Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	10	26,31,429	47.19
(2)	Foreign	1	2,12,813	3.82
	Total Shareholding of Promoter and Promoter Group	11	28,44,242	51.01
(B)	Public Shareholding			
(1)	Institutions	-	-	-
(2)	Non-Institutions	8,390	27,31,751	48.99
	Total Public Shareholding	8,390	27,31,751	48.99
	Total	8,401	55,75,993	100.00

Distribution of Shareholding by Size as on March 31, 2017

No. of Shares held	Number of Shareholders	% of Total Shareholders	Number of Shares held	% of Total Shares held
Upto 1000	5,183	61.70	2,15,998	3.87
1001-5000	2,302	27.40	5,80,193	10.39
5001-10000	484	5.76	3,59,326	6.44
10001-20000	228	2.71	3,39,845	6.09
20001-30000	82	0.98	2,03,257	3.65
30001-40000	28	0.33	98,017	1.76
40001 – 50000	27	0.32	1,22,184	2.19
50001 – 100000	39	0.46	2,76,136	4.95
Above 100001	28	0.33	33,81,037	60.65
Total	8,401	100.00	55,75,993	100.00

Plant Locations

- **Smelter Division [SMD] - I**
G-17 to G-19 & G-30 to G-32,
SIPCOT Industrial Park, Mambakkam Village,
Pondur Post, Sriperumbudhur,
District – Kancheepuram,
Tamilnadu – 602 105
- **Smelter Division [SMD] – II**
Plot # 78 B, Industrial Park,
Gajulamandyam Village ,
Renigunta Mandal,
Chittoor,
Andhra Pradesh – 517 520
- **Zinc Refining Division [ZRD]**
G-1, SIPCOT Industrial Park,
Pondur Post, Sriperumbudhur,
District – Kancheepuram,
Tamil Nadu – 602 105

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 Mr. K. Kumaravel, Company Secretary, at the Registered Office of the Company for any assistance. He can also be contacted at kk@pocl.co.in
- Investors can also contact us at designated exclusive e-mail id complaints@pocl.co.in for quick responses and resolution to their queries and grievances.
- Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

12. OTHER DISCLOSURES

(a) Related Party Transactions

During the year under review, there were no materially significant related party transactions that may have potential conflict with the interests of the Company. The Company has adopted a policy on determining the material related party transactions and dealing with the related party transactions and the same is available on the website of the Company. <http://pocl.co.in/policies/Related-Party-Transaction.pdf>

(b) Compliance(s) of matters relating to Capital Market

The Company has complied with all applicable rules and regulations prescribed by Securities and Exchange Board of India (SEBI), Stock Exchange (BSE), or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed on the Company in the last 3 years.

(c) Whistle Blower Policy/Vigil Mechanism

The Company has established a Whistle Blower Policy/ Vigil Mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it, to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The existence of the mechanism was appropriately communicated within the organization. No personnel of the

Company have been denied access to the Audit Committee. The said policy has been posted on the Company's website <http://pocl.co.in/policies/Whistle-Blower-Policy.pdf>

(d) Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of insider trading) Regulations, 2015. The Insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company and non-consequences of violation. Mr. K. Kumaravel, Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

(e) Commodity price risk/Foreign exchange risk and Hedging activities.

The Company is subject to Commodity price risks due to fluctuation in Metal prices. The Company's payables and receivables with respect to imports and exports are in US Dollars and due to fluctuations in the foreign exchange prices, it is subject to foreign exchange risk. The Company has in place risk management framework for identification and monitoring and mitigation of Commodity price and foreign exchange risk. The risks are tracked and monitored on regular basis and mitigation strategies are adopted in line with the risk management framework.

(f) Compliance

The Company has complied with all the mandatory requirements and with the requirements of Corporate Governance report given under sub-paras (2) to (10) of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the requisite format duly signed by the Company Secretary. Pursuant to Schedule V of the Listing (Obligations and Disclosure Requirements) Regulations, 2015 the Chartered Accountant's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Disclosures on website	Yes

(g) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 as applicable, and the provisions of the Act/Companies Act, 1956, as applicable. The significant accounting policies, which are consistently applied, have been set out in the notes forming part of the audited financial statements for the financial year ended March 31, 2017.

h) Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

(i) Issue of Securities

During the year under review, the Company had not raised any money from public issue, rights issue, preferential issue or any other issues.

(j) Equity Shares in Suspense Account

In terms of the Listing Regulations, the Company reports that 8,035 equity shares belonging to 28 shareholders are lying unclaimed as on March 31, 2017.

CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations Disclosure Requirements) Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

DECLARATION ON CODE OF CONDUCT

We hereby confirm that the Company has obtained from all the Members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2016-17.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date : 18.05.2017

Place : Chennai

Anil Kumar Bansal

Chairman

DIN: 00232223

Ashish Bansal

Managing Director

DIN: 01543967

CEO & CFO Certificate under Regulation 33(2) of SEBI (LODR) Regulations, 2015

To
The Board of Directors
Pondy Oxides and Chemicals Limited

We, the undersigned, hereby certify the following-

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. We further state that there are, to the best of our knowledge and belief, no transactions entered by the Company during the quarter which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept overall responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We indicated, based on our most recent evaluation, wherever applicable, to the auditors and to the Audit Committee:
 - a. Significant changes, if any, in internal control over financial reporting during the year;
 - b. Significant changes, if any, in accounting policies during the year;
 - c. Instances of Significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's Internal Control System over financial reporting.

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Date: 18.05.2017
Place: Chennai

Ashish Bansal
Managing Director
DIN: 01543967

Usha Sankar
Chief Financial Officer

Independent 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 ("the Company"), for the year ended on 31st March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

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

We 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.

Restrictions of use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not suitable for any other purpose.

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

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: 18th May, 2017

Independent Auditor's Report

To the Members of

Pondy Oxides and Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PONDY OXIDES AND CHEMICALS LIMITED ("the company")**, which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the financial position of the Company as at 31st March, 2017 and its financial performance and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it 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 agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note No.36 to standalone financial statements.

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

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: 18th May, 2017

Annexure – A to the Independent Auditor's Report

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of 143.

The annexure referred to in Para 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of the Company for the year ended 31st March, 2017.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As per the information and explanation given to us, all the fixed assets have been physically verified by the Company at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. (a) During the year, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
(b) In view of our comment in paragraph (a) above, Clause III of the aforesaid order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014, and as amended. Further, we are

- informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard on the Company.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub Section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 7.
 - (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Excise Duty, Cess and other material statutory dues applicable have 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, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Custom Duty, Service Tax, Excise Duty, Cess, Provident Fund, Employees' State Insurance and any other material statutory dues payable on account of any disputes.
 8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loans either from financial institutions or from the Government and has not issued any debentures.
 9. The Company raised loans from banks during the year and were applied for the purpose for which these were raised. The company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year.
 10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
 11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
 13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
 14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
 16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: 18th May, 2017

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PONDY OXIDES AND CHEMICALS LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SOHAN C J PARMAR
Proprietor
Membership No.: 022321

Chennai
Date: 18th May, 2017

Balance Sheet as at 31 March, 2017

Rs. in Lakhs

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	557.60	557.60
	(b) Reserves and surplus	2	<u>6,045.95</u>	<u>3,454.33</u>
			6,603.55	4,011.93
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	1,504.95	1,649.02
	(b) Deferred tax liabilities (net)	4	41.45	65.71
	(c) Other long-term liabilities	5	18.00	4.00
	(d) Long-term provisions	6	<u>81.95</u>	<u>90.21</u>
			1,646.35	1,808.94
4	Current liabilities			
	(a) Short-term borrowings	7	9,125.10	6,331.06
	(b) Trade payables	8	338.52	1,720.82
	(c) Other current liabilities	9	662.81	660.30
	(d) Short-term provisions	10	<u>1,867.97</u>	<u>707.85</u>
			11,994.40	9,420.03
	TOTAL		<u>20,244.30</u>	<u>15,240.90</u>
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	2,424.88	2,596.35
	(ii) Capital work-in-progress		306.25	55.95
			2,731.13	2,652.30
	(b) Non-current investments	12	13.28	5.00
	(c) Long-term loans and advances	13	104.89	43.37
	(d) Other non-current assets	14	<u>84.96</u>	<u>353.70</u>
			2,934.26	3,054.37
2	Current assets			
	(a) Inventories	15	7,084.32	5,916.10
	(b) Trade receivables	16	6,279.46	3,826.70
	(c) Cash and cash equivalents	17	573.92	227.19
	(d) Short-term loans and advances	18	2,536.30	1,528.17
	(e) Other current assets	19	<u>836.04</u>	<u>688.37</u>
			17,310.04	12,186.53
	TOTAL		<u>20,244.30</u>	<u>15,240.90</u>

Significant Accounting Policies
Notes on Financial Statements

1 to 36

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 : 18.05.2017

For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited

Anil Kumar Bansal
Chairman
DIN: 00232223
Usha Sankar
Chief Financial Officer

Ashish Bansal
Managing Director
DIN: 01543967
K.Kumaravel
GM Finance &
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2017

Rs. in Lakhs

Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A Income			
1 Revenue from operations (gross)	20	81,745.77	50,642.09
Less: Excise duty		5,839.21	4,045.42
Revenue from operations (net)		75,906.56	46,596.67
Other income	21	98.69	70.71
Total Revenue		76,005.25	46,667.38
2 Expenses			
(a) Cost of materials consumed	22	65,576.91	42,210.78
(b) Purchases of stock-in-trade	23	2,160.59	1,021.38
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(234.57)	(1,417.89)
(d) Employee benefits expense	25	757.05	583.17
(e) Finance Costs	26	969.15	757.60
(f) Depreciation and amortisation expense	27	407.14	388.59
(g) Other expenses	28	2,233.65	1,523.35
Total Expenses		71,869.92	45,066.98
3 Profit / (Loss) before exceptional and extraordinary items and tax (1 -2)		4,135.33	1,600.40
4 Exceptional items		263.07	-
5 Profit / (Loss) before extraordinary items and tax (3 ± 4)		4,398.40	1,600.40
6 Profit / (Loss) before tax		4,398.40	1,600.40
7 Tax expense:			
(a) Current tax expense for current year		1,630.20	539.41
(b) Deferred tax		(24.26)	48.26
8 Profit / (Loss) for the year		2,792.46	1,012.73
Earnings per equity share of face value of Rs.10/- each	29		
Basic and diluted		50.08	18.16
Significant Accounting Policies Notes on Financial Statements	1 to 36		

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 : 18.05.2017

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Anil Kumar Bansal
Chairman
DIN: 00232223

Usha Sankar
Chief Financial Officer

Ashish Bansal
Managing Director
DIN: 01543967

K.Kumaravel
GM Finance &
Company Secretary

Twenty Second Annual Report 2016-17

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	[Rs. in Lakhs]	
	Year ended March 31, 2017	Year ended March 31, 2016
(A) Cash Flow from Operating activity		
Profit before tax	4398.40	1600.40
Adjustments for:		
Add:		
Provision for Bad & Doubtful Debts	-	17.30
Depreciation as per the Companies Act 2013	394.39	367.49
Loss on Sale of Fixed Assets	35.58	0.58
Loss on account of Commodity Hedging	164.96	23.80
Interest Paid	969.15	757.60
Demerger expenses written off	2.63	2.63
Tools & Implements written off	10.12	14.46
Preliminary Expenses Written off	-	4.01
Loss on foreign exchange fluctuation	178.68	91.89
Less:		
Profit on foreign exchange fluctuation	-	-
Interest received	50.56	33.13
Rent Received	30.19	31.90
Profit on sale of assets	4.44	-
Miscellaneous Income	13.50	5.68
Keyman Insurance Receipt	263.07	-
Operating Profit from Working Capital Changes	<u>5,792.15</u>	<u>2,809.45</u>
Adjustments for :		
(Increase) / Decrease in Inventories	(1,168.22)	(2,867.73)
(Increase) / Decrease in Trade Receivable	(2,452.76)	(823.87)
(Increase) / Decrease in Short term Loans & advances	266.87	340.66
(Increase) / Decrease in Other current assets	(147.67)	(324.09)
Increase / (Decrease) in Trade Payables	(1,382.30)	253.34
Increase / (Decrease) in Other current liabilities	2.51	443.67
Increase / (Decrease) in Short term provisions	(471.58)	(403.29)
Income Tax paid	(1,393.75)	(425.00)
Net Cash flow from operating activities	<u>(954.75)</u>	<u>(996.87)</u>
(B) Cash Flow from Investing Activities		
Adjustments for:		
Add:		
Proceeds from Sale of Fixed Assets	42.02	-
Interest received	50.56	33.13
Rent Received	30.19	31.90
Less:		
Increase / (Decrease) in Investments	8.28	-
Purchase of Tangible assets	255.18	1425.10
Adjustment to Capital work-in-progress	250.31	(1032.86)
Net Cash From Investing Activities	<u>(391.00)</u>	<u>(327.22)</u>
(C) Cash Flow from Financing Activities		
Adjustments for:		
Add		
Increase / (Decrease) in Long term borrowings	(144.07)	469.45
Increase / (Decrease) in Other long term liabilities	14.00	(16.00)
Increase / (Decrease) in Long term provisions	(8.26)	21.31
(Increase) / Decrease in Long term loans and advances	(61.52)	(0.19)
(Increase) / Decrease in Other non current assets	268.74	(339.17)
Increase / (Decrease) in Short term borrowings	2,794.04	1,812.02
Profit on Foreign exchange fluctuation	-	-
Miscellaneous Income	13.50	5.68
Keyman insurance receipt	263.07	-
Less		
Dividend Paid	134.22	134.22
Interest Paid	969.15	757.60
Reduction of Capital And Reserves on account of Demerger	-	-
Loss on account of Commodity Hedging	164.96	23.80
Loss on foreign exchange fluctuation	178.68	91.89
Net cash from / (used) from Financing Activities	<u>1,692.48</u>	<u>945.60</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>346.73</u>	<u>(378.49)</u>
Cash & Cash Equivalents as at 01.04.2016	227.19	605.68
Cash & Cash Equivalents as at 31.03.2017	<u>573.92</u>	<u>227.19</u>

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 : 18.05.2017

For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited

Anil Kumar Bansal
Chairman
DIN: 00232223

Usha Sankar
Chief Financial Officer

Ashish Bansal
Managing Director
DIN: 01543967

K.Kumaravel
GM Finance &
Company Secretary

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 ('ACT') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lakhs except wherever specified.

Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes surrounding the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

Inventories:

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value.

Cost of finished goods are valued under absorption costing method which includes cost of raw materials, packing materials, appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing them to their respective present location and condition. The work in progress are valued on the same basis of finished goods, for raw materials and for processing charges on percentage completion stage.

Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Cost of Purchase:

The cost of purchase consists of the purchase price including duties, DEPB licenses purchased and utilised, other taxes, freight inwards, hedging loss/profit on procurement of raw materials and other expenditure directly attributable to the acquisition. Duties and taxes that are subsequently recoverable by the enterprise from the taxing authorities are not included in cost of purchase. Trade discounts, rebates are deducted in determining the cost of purchase and advance authorization license/duty scripts on exports and other similar items utilized for import of materials are not considered in determining the cost of purchase.

Depreciation and Amortization:

Tangible Assets:

Depreciation on Tangible assets is provided to the extent of depreciable amount on Written Down Value

method over the useful lives of assets specified in the Schedule II of the Companies Act, 2013. Depreciation for Assets Purchased/ sold, discarded, demolished or destroyed during the period is proportionately charged from the date of such addition or, as the case may be, up to the date, on which such asset has been sold, discarded, demolished or destroyed.

The Management (Technical Expert) estimates the useful lives for some fixed assets based on internal assessment and/or independent technical evaluation carried out by external valuers. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each year end.

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 amortized over their period of lease.

Intangible Assets:

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

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.

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

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

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

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

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

Government grants and subsidies are accounted for on receipt basis.

Fixed Assets:

Tangible Assets:

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use at the reporting date are disclosed under Capital Work-in-Progress.

Intangible Assets:

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

Foreign currency transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities are restated at year end rates or forward cover rates, as applicable. The net loss or gain arising on restatement/ settlement is adjusted to the statement of profit and loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss of the reporting period in which the exchange rates change.

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.

Employee benefit:

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 has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Profit and Loss Statement.

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 is recognized as expense in the period in which they are incurred.

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 fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. 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.

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.

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legal enforceable right to set off current tax assets against current tax liabilities.

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.

Impairment of Assets:

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

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

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

The recoverable amount is the higher 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.

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 or resources and a reliable estimate can be made of the amount of the obligation.

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

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

Derivative accounting:

The Company uses derivative financial instruments to manage risks associated with metal price fluctuations relating to certain highly probable forecasted transactions and certain firm commitments.

The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for metal price fluctuations as "cash flow" hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in hedging reserve and the ineffective portion is recognized immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in hedging reserve is retained until the forecast transaction occurs upon which it is recognized in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognized immediately to the statement of profit and loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognized in the statement of profit and loss as they arise.

Notes forming part of the financial statements

		Rs. in Lakhs		
Particulars	As at March 31, 2017	As at March 31, 2016		
1.0 Share Capital				
1.1 (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 55,75,993 (55,75,993)	557.60	557.60		
Total	<u>557.60</u>	<u>557.60</u>		
	No. of Shares	No. of Shares		
	As at March 31, 2017	As at March 31, 2016		
1.2 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	551,250	551,250		
	<u>551,250</u>	<u>551,250</u>		
1.3 The details of Shareholders holding more than 5% shares:				
	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Held	No. of Shares	% Held
1.3.1 Mr. Ashish Bansal	633,086	11.35	631,194	11.32
1.3.2 Mr. Anil Kumar Bansal	622,761	11.17	621,079	11.14
1.3.3 Mrs. Manju Bansal	512,627	9.19	512,627	9.19
1.3.4 Mr. R.P.Bansal	497,302	8.92	489,802	8.78
1.4 Reconciliation of the number of shares outstanding is set out below				
		As at March 31, 2017	As at March 31, 2016	
Equity shares at the beginning of the year		5,575,993	5,575,993	
Equity shares at the end of the year		<u>5,575,993</u>	<u>5,575,993</u>	
1.5 The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				

		Rs. in Lakhs	
Particulars	As at March 31, 2017	As at March 31, 2016	
2.0 Reserves and Surplus			
(a) Securities premium account			
Opening balance	277.87	277.87	
Closing balance (A)	277.87	277.87	
(b) General reserve			
Opening balance	165.92	105.92	
Add: Transferred from surplus in Statement of Profit and Loss	270.00	60.00	
Closing balance (B)	435.92	165.92	
(c) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	3,010.53	2,239.31	
Add: Profit / (Loss) for the year	2,792.46	1,012.73	
Excess/Short Provision for Current Tax Reversed	0.50	(47.90)	
Excess Depreciation made for earlier year reversed	-	5.49	
Less: Appropriations			
Dividend proposed to be distributed to equity shareholders at Rs 3.00 /- per share (Rs 2.00 /- per share)	167.28	111.52	
Tax on dividend	34.05	27.57	
Transferred to General Reserve	270.00	60.00	
Closing balance (C)	5,332.16	3,010.54	
Total (A +B +C)	6,045.95	3,454.33	
3.0 Long Term Borrowings			
(a) Term loans from Banks			
Secured *	777.85	815.05	
Sub Total (A)	777.85	815.05	
(b) Term loans from Others			
1 Secured*	53.16	26.07	
2 Unsecured - Related Party**	1,025.00	1,105.00	
Sub Total (B)	1,078.16	1,131.07	
Total (A + B)	1,856.01	1,946.12	
(c) Less : Shown under Current Maturities of long term debt	351.06	297.10	
Balance Shown above	1,504.95	1,649.02	

*3.1 Additional Information on Long Term Borrowings

Rs in Lakhs					
Financial Institution	Loan Outstanding (Rs. In Lakhs)	Tenor	Repayment Commencement	Security	Guarantee
Canara Bank	237.56 (360.56)	48 Months	November 2014	Pari Passu First Charge on the Immovables / Other Fixed Assets of AP Smelter Division	Personal Guarantee of Promoter Directors
	0.96 (5.95)	30 Months	February 2015	First Charge on Asset Purchased	
Axis Bank	266.42 (448.55)	36 Months	December 2015	Pari Passu First Charge on the Immovables / Other Fixed Assets of AP Smelter Division	

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Financial Institution	Loan Outstanding (Rs. In Lakhs)	Tenor	Repayment Commencement	Security	Guarantee
	272.91 (Nil)	36 Months	November 2017	Exclusive First Charge on the Entire Fixed Assets of Zinc Oxide Plant. Sriperumpudur	Personal Guarantee of Promoter Directors
Toyota Financial Services India Ltd	13.11 (Nil)	36 Months	November - 2016	First Charge on Asset Purchased	Nil
Daimler Financial Services India Pvt Ltd	40.05 (26.07)	36 Months	August - 2016	First Charge on Asset Purchased	Nil

**3.2 - Represents loan from Directors

Particulars	Rs. in Lakhs	
	As at March 31, 2017	As at March 31, 2016
4.0 Deferred Tax Liability (Net)		
Related to Fixed Assets	41.45	65.71
Total	41.45	65.71
5.0 Other Long Term Liabilities		
(a) Trade Payables	0	0
(b) Others		
Trade / security deposits received	18.00	4.00
Total	18.00	4.00
6.0 Long Term Provisions		
Provision for employee benefits:		
Provision for gratuity	81.95	90.21
Total	81.95	90.21
7.0 Short Term Borrowings		
(i) Loans repayable on demand		
Secured		
1 Working Capital Loans		
1.1 From Banks		
1.1.1 Rupee Loans	8,363.95	6,053.14
1.1.2 Foreign Currency Loans	0	41.28
Total (i)	8,363.95	6,094.42
(ii) Unsecured		
1 From Banks	0	0
2 From Others		
2.1 Related Party*	646.57	135.54
2.2 Inter-Corporate Deposit	108.88	95.69
2.3 Others	5.70	5.41
Total (ii)	761.15	236.64
Total (i+ii)	9,125.10	6,331.06

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. The above working capital facilities availed from banks are additionally secured by a charge / mortgage on all fixed assets of the company.

*7.2 Represents loan from Directors

7.3 Inter-corporate and other deposits carry interest @ 12% p.a payable annually, repayable as per the terms of repayment agreed.

Rs. in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
8.0 Trade Payables		
1 Micro, Small and Medium Enterprises	19.33	51.10
2 Others	319.19	1,669.72
Total	338.52	1,720.82
There is no principal amount and interest overdue to Micro and Small Enterprises. During the year no interest has been paid to such parties. Parties Identification were based on the information provided by the entities.		
9.0 Other Current Liabilities		
(a) Current maturities of long-term debt (Refer Note 3(c) (above))	351.06	297.11
(b) Unpaid / Unclaimed dividends	11.53	10.76
(c) Unclaimed Fractional Shares dividends	0.08	0.07
(d) Other payables		
1 Payables on purchase of fixed assets	43.98	2.54
2 Advances from customers	1.89	2.72
3 Audit Fee Payables	6.98	5.94
4 Others *	247.29	341.16
Total	662.81	660.30
* Includes Central Excise, Sales tax and T.D.S payable		
10.0 Short Term Provisions		
(a) Provision for employee benefits:		
Provision for bonus	36.44	29.36
(b) Provision - Others :		
1 Provision for tax	1,630.20	539.40
2 Provision for proposed equity dividend and Dividend Tax	201.33	139.09
Total	1,867.97	707.85

11.0 Fixed Assets

Rs. in Lakhs

Sl. No.	Description	Gross Block				Depreciation				Net Block	
		As on 1.4.2016	Additions	Deduction/ Adjustments	As on 31.03.2017	Upto 31.03.2016	For the Year	Deduction/ Adjustments	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017
(1)	Tangible Assets :										
1	Lease hold Land	249.71	-	-	249.71	11.89	2.61	-	14.50	237.82	235.21
2	Free hold land	51.56	-	-	51.56	-	-	-	-	51.56	51.56
3	Building	2,047.30	4.11	-	2,051.41	586.11	129.74	-	715.85	1,461.19	1,335.56
4	Plant & machinery	930.62	97.54	-	1,028.15	378.93	152.99	-	531.93	551.68	496.23
5	Furniture & Fittings	77.68	6.69	-	84.37	48.07	8.51	-	56.58	29.61	27.79
6	Office Equipment	95.60	15.90	-	111.50	58.24	18.75	-	76.99	37.36	34.51
7	Vehicles	130.92	122.93	69.65	184.20	78.37	34.69	37.39	75.67	52.55	108.52
8	Lab Equipments	140.63	4.87	-	145.50	61.03	22.36	-	83.39	79.59	62.10
9	Electrical fittings	193.27	3.15	-	196.42	98.28	24.74	-	123.02	94.99	73.40
	Total	3,917.29	255.19	69.65	4102.82	1,320.92	394.39	37.39	1,677.94	2,596.35	2,424.88
	Previous Year 2015-16	2,502.40	1,425.10	10.22	3,917.29	968.55	367.49	15.13	1,320.92	1,533.85	2,596.35
	Capital Work in progress	55.95	436.65	186.35	306.25	-	-	-	-	55.95	306.25

11.1 Capital work in progress includes

- i. Project under construction : Rs.294.44 Lakhs (Rs.NIL)
- ii. Machinery and Laboratory Equipment etc under installation : Rs. 11.81 Lakhs (Rs. 55.95 Lakhs)

Particulars	Rs. in Lakhs	
	As at March 31, 2017	As at March 31, 2016
12.0 Non Current Investments		
Investments (At cost)		
(a) Canara Bank Mutual Fund	5.00	5.00
(b) 1000 (Nil) Equity Shares of Face Value Rs. 10 each in Amara Raja Batteries Ltd	8.28	-
Total	<u>13.28</u>	<u>5.00</u>
Market Value of Quoted Investments is Rs. 14.98 Lakhs (Rs. 5.57 Lakhs)		
13.0 Long Term Loans & Advances (Unsecured and considered good)		
(a) Security deposits	42.41	36.29
(b) Advances for Capital Goods	62.48	7.08
Total	<u>104.89</u>	<u>43.37</u>
14.0 Other Non Current Assets		
(a) Fixed Deposit *	79.71	345.82
(b) Misc. Expenditure (to the extent not written off or adjusted)		
(i) Amalgamation Expenses	-	4.01
(ii) Demerger Expenses	7.88	10.51
Less : Written off	2.63	6.64
Total	<u>84.96</u>	<u>353.70</u>
* Represents lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.		
15.0 Inventories (At lower of cost and net realisable value)		
(a) Raw materials	3,424.31	2,652.30
(b) Raw Material in transit	1,065.97	860.41
(c) Work-in-progress	216.55	172.25
(d) Finished goods	1,972.51	1,999.14
(e) Stock in trade	368.04	180.12
(f) Stores and spares	16.70	22.93
(g) Loose tools	20.24	28.95
Total	<u>7,084.32</u>	<u>5,916.10</u>
16.0 Trade Receivables		
(a) Trade receivables outstanding for a period exceeding 180 days		
Unsecured and considered good	-	-
Total of (a)	-	-
(b) Other Trade receivables		
(i) Secured and considered good	-	131.68
(ii) Unsecured and considered good	6,279.46	3,695.02
Total of (b)	<u>6,279.46</u>	<u>3,826.70</u>
Total (a) + (b)	<u>6,279.46</u>	<u>3,826.70</u>

Particulars	Rs. in Lakhs	
	As at March 31, 2017	As at March 31, 2016
17.0 Cash and Cash Equivalents		
(a) Cash & Cash Equivalents		
Balances with bank		
1 On Current & Cash Credit Accounts	68.15	1.06
2 In EEFC accounts	3.95	41.88
3 On Unpaid dividend accounts	11.60	10.83
4 *Deposits	488.09	167.54
(b) Cash on hand	2.13	5.88
Total	<u>573.92</u>	<u>227.19</u>
*Rs 476.87 Lakhs (Rs. 167.54 Lakhs) are with bank held as margin money, for letter of credit and Guarantees and security against borrowings.		
18.0 Short Term Loans & Advances (Unsecured and considered good)		
(a) Loans and advances to employees	3.80	4.30
(b) Prepaid expenses	10.01	20.35
(c) Balances with Excise, Sales Tax and Income Tax Authorities		
1 Central Excise Deposit	437.36	751.71
2 Income Tax	1,291.14	439.48
(d) Others -Suppliers Advance (including for expenses)	793.99	312.33
Total	<u>2,536.30</u>	<u>1,528.17</u>
19.0 Other Current Assets		
(a) Interest accrued on deposits	61.58	32.69
(b) Rebate Receivables	774.46	655.68
Total	<u>836.04</u>	<u>688.37</u>

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2017	For the year ended March 31, 2016
20.0 Revenue from Operations		
(a) Sale of Products	81,707.12	50,623.87
(b) Other operating revenues	38.65	18.22
	<u>81,745.77</u>	<u>50,642.09</u>
Less:		
(c) Excise duty	5,839.21	4,045.42
Total	<u>75,906.56</u>	<u>46,596.67</u>
20.1 Particulars of Sale of Products		
(a) Sale of products comprises :		
I Manufactured goods		
1 Metals	72,838.48	44,649.53
2 PVC Stabilisers	827.59	817.90
3 Others	8.57	11.77
Total - Sale of manufactured goods	<u>73,674.64</u>	<u>45,479.20</u>
II Traded goods		
1 Metals	2,191.72	1,051.97
2 Metallic Oxides	0.04	0
3 Others	1.50	47.28
Total - Sale of traded goods	<u>2,193.26</u>	<u>1,099.25</u>
Total - Sale of products	<u>75,867.90</u>	<u>46,578.45</u>
(b) Other operating revenues :		
Conversion Charges Received	38.65	18.22
Total - Other operating revenues	<u>38.65</u>	<u>18.22</u>
21.0 Other Income		
(a) Interest income	50.56	33.13
(b) Other non-operating income (net of expenses directly attributable to such income)		
1 Miscellaneous receipts	13.50	5.68
2 Rent Received	30.19	31.90
3 Profit on sale of vehicles	4.44	0
Total	<u>98.69</u>	<u>70.71</u>

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
21.1 Particulars of Interest Income		
(a) Interest from banks on deposits	48.98	25.54
(b) Interest on trade receivables	1.58	7.59
Total - Interest income	<u>50.56</u>	<u>33.13</u>
21.2 Particulars of Other Non-Operating Income		
Other non-operating income comprises:		
1 Rental income from operating leases	30.19	31.90
2 Profit on sale of fixed assets [net of expenses directly attributable]	4.44	0
3 Miscellaneous income [net of expenses directly attributable]	13.50	5.68
Total - Other non-operating income	<u>48.13</u>	<u>37.58</u>
22.0 Cost of Materials Consumed		
(a) Opening stock	2,652.27	1,116.63
(b) Add: Purchases	66,329.37	43,746.45
	<u>68,981.64</u>	<u>44,863.08</u>
(c) Less: Closing stock	3,424.31	2,652.30
	<u>65,557.33</u>	<u>42,210.78</u>
(d) Add: Deficit in Hedging operations of price of raw materials	19.58	0
Cost of material consumed (a + b - c + d)	<u>65,576.91</u>	<u>42,210.78</u>
Material consumed		
1 Lead Metal	39,445.46	23,598.37
2 Lead Scrap	17,756.49	13,040.50
3 Tin Ingots	3,112.76	2,307.01
4 Other items	5,262.20	3,264.90
Total	<u>65,576.91</u>	<u>42,210.78</u>
23.0 Purchase of traded goods		
1 Metals	2,011.78	978.86
Add: Deficit in Hedging operations of price of traded goods	144.90	23.80
	2,156.68	1,002.66
2 Metallic Oxides	0.07	0
3 Others	3.84	18.72
Total	<u>2,160.59</u>	<u>1,021.38</u>

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2017	For the year ended March 31, 2016
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	1,972.51	1,999.14
2 Work-in-progress	216.55	172.25
3 Stock-in-trade	276.20	180.12
Total (a)	<u>2,465.26</u>	<u>2,351.51</u>
(b) <u>Inventories at the beginning of the year:</u>		
1 Finished goods	1,999.14	595.09
2 Work-in-progress	172.25	2.34
3 Stock-in-trade	180.12	215.34
Total (b)	<u>2,351.51</u>	<u>812.76</u>
(c) Excise duty on finished goods *	(120.82)	120.86
Net (increase) / decrease (b-a)+c	<u>(234.57)</u>	<u>(1,417.89)</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	597.33	476.04
2 Contributions to provident and other funds	40.40	36.48
3 Staff welfare expenses	119.32	70.65
Total	<u>757.05</u>	<u>583.17</u>

As per Accounting Standard 15 “ Employee benefits”, the disclosures as defined in the Accounting Standard are given below:

25.1 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 and entitlement measures each unit separately to build up the final obligation.

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Amount to be recognised in Balance Sheet	Gratuity Unfunded	Gratuity Unfunded
Present value of funded obligations	20.00	0
Present value of unfunded obligations	61.95	90.21
Unrecognised past service cost	Nil	Nil
Net Liability	81.95	90.21
Amount in the balance sheet		
Liabilities	81.95	90.21
Assets	0	0
Net Liability	81.95	90.21
ii) Expenses Recognised in Income Statement		
Current service cost	11.48	10.23
Interest on obligation	6.76	5.13
Net actuarial losses (gains) recognised in the year	(6.50)	10.39
Expenses recognised in P & L A/c.	<u>11.74</u>	<u>25.75</u>
iii) Changes in Benefit Obligations		
Opening defined Benefit obligation on 01-04-2016	90.21	68.90
Current service cost	11.48	10.23
Interest cost for the year	6.76	5.13
Actuarial losses (gains)	(6.50)	10.39
Benefits paid	(20.00)	(4.44)
Closing defined benefit obligation on 31-03-2017	81.95	90.21
26.0 Finance costs		
(a) Interest expense on:		
1 Bank Borrowings	713.23	552.77
2 Others	179.42	135.93
(b) Bank Charges	76.50	68.90
Total	<u>969.15</u>	<u>757.60</u>
27.0 Depreciation & Amortisation Expenses		
1 Depreciation	394.39	367.49
2 Preliminary & Pre-Operative Exp. Written off	0	4.01
3 Demerger Expenses Written off(1/5th of Rs.1301108)	2.63	2.63
4 Tools & Implements written off	10.12	14.46
Total	<u>407.14</u>	<u>388.59</u>

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2017	For the year ended March 31, 2016
28.0 Other expenses		
1 Advertisement	2.14	4.28
2 Bad debts written off	0	17.30
3 Business promotion	15.11	6.79
4 Consumption of packing materials	23.03	18.64
5 Conversion Charges Paid	34.31	16.44
6 Director Sitting Fees	1.80	1.20
7 Donation	0.75	0.91
8 Entertainment Expenses	1.92	2.13
9 Environmental Control Expenses	57.91	36.42
10 Expenditure on Corporate Social Responsibility	23.00	0
11 Factory Expenses	50.39	38.56
12 Freight and forwarding	468.74	289.67
13 General Expenses	13.05	8.77
14 Hedging loss	0.48	0
15 Insurance	29.57	24.47
16 Laboratory Expenses	10.99	7.15
17 Legal and professional	26.82	48.43
18 Loss on fixed assets sold / scrapped / written off	35.58	0.58
19 Membership Fee	8.58	5.61
20 Net Loss on foreign exchange fluctuation	178.68	91.89
21 Office and Computer Maintenance	11.63	12.90
22 Payments to auditors	9.07	6.71
23 Postage, Telegram & Telephone Expenses	16.84	15.35
24 Power and fuel	727.42	490.41
25 Printing and stationery	7.60	4.92
26 Purchase Commission	9.35	8.05
27 Rates and taxes	52.51	49.59
28 Rent and Amenities Charges	5.74	5.20
29 Repairs and maintenance - Buildings	59.81	29.31
30 Repairs and maintenance - Machinery	91.33	60.92
31 Repairs and maintenance - Others	72.90	46.41
32 Sales commission	55.92	40.09
33 Sales discount	21.91	25.93
34 Service tax paid	10.60	9.36
35 Travelling and Conveyance	86.41	88.04
36 Vehicle Maintenance	11.76	10.92
Total	2,233.65	1,523.35

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
28.1 Payment to Auditors as		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
1 As auditors - statutory audit	6.00	5.01
2 For taxation matters	1.00	1.00
3 Vat and Transfer pricing audit	0.75	0.25
4 Limited Review Audit	0.75	0.45
5 Other Certification	0.57	0
Total	<u>9.07</u>	<u>6.71</u>
29.0 Earning Per Share (EPS)		
(i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	2,792.46	1012.73
(ii) Weighted average number of Equity Shares	5,575,993	5,575,993
(iii) Basic Earning & Diluted Earning Per Share in Rs.	50.08	18.16
(iv) Face Value per Equity Shares in Rs.	10.00	10.00
30.0 Value of imports calculated on C.I.F basis by the company in respect of :		
(i) Raw materials	61,743.99	40,541.20
(ii) Capital goods	8.05	39.38
30.1 Expenditure in Foreign Currency		
(i) Import of Raw Materials	63,023.70	38,473.85
(ii) Import of Capital goods	31.23	39.12
(iii) Membership Fee	7.60	3.49
(iv) Travelling Expenses	4.14	13.61
(v) Commission	55.92	35.82
31.0 Earnings in Foreign Exchange		
Export Turnover*	27,408.37	13,674.05
Total	<u>27,408.37</u>	<u>13,674.05</u>
*Excludes Rs. 18.00 lakhs (Rs. 37.39 Lakhs) of deemed exports.		
32.0 Remittance in Foreign Currency on Account of Dividend		
Number of Non Resident Shareholders	72	75
Number of Equity Shares held by them	308,278	253,100
Amount Remitted in Foreign Currency	6.17	5.06
Year to which dividend relates	2015-16	2014-15

33.0 (i) Related Party Disclosures

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

Name of the related parties and relationship

(a) Related enterprises

POCL Enterprises Limited
M/s. Bansal Metallic Oxides
M/s. Bansal Chemicals (India)

(b) Key Management Personnel

S.No	Name	Designation
1	Mr. Anil Kumar Bansal	Chairman
2	Mr. Ashish Bansal	Managing Director
3	Mr. R.P.Bansal	Whole Time Director
4	Mr. K Kumaravel	GM-Finance & Co. Secretary
5	Mrs. Usha Sankar	Chief Financial Officer

The company has not entered into any transactions with the relatives of KMPs during the year and previous year.

(ii) Transaction during the year with related parties (Rs. in Lakhs)

S.No	Nature of Transaction	Related Enterprises	Key Management Personnel	Relative of Key Management Personnel
I	Transactions during the year			
	Purchases			
	Goods & Materials	Nil (106.80)	Nil (Nil)	Nil (Nil)
	Sales			
	Goods & Materials	Nil (114.77)	Nil (Nil)	Nil (Nil)
	Conversion Charges Paid	19.47 (16.49)	Nil (Nil)	Nil (Nil)
	Keyman Insurance Maturity Paid	93.18 (Nil)	Nil (Nil)	Nil (Nil)
	Remuneration Paid	Nil (Nil)	204.50 (139.98)	Nil (Nil)
	Interest Paid	Nil (Nil)	164.82 (123.49)	Nil (Nil)
	Commission and Discounts	Nil (15.23)	Nil (Nil)	Nil (Nil)
II	Finance and Investment during the Year			
	Loan Taken	Nil (Nil)	840.55 (417.05)	Nil (Nil)
	Loan Paid	Nil (Nil)	557.86 (159.90)	Nil (Nil)
III	Balance as at 31.03.2017			
	Trade and other Payables	Nil (1.79)	1651.57 (1220.55)	Nil (Nil)

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

- 1 Purchase / Material Consumed includes Nil (Rs.106.80 Lakhs) from POCL Enterprises Limited
- 2 Sale includes sale of Nil (Rs.65.58 Lakhs) to M/s. Bansal Chemicals (India) and Nil (Rs. 49.19 Lakhs) to POCL Enterprises Limited.
- 3 Conversion charges paid includes Rs.16.86 Lakhs (Rs.13.92 Lakhs) to POCL Enterprises Limited and Rs.2.61 Lakhs (Rs. 2.57 Lakhs) to M/s. Bansal Metallic Oxides.
- 4 Keyman Insurance Maturity paid Rs.93.18 Lakhs (Nil) to POCL Enterprises Limited.
- 5 Remuneration paid includes Rs.42.93 Lakhs (Rs.42.17 Lakhs) to Mr.Anil Kumar Bansal, Rs.89.66 Lakhs (Rs.38.61 Lakhs) to Mr.Ashish Bansal, Rs.41.93 Lakhs (Rs.36.61 Lakhs) to Mr. R.P. Bansal, Rs.19.88 Lakhs (Rs.16.32 Lakhs) to Mr.K. Kumaravel, Rs.4.85 Lakhs (Rs.5.22 Lakhs) to Mr.L. Krishnamoorthy and Rs.5.25 Lakhs (Nil) to Mrs.Usha Sankar
- 6 Interest paid include Rs.63.80 Lakhs (Rs.53.50 Lakhs) to Mr.Anil Kumar Bansal, Rs.63.17 Lakhs (Rs.42.43 Lakhs) to Mr.R.P. Bansal and Rs.37.85 Lakhs (Rs.27.56 Lakhs) to Mr.Ashish Bansal
- 7 Commision and Discount represents Nil (Rs.7.72 Lakhs) paid to POCL Enterprises Limited, Nil (Rs.7.51 Lakhs) paid to M/s. Bansal Chemicals (India)
- 8 Loan taken includes Rs.162.30 Lakhs (Rs.173.00 Lakhs) from Mr.Anil Kumar Bansal, Rs.159.00 Lakhs (Rs. 167.50 Lakhs) from Mr.R.P. Bansal and Rs.519.25 Lakhs (Rs.76.55 Lakhs) from Mr.Ashish Bansal
- 9 Loan paid includes Rs.149.22 Lakhs (Rs. 60.65 Lakhs) to Mr. Anil Kumar Bansal, Rs.48.67 Lakhs (Rs.41.79 Lakhs) to Mr. R.P. Bansal and Rs.359.97 Lakhs (Rs. 57.46 Lakhs) to Mr. Ashish Bansal
- 10 Trade and Other payable include Nil (Rs.0.32 Lakhs) to M/s. Bansal Metallic Oxide, Nil (Rs.1.47 Lakhs) to POCL Enterprises Limited, Rs.582.24 Lakhs (Rs. 511.75 Lakhs) to Mr. Anil Kumar Bansal ,Rs.616.05 Lakhs (Rs.448.87 Lakhs) to Mr.R.P. Bansal and Rs.453.28 Lakhs (Rs. 259.93 Lakhs) to Mr.Ashish Bansal.

34.0 Contigent Liabilities and Commitments

(Rs. in Lakhs)

Contigent Liabilities

	Particulars	As at 31 March , 2017	As at 31 March, 2016
(I)	Money for which the company is contingently liable :		
	Liability in Respect of LC Opened.	714.37	852.91
(II)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for.	105.00	16.25

35.0 Value of imported and indigenous Raw Material and Spare Parts consumed

Particulars	For the year ended 31 March, 2017	%	For the year ended 31 March, 2016	%
Raw Materials				
(i) Imported	59,823.74	91.23	39,951.47	94.65
(ii) Others	5,753.17	8.77	2,259.31	5.35
Total	65,576.91	100.00	42,210.78	100.00

The business of the Company falls under a single primary segment i.e., Metal for the purpose of Accounting Standard 17.

36.0 Details of specified bank notes (Rs. 500 & 1000 notes) held and transacted during November 8, 2016 to December 30, 2016.

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 30 March, 2017. The details of SBNs held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination-wise BNs and other notes as per the notification are as follows :

in Rs.

Particulars	SBNs* DENOMINATED NOTES	OTHER	TOTAL
Closing cash balance as on 08.11.2016	943,500	423,970	1,367,470
+ Permitted receipts	-	1,552,000	1,552,000
- Permitted Payments	-	1,048,349	1,048,349
- Amount deposited in banks	943,500	-	943,500
Closing cash balance as on 30.12.2016	-	927,621	927,621

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8 November, 2016.

37.0 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 : 18.05.2017

**For and on behalf of the Board of Directors
Pondy Oxides and Chemicals Limited**

Anil Kumar Bansal
Chairman
DIN: 00232223

Usha Sankar
Chief Financial Officer

Ashish Bansal
Managing Director
DIN: 01543967

K.Kumaravel
GM Finance &
Company Secretary

NOTICE TO THE 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of **PONDY OXIDES AND CHEMICALS LIMITED** will be held on Wednesday, September 27, 2017 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K. Road, Chennai – 600 014 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Board of Directors' and Auditors' reports thereon.

*To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT the Audited Financial Statements for the year ended March 31, 2017 and Board's Report and Auditor's Report thereon be and are hereby received, considered and adopted.”

2. To declare dividend of Rs. 3.00 (i.e. 30%) per equity share of Rs. 10/- each for the financial year ended March 31, 2017.

*To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT the final dividend of Rs. 3/- per equity share of Rs. 10/- each (30%) be and is hereby declared for the financial year ended March 31, 2017 and that the same be paid out of the profits of the Company for the said financial year to those shareholders whose names appear in the Register of Members and the beneficial holders of the dematerialised shares as on September 20, 2017 as per the details provided by the Depositories for this purpose.”

3. To appoint a Director in the place of Mr. Ashish Bansal (DIN: 01543967), who retires by rotation and being eligible, offers himself for reappointment.

*To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT Mr. Ashish Bansal (DIN: 01543967), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

4. To appoint the Statutory auditors of the Company and fix their remuneration

*To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the proposal of the Audit Committee of the Board and recommendation of the Board, M/s. L. Mukundan and Associates, Chartered Accountants (Firm Registration No: 010283S) be and are hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years from the conclusion from this Annual General Meeting until the conclusion of the 27th Annual General Meeting, subject to the ratification of the appointment by the Members at every Annual General Meeting and consent on the Statutory Auditors every year on a remuneration as may be decided by the Board of the Directors in consultation with the Statutory Auditors.”

SPECIAL BUSINESS:

5. **Revision in remuneration of Mr. Ashish Bansal (DIN: 01543967), Managing Director**

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

“RESOLVED THAT in partial modification of the resolution passed by members at the 21st Annual General Meeting of the Company held on September 17, 2016 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies

Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for revision in remuneration of Mr. Ashish Bansal (DIN: 01543967), Managing Director, with effect from April 1, 2017 for his remaining tenure of one year ending on March 31, 2018.

RESOLVED FURTHER THAT the remuneration payable to Mr. Ashish Bansal (DIN: 01543967), Managing Director, with effect from April 1, 2017 shall be as under:

- I. **Basic Salary:** Rs. 1,10,00,000 (Rupees One Crore Ten Lakhs only) per annum.
- II. **Perquisites and allowances:** Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Ashish Bansal provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.
- III. **Reimbursement of expenses incurred for official purposes:** On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT where in during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

6. **Re-appointment of Mr. Ashish Bansal (DIN: 01543967) as Managing Director and fixing his remuneration.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Ashish Bansal as Managing Director of the Company for a period of 3 years with effect from April 01, 2018 at such remuneration mentioned below with an authority of the Board to provide an annual increment not exceeding 30% of the existing remuneration -

- I. **Basic Salary:** Rs. 1,20,00,000 (Rupees One Crore Twenty Lakhs only) per annum.
- II. **Perquisites and allowances:** Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals

and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Ashish Bansal provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.

III. Reimbursement of expenses incurred for official purposes: On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government, from time to time.

RESOLVED FURTHER THAT where in any financial year, during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

7. Revision in Remuneration of Mr. Anil Kumar Bansal (DIN: 00232223), Whole-Time Director

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

“**RESOLVED THAT** in partial modification of the resolution passed by members at the 20th Annual General Meeting of the Company held on September 16, 2015 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for revision in remuneration of Mr. Anil Kumar Bansal (DIN: 00232223), Whole-Time Director, with effect from April 1, 2017 for remaining tenure of one year ending on March 31, 2018

RESOLVED FURTHER THAT the remuneration payable to Mr. Anil Kumar Bansal (DIN: 00232223), Whole-Time Director, with effect from April 1, 2017 shall be as under:

I. Basic Salary: Rs. 54,00,000 (Rupees Fifty-Four lakhs only) per annum.

II. Perquisites and allowances: Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Anil Kumar Bansal provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.

III. Reimbursement of expenses incurred for official purposes: On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT where in during the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

8. **Re-appointment of Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director and fixing his remuneration.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director of the Company for a period of 3 years with effect from April 01, 2018 at such remuneration mentioned below with an authority of the Board to provide an annual increment not exceeding 15% of the existing remuneration-

I. Basic Salary: Rs. 60,00,000 (Rupees Sixty lakhs only) per annum.

II. Perquisites and allowances: Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Anil Kumar Bansal provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.

III. Reimbursement of expenses incurred for official purposes: On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT where in any financial year, during the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

9. **Revision in remuneration of Mr. R.P. Bansal (DIN: 00232708), Whole-Time Director**

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

“RESOLVED THAT in partial modification of the resolution passed by members at the 20th Annual General Meeting of the Company held on September 16, 2015 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for revision in remuneration of Mr. R.P. Bansal (DIN: 00232708), Whole-Time Director, with effect from April 1, 2017 for remaining tenure of one year ending on March 31, 2018

RESOLVED FURTHER THAT the remuneration payable to Mr. R.P. Bansal (DIN: 00232708), Whole-Time Director, with effect from April 1, 2017 shall be as under:

I. Basic Salary: Rs. 54,00,000 (Rupees Fifty-Four lakhs only) per annum.

I. Perquisites and allowances: Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Anil Kumar Bansal provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.

II. Reimbursement of expenses incurred for official purposes: On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT where during the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

10. **Re-appointment of Mr. R.P. Bansal (DIN: 00232708) as Whole-Time Director and fixing his remuneration.**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to re-appoint Mr. R.P. Bansal (DIN:00232708) aged about 70 years as Whole-Time Director of the Company for a period of 3 years with effect from April 1, 2018 at such remuneration mentioned below with an authority of the Board to provide an annual increment not exceeding 15% of the existing remuneration-

- I. **Basic Salary:** Rs. 60,00,000 (Rupees Sixty lakhs only) per annum.
- II. **Perquisites and allowances:** Such as House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company and as agreed upon by the Board of Directors of the Company and Mr. Anilkumar Sachdev provided that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.
- III. **Reimbursement of expenses incurred for official purposes:** On actual basis

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT where in any financial year, during the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances subject to the limits and conditions specified under Schedule V of the Companies Act, 2013, as may be amended from time to time, and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

11. **Increase in the borrowing powers and power to mortgage properties of the Company**

*To consider and if thought fit, to pass the following resolution as a **Special Resolution**:*

“RESOLVED THAT in supersession of the special resolution passed by the Members of the Company in the 19th Annual General Meeting held on September 12, 2014 and pursuant to the provisions of Sections 180(1)(a), 180(1)(c), and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”), to borrow any sum or sums of money from time to time at its discretion, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves subject to such aggregate borrowings not exceeding an amount of Rs. 200 crores (Rupees Two Hundred crores only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board to mortgage and/or charge all or any of the movable or immovable or immovable property of the Company, wheresoever situated, being present or in future, in favour of Banks, Financial Institutions and other Persons, Firms, Bodies Corporate to secure the loan advanced/agreed to be advanced together with the interest thereon for an amount not exceeding Rs. 200 crores in aggregate at any given point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to 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, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”

12. To ratify the remuneration of the Cost Auditors for the Financial Year 2016-17

*To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT pursuant to the provisions of Section 148 and all applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the consent of the members be and hereby accorded to ratify the remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) in addition to applicable taxes and out of pocket expenses, fixed by the Board of Directors, to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai (having Firm Registration Number 00085), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2016-17.”

By Order of the Board

For **PONDY OXIDES AND CHEMICALS LIMITED**

Place : Chennai
Date : 18.05.2017

K.Kumaravel
GM Finance & Company Secretary
Membership No.: 10921

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting (the “meeting” or “AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy so appointed need not be a member of the Company.**
The proxy form in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
A person can act as a proxy on behalf of members not exceeding fifty (50) 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.
2. Corporate member(s) intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.
3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the Special Business to be transacted at the meeting, is annexed hereto.
4. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) in respect of the directors seeking appointment / re-appointment at the meeting is furnished and forms part of the Notice.
5. The registers i.e. Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Act respectively will be available for inspection to the members at the meeting.
6. The copies of the Annual Report 2016-17 including the notice of the 22nd Annual General Meeting of the

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Company, inter-alia, indicating the process and manner of e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose email-ids are registered with the company / depositories for communication purposes. For members who have not registered their email address, the aforesaid documents are being sent in the permitted mode.

7. Members may also note that the notice of the 22nd Annual General Meeting, proxy form and the Annual Report 2016-17 shall be placed on the Company's website www.pocl.co.in. The physical copies will also be available at the registered office of the company for inspection during normal business hours on working days.
8. The route map to the venue of the meeting is furnished herewith and forms part of the Notice.
9. 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 Share Transfer Agents, 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 i.e. change in address or bank mandates are to be advised only to the concerned Depository Participant by the members.
10. Members holding shares in physical form are requested
 - to advise any change in their address immediately to Cameo Corporate Services Limited.
 - to update their Bank details already registered with Company / Cameo Corporate Services Limited or register their bank details by submitting the duly completed National Electronic Clearing Services (NECS) mandate form attached to this annual report and forward the same to the Cameo Corporate Services Limited to enable the Company to remit the dividend through NECS.
11. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA/Depositories for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. 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 Cameo Corporate Services Limited, Chennai.
13. 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 Corporate Services Limited, for consolidation into a single folio.
14. 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 Corporate Services Limited for assistance in this regard.
15. Members seeking any information with regard to the financial statements are requested to write to the Company atleast 7 days before the Annual General Meeting so as to enable the management to keep the information ready at the Annual General Meeting.
16. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.
17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. (a) The Company has notified closure of Share Transfer Books from September 21, 2017 to September 27, 2017 (both days inclusive) 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 20, 2017. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services Limited as beneficial owners as on that date.

19. Investor Education Protection Fund:

- a) Members who have not encashed their dividend warrants for the year 2010-11 and years thereafter are requested approach the Company for revalidation/issue of duplicate warrants quoting their Ledger Folio/DP-Client ID.
- b) Pursuant to the provisions of Section 124 of the Companies Act, 2013, read with applicable rules, the Company has transferred the unpaid or unclaimed dividends for the financial years 2009-10, on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
- c) Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2017 on the website of the Company (www.pocl.co.in).
- d) Pursuant to Section 124 of the Companies Act, 2013, 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, 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
March 31, 2014	September 12, 2014	September 16, 2021
March 31, 2015	September 16, 2015	September 20, 2022
March 31, 2016	September 17, 2016	September 21, 2022

*Indicative dates, actual dates may vary.

- e) Pursuant to the notification of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Authority Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. The Company has issued notice to the concerned shareholders intimating them of the impending transfer of shares and simultaneously published a notice in newspapers. The Company has also uploaded the details of the same on the website of the Company for benefit of the shareholders. Members are requested to verify the status in the Company's website (www.pocl.co.in).

20. Information and other instructions relating to e-voting are as under:

General Instructions

1. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting ('Remote e-voting').

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2. The Company has engaged the services of Central Depository Services Limited (“CDSL”) as the Agency to provide e-voting facility
3. The remote e-voting facility will be available during the following period:
 - *Commencement of remote e-voting*: From 9.00 a.m. (IST) on September 24, 2017
 - *End of remote e-voting*: Up to 5.00 p.m. (IST) on September 26, 2017
4. Once the vote is cast by a Member, it cannot be subsequently changed or voted again. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
5. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
6. The facility for voting through ballot will also be made available at the AGM and members who could not cast their vote by remote e-voting, may cast their vote at the AGM through ballot paper.
7. The Voting rights of shareholders shall be in proportion to their shares in the paid-up share capital of the Company as on September 20, 2017. Members holding shares either in physical form or dematerialized form, as on September 20, 2017 i.e. cut-off date, may cast their vote electronically. Any person who is not a Member as on the cut- off date should treat this Notice for information purposes only.
8. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on September 20, 2017, may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com.
9. The Board of Directors of the Company at their meeting held on May 18 2017 have appointed M/s. KSM Associates, Practicing Company Secretaries represented by Mr. Krishna Sharan Mishra or Ms. Deepa V. Ramani, Partners as Scrutinizers to scrutinize the voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the purpose.
10. At the Annual General Meeting, at the end of the discussion on the resolutions on which the voting is to be held, the Chairman would, with the assistance of the Scrutinizer, order voting by ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
11. The Scrutinizer shall, immediately after the conclusion of voting at AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses who are not in the employment of the Company. The Scrutinizer will submit a consolidated Scrutinizer’s Report of the total votes cast in the favour of or against, if any. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
12. The results along with the Scrutinizer’s Report will be placed on the website of the Company www.pocl.co.in and on the website of CDSL immediately after the results are declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited.

Steps for e-Voting

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on **Shareholders**.
3. Now Enter your User ID

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

4. Next enter the Image Verification as displayed and Click on Login.
5. 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.
6. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 8 digits of 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach 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.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN of PONDY OXIDES AND CHEMICALS LIMITED.
11. 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.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. 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.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If Demat account holder has forgotten the changed password, then enter the User ID and the

image verification code and click on Forgot Password & enter the details as prompted by the system.

17. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
18. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. 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 www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Any grievance or clarifications with regard to voting by electronic means may be addressed to Mr. K. Kumaravel, Company Secretary at KRM Centre, 4th Floor No. 2, Harrington Road, Chetpet, Chennai 600 031, Phone: 044-42965454, Email ID : kk@pocl.co.in.

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 Nos. 5 to 9 of the accompanying notice:

ITEM NO. 5 TO 10-

The tenure of Mr. Anil Kumar Bansal, Mr. Ashish Bansal and Mr. R.P. Bansal expires on March 31, 2018. Taking into consideration the valuable services rendered by them and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 18, 2017 revised their remuneration for their remaining tenure of one year ending on March 31, 2018 and also re-appointed them for a further period of three years with effect from April 1, 2018 with a revised remuneration, subject to the approval of the shareholders of the Company.

Pursuant to provisions of Sections 196 and 197 read with Schedule V of the Companies Act, 2013, approval of the shareholders by way of Special resolution is being sought for the appointment of Mr. Ashish Bansal as Managing Director and Mr. Anil Kumar Bansal as Whole-time Director and payment of remuneration to them.

In accordance with the provisions of Section 196(3) of the Companies Act, 2013 approval of the shareholders by way of Special resolution is sought for appointment of Mr. R.P. Bansal as a Whole-Time Director. Section 196(3) of the Companies Act, 2013 inter alia provides that no Company shall appoint or continue employment of a person who has attained the age of 70 years as a Managing Director, Whole-Time Director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. R.P. Bansal has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue his employment as a Whole-Time Director. Further, in the opinion of the Board, he is also physically fit to carry out the duties of a Whole-Time Director. Hence Shareholders are requested to appoint him as a Whole-Time Director and confirm his terms of appointment and remuneration by passing a Special Resolution.

A summary of the material terms and conditions relating to the appointment of above directors is as follows:

Director	Mr. Anil Kumar Bansal	Mr. Ashish Bansal	Mr. R.P.Bansal
Tenure	For a period of three years from April 1, 2018		
Basic Salary	Rs. 1,20,00,000 p.a	Rs. 60,00,000 p.a	Rs. 60,00,000 p.a
Perquisites & Allowances	House Rent Allowance, Medical Allowance, Special Allowance, Provident Fund, Conveyance, Medical Reimbursement for self and family, Bonus, Leave Travel Concession, Gratuity, Utilities expenses, House maintenance, Books, Periodicals and Annual subscription for residence, use of company maintained car for business and personal use and communication expenses as may be provided by the Company as agreed upon by the Board of Directors of the Company and the respective director subject however that the total value of allowances and perquisites payable in a year shall not exceed the amount of annual salary.		
Reimbursement of Official Expenses	On actual basis		
Annual Increment	30%	15%	15%

The Disclosures required to be given under Regulation 46(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) is provided at Annexure A of this Notice.

Minimum Remuneration: In the years where the Company has no profits or the profits are inadequate, the remuneration to the managerial personnel should be within the limits set out in Part II - Section II of Schedule V to the Companies Act, 2013. The Board of Directors of the Company may also be authorised to determine and modify from time to time the remuneration payable to the said directors in accordance with the provisions of Sections 197 of the Companies Act, 2013 read with Schedule V thereof and stipulations contained in and any other applicable provision of the Companies Act, 2013. In view of above, the Company is seeking approval of the Shareholders by way of special resolution.

Information as required under the Part II - Section II of Schedule V to the Companies Act, 2013 in respect of each appointee is produced below:

I. General Information

1. Nature of Industry

The Company is engaged in the manufacture of Lead Metal, Alloys and Lead Compounds.

2. Date or expected date of commencement of commercial production

The Company has been in business for the past 22 years and focusing on the manufacturing metals and alloys and various oxides.

3. Financial performance based on given indicators

Rs. in Lakhs

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Sales (Net)	75,906.56	46,596.67	37,296.10
Profit Before Tax	4,398.40	1,600.40	970.55
Profit After Tax	2,792.46	1,012.73	671.03
Shareholders' Funds	6,603.55	4,011.93	3,180.71

4. Foreign investments or collaborators, if any: NIL

II (A) Information about Mr. Ashish Bansal, Managing Director

1. Background details

Mr. Ashish Bansal is a part of the Board of the Company since 2009. He was reappointed as Whole Time Director of the Company for a period of 3 years with effect from 1st April 2012 at the Extra Ordinary General Meeting held on 26th October 2012. In the 20th Annual General Meeting he was appointed as a Managing Director with effect from 01st June, 2015.

2. Past remuneration

The total remuneration drawn by Mr. Ashish Bansal during the financial year 2016-17 was Rs. 82.87 Lakhs.

3. Job profile and his suitability

Mr. Ashish Bansal graduated in Management studies from University of Wales, United Kingdom. He is in charge of overall functioning of various departments. Mr. Ashish Bansal devotes his time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board.

4. Remuneration proposed

The remuneration of Mr. Ashish Bansal is as set out in the resolution.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is comparable with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any

Mr. Ashish Bansal has advanced unsecured loan of Rs. 453.28 lakhs to the Company. He holds 6,33,086 equity shares in the Company.

Mr. Ashish Bansal is son Mr. Anil Kumar Bansal, Whole-Time Director and Chairman of the Company.

II (B) Information about Mr. Anil Kumar Bansal, Chairman and Whole-Time Director:

1. Background details

Mr. Anil Kumar Bansal, aged 63 years is the Promoter-Director of the Company and holding the position of Managing Director from the date of incorporation of the company in 1995. With effect from 01st June 2015 he was appointed as Whole-Time Director and Chairman of the Company.

2. Past remuneration

The total remuneration drawn by Mr. Anil Kumar Bansal during the financial year 2016-17 was Rs. 41.93 Lakhs.

3. Recognition or awards

Taking into account the contribution made by Mr. Anil Kumar Bansal in PVC Stabilizer Industry he was the Vice President of All India Plastics Manufacturers' Association (AIPMA) South Zone, Member – IPI Chennai, and Member – CIPET Chennai.

4. Job profile and his suitability

Mr. Anil Kumar Bansal is a Science graduate, specialised in production and R&D areas of Metals, Alloys and Lead Compounds. He is the Chairman of the Company and he oversees the activities of the Board and giving directions to the Managing Director and other Directors on the policies of the Company and taken steps to start new projects in the company.

5. Remuneration proposed

The remuneration of Mr. Anil Kumar Bansal is as set out in the resolution.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is comparable with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Anil Kumar Bansal has advanced unsecured loan of Rs. 582.24 lakhs to the Company. He holds 6,22,761 equity shares in the Company.

Mr. Anil Kumar Bansal is related to Mr. Ashish Bansal, Managing Director and Mr. R.P. Bansal, Whole Time Director of the Company.

II (C) Information about Mr. R.P. Bansal, Whole Time Director

1. Background details

Mr. R.P. Bansal is the whole time Director of the Company. He was reappointed as Whole Time Director of the Company for a period of 3 years with effect from April 01, 2015 at the 20th Annual General Meeting of the Company held on September 16, 2015.

2. Past remuneration

The total remuneration drawn by Mr. R.P.Bansal during the financial year 2016-17 was Rs. 40.93 Lakhs.

3. Job profile and his suitability

Mr. R.P.Bansal started his career in 1965 in chemicals trading, by this virtue he gained a widespread knowledge in various chemicals. By this virtue he gained a widespread knowledge in chemicals. He is well versed in the technical aspects of the Manufacturing process and he has rich experience in the marketing as well.

4. Remuneration proposed

The remuneration of Mr. R.P.Bansal is as set out in the resolution.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is comparable with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

6. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any

Mr. R.P.Bansal has advanced unsecured loan of Rs. 616.04 lakhs to the Company. He holds 4,97,302 equity shares in the Company.

Mr. R.P.Bansal is the brother of Mr. Anil Kumar Bansal, Chairman and Whole-time Director of the Company.

III. OTHER INFORMATION

1. Reasons of inadequate profit

Managing growth and price stability are the major challenges of macroeconomic policy making. Your company has taken steps to mitigate the challenge and improved the profitability during the year 2016-17. Though the profitability of the Company is adequate to pay the remuneration, taking into account the eventuality of inadequate profit approval of the members is obtained payment of minimum remuneration, if required.

2. Steps taken / proposed to be taken for improvement

To overcome the above problems, the Company started locking the price for import of raw materials on average LME basis every month as the sale realization also based on the average LME price of the previous month. Further, the Company also introduced value added products to maximize the profitability. Hedging Mechanism are in place to safeguard against the volatility risk.

3. Expected increase in productivity and Profits in measurable terms

In view of the steps taken by the Company, turnover and profitability has increased in the year 2016-17 and in the first quarter ending 30th June 2017 compared to the financial year 2015-16 and quarter ending 30th June 2016. Further, the company is also aiming the increase in turnover and profitability during the year 2017-18 as per initiatives taken by the Management.

IV. DISCLOSURES

As required, the information is provided under Corporate Governance Section of the Annual Report.

The Explanatory Statement together with the accompanying Notice may be treated as an abstract of the terms of appointment of Mr. Anil Kumar Bansal, Chairman and Whole-time Director, Mr. Ashish Bansal, Managing Director and Mr. R.P.Bansal, Whole Time Director and payment of remuneration to them and the Memorandum of interest under Section 190 of the Companies Act, 2013.

Your Directors recommends the resolutions set out in Item Nos. 5 to 10 of the Notice for approval by the Members by way of Special Resolution.

Except Mr. Ashish Bansal, Mr. Anil Kumar Bansal and Mr. R.P. Bansal, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions set out at item nos. 5 to 10.

ITEM NO. 11

Increase in the borrowing powers and power to mortgage properties of the Company

The members of the Company in the 19th Annual General Meeting held on September 12, 2014, authorised the Board of Directors of the Company to borrow in excess of paid-up capital and free reserves upto an amount of Rs. 100 Crores, excluding the temporary loans.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act"). The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Sections 180(1)(c) and Section 180(1)(a) of the Act, to authorize the Board to borrow in excess of Paid-up share Capital and free reserves and to mortgage in excess of 20 percent of the net worth of the Company and accordingly the resolution is proposed to increase the borrowing limits from Rs. 100 Crores to Rs. 200 Crores.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution. The resolutions as set out in item no. 11 of this Notice requires your approval as Special Resolution.

ITEM NO. 12

Ratification of remuneration of the Cost Auditors for the financial year ended March 31, 2017

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vivekanandan Unni & Associates as the Cost Auditor (having Firm Registration Number 00085) to conduct the audit of the cost records of the Company for the financial year ended March 31, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

The remuneration payable to the cost auditor is Rs. 30,000 (Rupees Thirty Thousand Only) excluding taxes and reimbursement of incidental expenses incurred by the Auditor for carrying out the cost audit

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2017.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

By Order of the Board

For **PONDY OXIDES AND CHEMICALS LIMITED**

Place : Chennai
Date : 18.05.2017

K.Kumaravel
GM Finance & Company Secretary
Membership no.: 10921

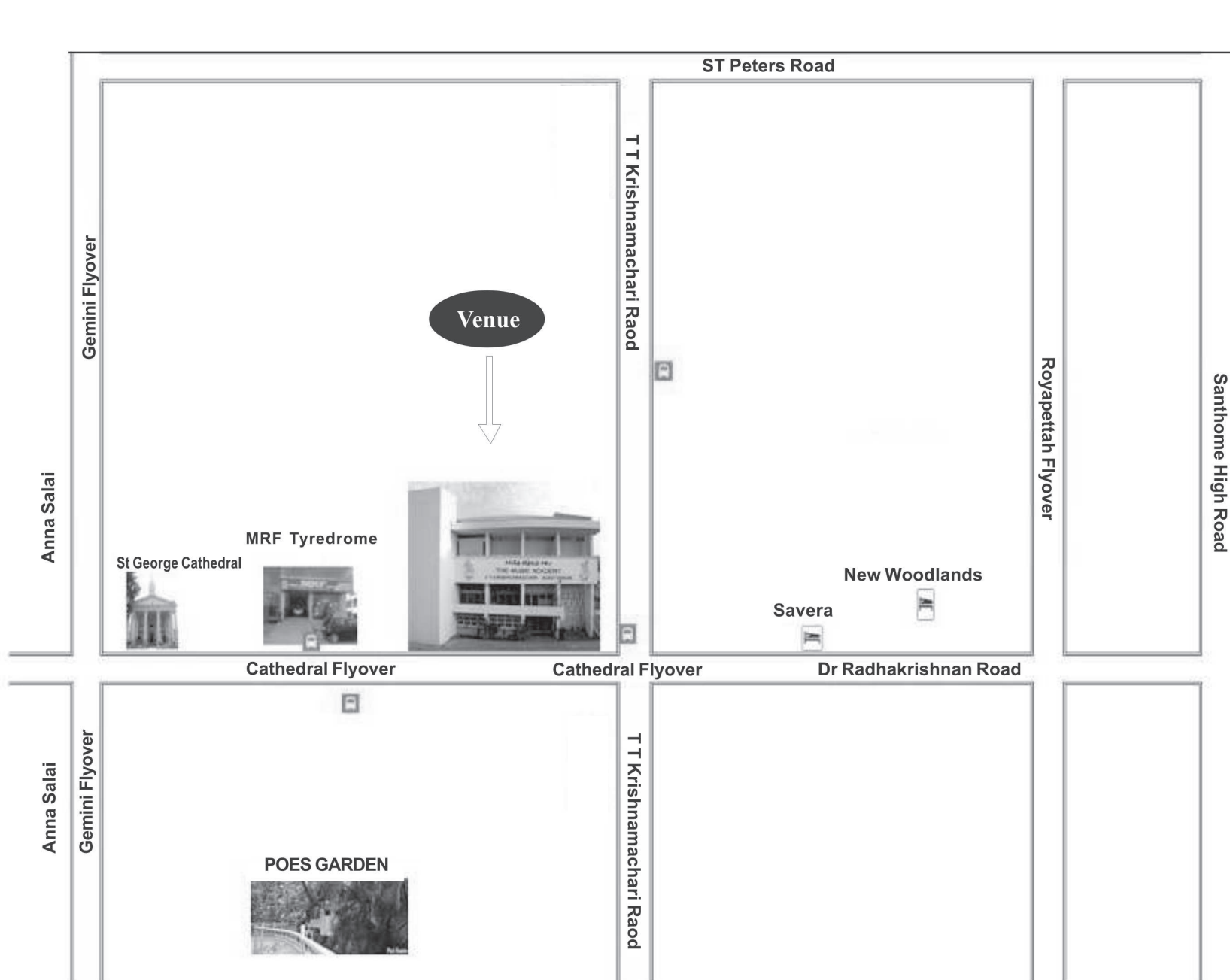
Annexure to the Notice

BRIEF PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

NAME OF THE DIRECTOR	ASHISH BANSAL	ANIL KUMAR BANSAL	R.P. BANSAL
DIN	01543967	00232223	00232708
Date of Birth/ Age	15.07.1981/36	02.11.1953/64	09.09.1946/ 70
Date of first appointment on the Board of Directors	30.07.2009	21.03.1995	21.03.1995
Last drawn remuneration	Rs. 6,80,000 p.m.	Rs. 3,25,000 p.m.	Rs. 3,25,000 p.m.
Brief resume of the Director	Mr. Ashish Bansal graduated in Management studies from the University of Wales, United Kingdom. Being the Managing Director, he takes care of the overall affairs of the Company.	Mr. Anil Kumar Bansal is the Chairman of the Company and is a part of the Board from the Company's Inception. He holds a Bachelors' degree in Science.	He is an undergraduate and has been serving the Company for the past 22 years. He looks after the Marketing of the Company.
Relationship between Directors inter-se	Son of Mr. Anil Kumar Bansal, Chairman and Whole-Time Director.	Brother of the Mr. R.P. Bansal, Whole-Time Director and father of Mr. Ashish Bansal, Managing Director.	Brother of Mr. Anil Kumar Bansal, Chairman and Whole-Time Director.
Expertise in specific functional areas	Overall Management of the Company with speciali-zation in Raw Material Procurement and Sale of finished goods.	Monitoring of the performance of the Board and identifying the long-term vision of the Company.	Marketing of Metallic oxides and procurement of specialized chemicals.
Terms and Conditions of Appointment along with the Remuneration	As stated in the Notice	As stated in the Notice	As stated in the Notice
Number of Board Meetings attended during the year	5	5	5
Directorship in other Companies	Meloy Metals Private Limited.	Nil	Nil
Membership/Chairmanship of Committee across other public Companies, Committees, if any.	Nil	Nil	Nil
Number of Shares held as on March 31, 2017.	633,086	622,761	497,302

Route map for the venue of 22nd AGM of Ponds Oxides and Chemicals Limited
to be held on Wednesday September 27, 2017 at 11:30 a.m.



NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORMAT

To
 Cameo Corporate Services Limited
 Unit : Pondy Oxides and Chemicals Limited
 Subramanian Building,
 # 1, Club House Road,
 Chennai – 600 002

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND / INTEREST please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.

Please TICK (✓) wherever is applicable.

For shares held in physical form

Master Folio No.

----- For Office Use Only-----
 ECS Ref.No.

For shares held in electronic form

DP. ID

Client Id

Note: On de-materialization of existing physical shares, for which you have availed ECS facility, this form needs to be re-submitted to your Depository Participant.

*PAN.NO.....

Email address:-

Name of First holder	
Bank name	
Branch name	
Branch code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

(9 Digits Code Number appearing on the **MICR** band of the cheque supplied by the Bank) Please attach a xerox copy of a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.

Account type	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	Cash Credit <input type="checkbox"/>
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A/c No. (as appearing in the cheque book)

Effective date of this Mandate

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above Cameo Corporate Services Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/**Company**.

I further undertake to inform the Company any change in my Bank/branch and account number.

Date : _____

 (Signature of First holder)

PONDY OXIDES AND CHEMICALS LIMITED

L24294TN1995PLC030586

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

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 the Member :

Registered Address :

Email ID :

Folio :

DP ID/Client ID :

I/We, being the member holding shares of Pundy Oxides and Chemicals Limited, hereby appoint:

1. of having e-mail id
or failing him

2. of having e-mail id
or failing him

3. of having e-mail id

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Wednesday, September 27, 2017 at 11.30 a.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 the following such resolutions as indicated below:

Resolu- tions No.	RESOLUTION
	Ordinary Business
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with Board of Directors and Auditors Report thereon.
2	To declare dividend on Equity Shares for the financial year ended March 31, 2017.
3	To appoint a Director in the place of Mr. Ashish Bansal (DIN: 01543967), who retires by rotation and being eligible, offers himself for reappointment.
4	To appoint the Statutory Auditor of the Company and fix their remuneration

(Contd.,)

Resolutions No.	RESOLUTION
	Special Business
5	Revision in Remuneration of Mr. Ashish Bansal (DIN: 01543967), Managing Director of the Company
6.	Re-appointment of Mr. Ashish Bansal (DIN: 01543967) as Managing Director and fixing his remuneration.
7.	Revision in Remuneration of Mr. Anil Kumar Bansal (DIN: 00232223), Whole-Time Director
8.	Re-appointment of Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director and fixing his remuneration.
9.	Revision in remuneration of Mr. R.P. Bansal (DIN: 00232708), Whole-Time Director
10.	Re-ppointment of Mr. R.P. Bansal (DIN: 00232708) as Whole-Time Director and fixing his remuneration.
11.	Increase in the borrowing powers and power to mortgage properties of the Company
12.	To ratify the remuneration of the Cost Auditors for the financial year 2016-17.

Signed this.....day of..... 2017



Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.

PONDY OXIDES AND CHEMICALS LIMITED

CIN: L24294TN1995PLC030586

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

ATTENDANCE SLIP

Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall

Name of the Shareholder :

Address of the Shareholder :

DP ID/ Client ID/Folio No :

No of Shares held :

I certify that I am a member /proxy/authorised representative for the member of the Company.

I hereby record my presence at the 22nd **Annual General Meeting** of the Company held on Wednesday, September 27, 2017 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K. Road, Chennai – 600 014.

Signature of the Shareholder/Proxy



EEPCINDIA
ENGINEERING THE FUTURE



*Award For
Export Excellence*

EEPC INDIA, SOUTHERN REGION

Pandy Oxides & Chemicals Ltd

**SILVER TROPHY FOR TOP EXPORTER
(MEDIUM ENTERPRISE)**



Mahesh Desai

Mahesh K Desai
REGIONAL CHAIRMAN, EEPC INDIA, SOUTHERN REGION

3 MARCH 2017

DATE

POCL[®]

PONDY OXIDES AND CHEMICALS LIMITED

An ISO 9001 : 2015 Certified Company