

23<sup>rd</sup> August 2021

BSE Limited  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

**Ref: Scrip Code- 532626**

Dear Sir/Madam,

**Sub: Submission of 26<sup>th</sup> Annual Report for the Financial Year 2020-21 and Notice of Annual General Meeting (AGM)**

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In continuation to our letter dated 9<sup>th</sup> August 2021 and pursuant to Regulation 34 of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 we enclose herewith the 26<sup>th</sup> Annual Report of our company for the Financial Year 2020-21 alongwith the Notice of the AGM to be held on Saturday, 18<sup>th</sup> September at 03:00 P.M. through Video conferencing / Other Audio Visual Means.

In compliance with section 108 of the Companies Act 2013 and Regulation 44 of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015, the Company is providing the facility of Remote E-voting and E-voting at the 26<sup>th</sup> AGM through Central Depository Services Limited (CDSL) for the resolutions proposed to be passed at the AGM. The remote E-voting shall commence from Wednesday, 15<sup>th</sup> September 2021 at 09.00 A.M. and end on Friday, 17<sup>th</sup> September 2021 at 05.00 P.M. The cut-off date for determining the eligibility of the Shareholders to cast their vote is Saturday, 11<sup>th</sup> September 2021.

The 26<sup>th</sup> Annual Report containing the Notice of AGM is also uploaded on the Company's website <https://pocl.co.in/annual-reports/>

Kindly take note of the above information on record.

Thanking you  
Yours faithfully

For **Pondy Oxides and Chemicals Limited**



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



**POCL**<sup>®</sup>

# PONDY OXIDES AND CHEMICALS LIMITED

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FOR FUTURE

**26th ANNUAL REPORT**

**2020 - 2021**

**PONDY OXIDES AND CHEMICALS LIMITED**  
**A LONDON METAL EXCHANGE REGISTERED BRAND**



**The London Metal Exchange**  
**Brand Listing Certificate**

This is to certify that on 3 October 2019 Lead Brand

**POCL PB970R**

Produced by

**Pondy Oxides and Chemicals Limited**

Of Smelter Division 1, G17-19 & G30-32 Sipcot Industrial Park, Mampakkam Village,  
Pondur Post, Sriperumbudur, Kanchipuram, 602 105, Tamil Nadu, India

was listed by The London Metal Exchange as good delivery

against the Lead Contract as per LME Notice ref 19/320

Signed  Position BRANDS LISTING MANAGER  
Name LIZ SULLIVAN Date 03/10/19

This certificate records the date on which the above brand was listed. However LME brands can be delisted at any time in accordance with the LME Rules. please refer to the list of approved brands on the LME website LME.com to determine whether the above brand is currently an LME listed brand. The LME accepts no liability whatsoever to any person in respect of any act or omission in relation to this certificate, the listing of the brand or the maintenance, suspension or termination of any such listing.

**PONDY OXIDES AND CHEMICALS LIMITED****BOARD OF DIRECTORS****(a) Executive Directors:**

**Mr. Anil Kumar Bansal**  
Chairman & Whole Time Director

**Mr. Ashish Bansal**  
Managing Director

**Mr. R.P.Bansal**  
Whole Time Director

**(b) Independent Directors:**

**Mr. A. Vijay Anand**

**Dr. Shoba Ramakrishnan**

**Dr. M Ramasubramani**

**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, Sriperumbudur,  
Kancheepuram, Tamilnadu – 602 105

**Smelter Division [SMD] – II**

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

**Zinc Refining Division [ZRD]**

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

**REGISTERED OFFICE :**

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

**AUDITORS :****Statutory Auditors**

**M/s L.Mukundan & Associates,**  
Chartered Accountants,  
Flat No. 1,2 Kamala Arcade,  
669 Mount Road, Thousand Lights,  
Chennai – 600 006  
Phone No: +91-044-2829 1328

**Cost Auditors**

**M/s. Vivekanandan Unni & Associates,**  
Cost Accountants,  
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  
HSBC Bank – Cathedral Road, Chennai

**REGISTRAR AND SHARE TRANSFER AGENTS (RTA):**

Cameo Corporate Services Limited  
Subramanian Building,  
# 1, Club House Road, Chennai – 600 002  
Phone : +91-044-28460718  
Fax : +91-044-28460129  
E-mail : cameo@cameo.india.com

**LISTING :**

BSE Limited

**TWENTY SIXTH (26<sup>TH</sup>) ANNUAL GENERAL MEETING (AGM)**

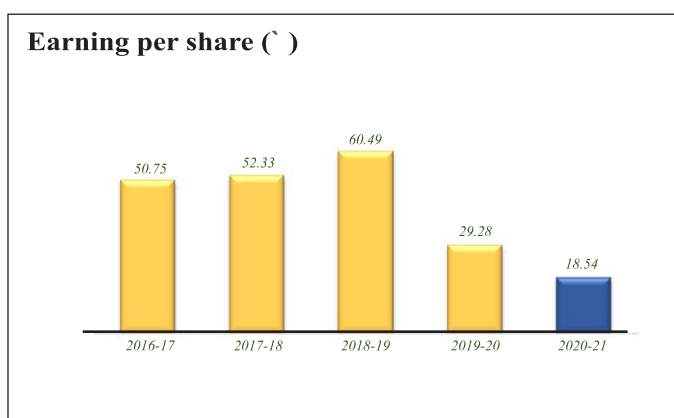
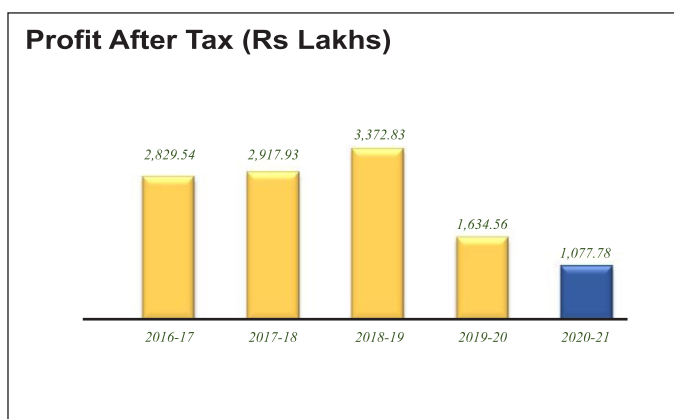
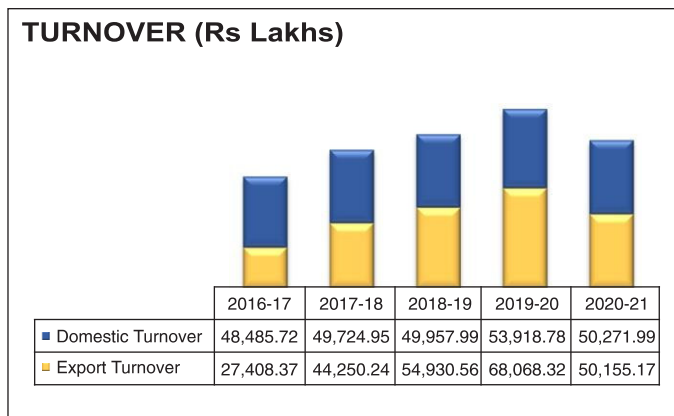
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**Date : 18th September 2021**

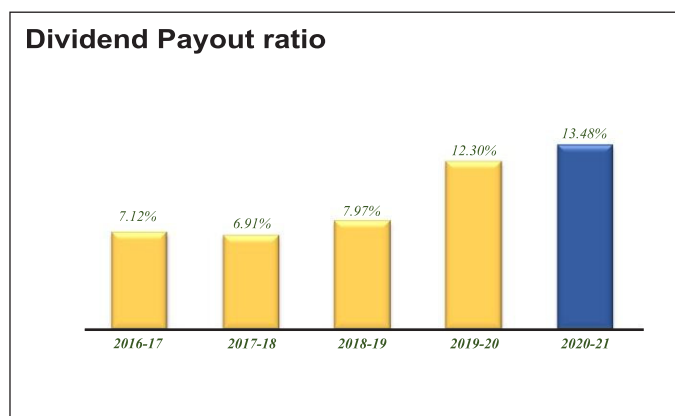
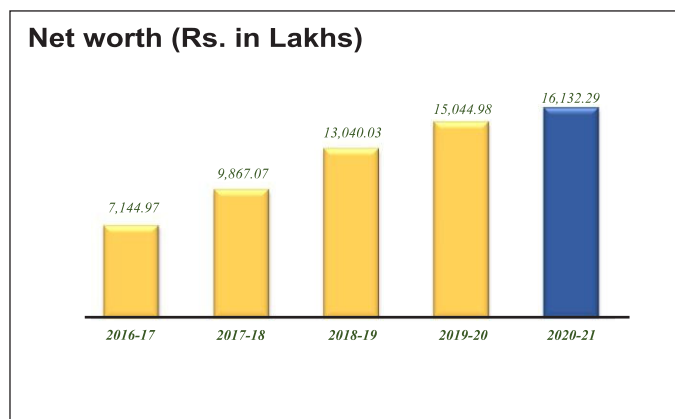
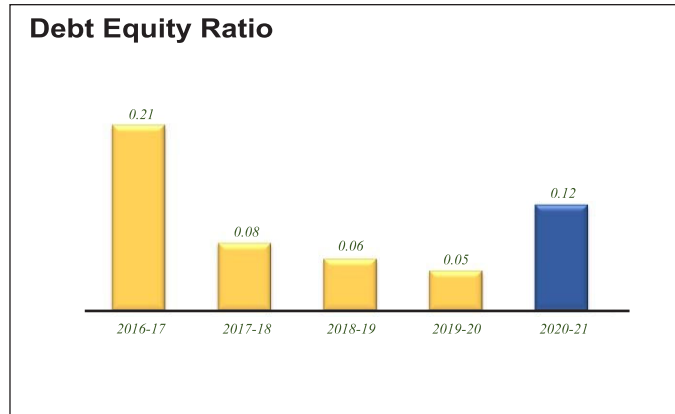
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**Through Video Conferencing/Other Audio Visual Means**

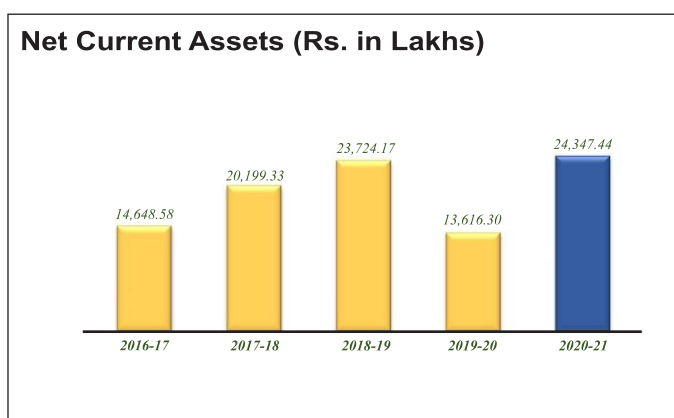
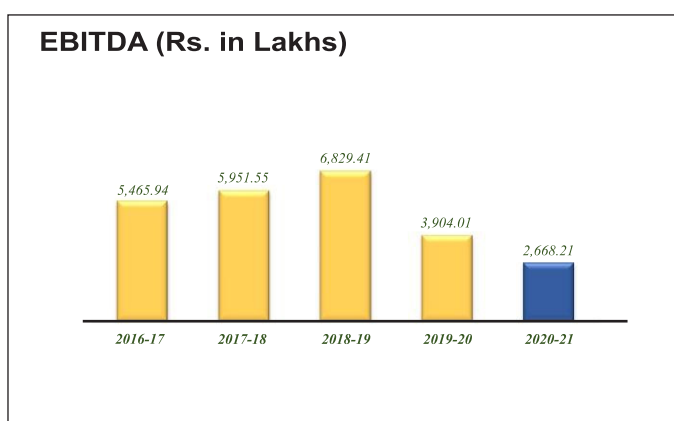
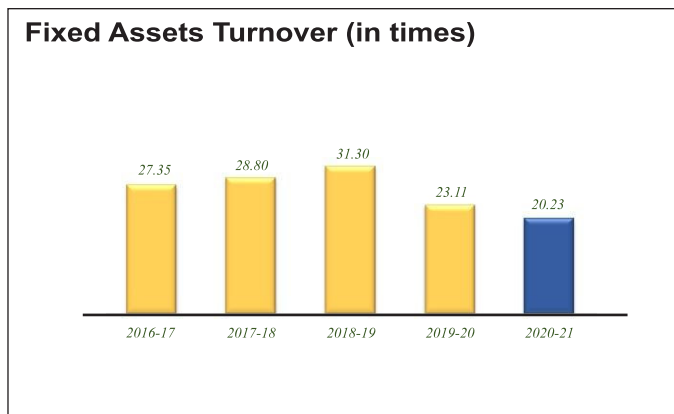
**FINANCIAL HIGHLIGHTS FOR THE LAST 5 FINANCIAL YEARS**



**FINANCIAL HIGHLIGHTS FOR THE LAST 5 FINANCIAL YEARS**



**FINANCIAL HIGHLIGHTS FOR THE LAST 5 FINANCIAL YEARS**



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**BOARD OF DIRECTORS****Mr. ANIL KUMAR BANSAL**

Mr. Anil Kumar Bansal, B.Sc., aged 67 years, is the Executive 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.

**Mr. ASHISH BANSAL**

Mr. Ashish Bansal, MBA aged 40 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 Limited 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. Under his guidance, 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. He is also a Member of the Product Advisory Committee in MCX. In August 2021, He has been elected as Director in MRAI.

**Mr. R.P. BANSAL**

Mr.R.P.Bansal, aged about 75 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.



## Twenty Sixth Annual Report 2020-2021

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### BOARD OF DIRECTORS

#### Mr. A. VIJAY ANAND

Mr. A. Vijay Anand aged about 65 years is a retired civil servant with over 36 years of experience in the Central Government, in positions ranging from revenue collection, adjudication, administration and appeals in Indirect Taxes. He has served as Executive Director, Hindustan Aeronautics Ltd, a Navaratna PSU, Government Nominee Director on the Board of Antrix Corporation, Member Secretary Space Commission, IT Secretary, Additional Secretary and Financial advisor in the Government of India, Principal Chief Commissioner of Indirect Taxes and Customs etc. He is holding the position of Independent Director in **POCL** from 2018.



#### Dr. SHOBA RAMAKRISHNAN

Dr. Shoba Ramakrishnan, Msc., M.Phil and Ph.D., aged about 67 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 Independent Director in **POCL** from 2015.



#### Dr. M RAMASUBRAMANI

Dr. M. Ramasubramani IPS aged about 63 years is a well-known Police Officer and also a high level Sports Administrator. He holds the post of the President of Handball Federation of India (HFI); President of South Asian Handball Federation and Vice President of Tamil Nadu Olympic Association (TNOA). A dynamic and multi fascinated personality Dr. M Ramasubramani IPS, formerly Inspector General of Police, has worked in various places from Chennai to Kanyakumari in various capacities as SP, DC, DIG of many ranges and also as IGP, Central Zone consisting of 8 districts. A very robust and highly passionate person in the field of Education & Technology also; and he is keen to spread the Virtual Reality (VR) and Augmented Reality Technology (AR) concepts across India by spearheading a Private Limited company 'VReon Tech India' located in Chennai. VReon is technically competent to provide VR, AR based Software Solutions on par with global standards to meet clients' requirements. He is holding the position of Independent Director in **POCL** from March 2020.



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## Twenty Sixth Annual Report 2020-2021

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### BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Sixth 26<sup>th</sup> Annual Report on the Operations of your Company along with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2021 together with Auditors' Report thereon.

#### FINANCIAL HIGHLIGHTS:

The Company's financial performance for the year ended 31<sup>st</sup> March 2021 and the comparative figures for the previous year are summarized below:

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Revenue from Operations	1,00,427.16	1,21,987.10
Other Income	331.94	354.28
<b>TOTAL REVENUE</b>	<b>1,00,759.10</b>	<b>1,22,341.38</b>
<b>Profit Before Depreciation, Interest and Tax (PBDIT)</b>	<b>2,668.21</b>	<b>3,904.01</b>
Depreciation and Interest	1,290.71	1,781.23
<b>PROFIT BEFORE TAX (PBT)</b>	<b>1,377.50</b>	<b>2,122.78</b>
Tax	299.72	488.22
<b>Profit for the Year</b>	<b>1,077.78</b>	<b>1,634.56</b>
Other Comprehensive Income	27.54	9.59
<b>TOTAL INCOME</b>	<b>1,105.32</b>	<b>1,644.15</b>

#### PERFORMANCE OVERVIEW:

Your Company have delivered good performance despite the tough and challenging phase in the economic environment throughout the Year. Though the comparison with the previous Financial Year on the financial highlight is not feasible due to slight disruptions in the operations of the Company pertaining to impact of COVID-19, still the Company was able to achieve a total revenue of more than Rs. 1,000 Crores and profit exceeding Rs. 10 Crores during the Financial Year 2020-21

#### TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of profit for Financial Year 2020-21 in the Statement of Profit and Loss, except an amount of Rs. 1.10 Crore, which has been transferred to General Reserve as at 31<sup>st</sup> March 2021.

#### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report, except for the impact arising out of COVID-19, which is detailed in the Business performance.

#### BUSINESS PERFORMANCE AND ITS IMPACT DUE TO COVID-19:

As informed in the previous Annual Report, the Company's units have resumed its operations on different dates in the first quarter of 2020-21. However due to the continuous lockdown, Company's performance in the first quarter has been affected partially since customers factory are closed due to lockdown imposed in their places. The impact of lockdown also noticed in shipping lines and it affected supply chain of the Company and all inward raw materials are delayed resulting in rescheduling of orders to the customers and affected the profitability slightly. Due to the above factors turnover and profitability are slightly reduced compared to the previous year.

Further, during the Financial Year 2020-21, there was not a situation of total normalcy due to COVID 19 and our supply to indigenous customers reduced for the first quarter and it has restored its position from the second quarter onwards. Also, in the 1<sup>st</sup> quarter of 2021-22, the Government had imposed a lockdown from 10<sup>th</sup> May 2021 till 12<sup>th</sup> June 2021 and we had resumed our operations from 14<sup>th</sup> June 2021.

Your Directors have been periodically reviewing with the Management, the impact of COVID-19 on the Company. Management is also keeping a close watch on any other possible impacts of the pandemic and further lockdowns to be imposed by the Government, if any, which might have effect during the Financial Year 2021-22. The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

**BUSINESS DEVELOPMENTS PROPOSED :**

With a view to enhance our portfolio of non-ferrous metals of Lead and Zinc, the company has recognized an opportunity to recycle Copper and in this regard your Company intends to set up a Copper Recycling/ Melting Facility at the Andhra Plant (SMD – II) as part of the Expansion Strategy at an estimated investment of Rs. 12 Crores. The Company is in the process of installation of plant and machinery and getting necessary approvals from the Government Authorities. This would also help the Company to meet the demand(s) and consolidate its position in the market.

**DIVIDEND:**

The Board of Directors in their meeting held on 25<sup>th</sup> June 2021 have recommended a Final Dividend at 25% i.e Rs. 2.5/- per share [Previous Year: 30%] on Face Value of Rs. 10/- each for the Financial Year ended 31<sup>st</sup> March 2021. The total Dividend outgo amounts to Rs. 1.45 crore [Previous Year : Rs. 1.74 Crore].

**UNPAID/ UNCLAIMED DIVIDEND:**

In accordance with the provisions of Section 125 of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred unpaid and unclaimed dividends amounting to Rs. 1.69 Lakhs to the Investor Education and Protection Fund during the Financial Year 2020-21.

**ANNUAL RETURN:**

In terms of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, a copy of the annual return in Form MGT-7 is to be placed on the website of the Company. The same is available in the website of the Company <https://pocl.co.in/annual-returns/>

As on the date of signing this Board's Report, the above link has the annual return for the Financial Year 2019-20. The annual return for the Financial Year 2020-21 shall be available on the same link upon holding of the ensuing Annual General Meeting, since, in terms of section 92(1) read with Rule 11(1) of the Companies (Management and Administration) Rules, 2014, the annual return in Form No. MGT-7 would be prepared only after the said annual general meeting.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anil Kumar Bansal, Chairman and Whole-time Director, who has been longest in the office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment and the same have been included in the 26<sup>th</sup> Annual General Meeting for approval of the Shareholders.

Brief profile of the Directors seeking appointment/re-appointment along with the disclosures required pursuant to provisions of Listing Regulations and the Companies Act, 2013 are given in the Notice of the Annual General Meeting, forming part of the Annual Report.

During the year, four (4) meetings of the Board of Directors were held. The particulars of the meetings held and attendance by each Director are detailed in the Corporate Governance Report, which forms a part of this Report. The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India in compliance of Section 118 (10) of the Companies Act, 2013 read with Secretarial Standard 1 on Meetings of Board.

## Twenty Sixth Annual Report 2020-2021

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### **INDEPENDENT DIRECTORS AND FAMILIARISATION PROGRAMME:**

In terms of the provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Company stating that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are not disqualified to act as an Independent Director.

In compliance with Regulation 16(10)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has adopted a policy on familiarisation programme for Independent Directors of the Company. The policy familiarizes the Independent Directors with the nature of industry in which the Company operates, business model of the Company, their roles, rights and responsibilities in the Company.

The details of familiarization programme during the Financial Year 2020-21 are available on the website of the Company at <https://pocl.co.in/wp-content/uploads/2021/04/Details-of-familiarisation-programmes-imparted-to-Independent-Directors.pdf>

### **KEY MANAGERIAL PERSONNEL:**

Mr. Anil Kumar Bansal - Chairman and Whole Time Director, Mr.Ashish Bansal - Managing Director, Mr.R.P.Bansal - Whole Time Director, Mr.K.Kumaravel - GM Finance & Company Secretary and Mrs.Usha Sankar - Chief Financial Officer are the Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act 2013 and there has been no change in the Key Managerial Personnel during the Financial Year 2020-21.

### **BOARD COMMITTEES:**

In compliance to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has constituted various committees of the Board. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein forms part of the Report on Corporate Governance, which is annexed to this report. Details of the constitution of these Committees is also available on the website of the Company <https://pocl.co.in/composition-of-board-and-committees/>

### **BOARD EVALUATION:**

As required under the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. The Company has devised a policy for performance evaluation of the Board, Committees and Directors which include criteria for performance evaluation of Non-executive and Executive Directors.

The Company carried out the evaluation process internally which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

Details of performance evaluation of Independent Directors as required under Schedule IV to the Companies Act, 2013 is provided in Report on Corporate Governance.

The Directors have expressed their satisfaction with the evaluation process and its results.

### **REMUNERATION POLICY OF THE COMPANY:**

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company at <https://pocl.co.in/wp-content/uploads/2016/02/4-Nomination-and-Remuneration-Policy.pdf>

There has been no change in the policy since the last financial year.

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**PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES:**

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure - I.**

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, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Any member interested in obtaining such information may address their email to [kk@pocl.co.in](mailto:kk@pocl.co.in).

**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:

The Company continued its focused energy conservation efforts through upgradation of process technology, effective production scheduling and various energy saving initiatives including installation of efficient energy equipments. Few initiatives are mentioned below:

- VFD with feedback system wherever possible in equipment
- Automatic power control panels with hybrid filters for improving power quality
- The Company has installed new LED lighting
- Effective maintenance of motors and machines and other utilities and periodical auditing of equipments

***(ii) Steps taken for utilizing alternate source of energy***

The company is exploring the possibility of usage of Gas instead of Diesel as a fuel to substantially save the energy cost.

***(iii) The capital investment on energy conservation equipment's***

The company has made sizeable investment in capital equipment's mainly energy conservation equipment in all its facilities wherever required.

**(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:**

<b>Foreign Exchange Earnings and Outgo</b>	<b>(₹ in Lakhs) 2020-21</b>	<b>(₹ in Lakhs) 2019-20</b>
Foreign Exchange Earnings	48,096.30	68,068.32
Foreign Exchange Outgo	83,234.69	89,601.43

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arms' length basis. All Related Party Transactions are placed before the Audit

## Twenty Sixth Annual Report 2020-2021

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Committee for review and approval. The Audit Committee has provided omnibus approval for transactions which are of repetitive nature and/or entered in the Ordinary Course of business and are at Arm's Length and periodically review the transactions on quarterly basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties or any person belonging to the Promoter/Promoter group which holds 10% or more shareholding in the listed entity or any other contract / arrangement / transaction which could be considered material in accordance with the policy of the Company on materiality of related party transactions and Listing Regulations.

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

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at: <https://pocl.co.in/wp-content/uploads/2021/04/2-Related-Party-Transaction.pdf>

### **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:**

The Company has not given any loans or provided guarantees or securities to any other body corporates as envisaged under Section 186 of the Companies Act, 2013 during the Financial Year 2020-21. The details of the investments made by the Company are given under the Note No. 6 (Non-Current Investments) forming part of the financial statements.

### **DEPOSITS:**

During the year, your Company did not accept any deposits under Chapter V of the Companies Act, 2013. The Company has however received loans from Directors namely Mr. Anil Kumar Bansal, Mr. Ashish Bansal and Mr. R.P. Bansal of Rs. 24.66 Lakh, Rs.267.50 Lakh and Rs. 20.31 Lakh respectively, which are not considered under the definition of "Deposits" in accordance with the provisions of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 and the full details of the Loans received is given under Note No.44 (Related Party Disclosure) forming part of the financial statements.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company does not have subsidiary or associate Company. The Company is also not a subsidiary of any other Company. As at 31<sup>st</sup> March 2021, the Company has not entered into any joint ventures.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company has constituted Corporate Social Responsibility Committee with Mr. A Vijay Anand as the Chairman of the Committee and Mr. Ashish Bansal and Dr. Shoba Ramakrishnan as Members of the Committee. The CSR policy of the Company is available on the Company's website [https://pocl.co.in/wp-content/uploads/2021/04/7-CSR\\_Policy.pdf](https://pocl.co.in/wp-content/uploads/2021/04/7-CSR_Policy.pdf)

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes which are detailed in the prescribed format in **Annexure II** of this Report.

### **SHARE CAPITAL AND STATEMENT PURSUANT TO LISTING AGREEMENT:**

The Paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March 2021 was Rs. 5.81/- Crore comprising of 58,12,390 equity shares of Rs. 10/- each. During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. Your Company's shares are listed with the BSE Limited. The Company has paid the Annual Listing fees and there are no arrears.

### **VIGIL MECHANISM:**

POCL 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.

The Vigil Mechanism is supervised by the Audit Committee and the whistle blower has direct access to the Chairman of the Audit Committee. The vigil mechanism and whistle blower policy is available on the Company's website at <https://pocl.co.in/wp-content/uploads/2021/04/5-Whistle-Blower-Policy.pdf>

**RISK MANAGEMENT POLICY:**

The Board has adopted and implemented a suitable Risk Management Policy for the company which identifies, assesses and mitigates therein different elements of risk which may threaten the existence of the company viz. strategic, financial, liquidity, security, regulatory, legal, reputational and other risks.

**SECRETARIAL STANDARDS:**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118 (10) of the Act.

**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.

The Auditors of the Company have verified the internal financial control systems prevailing in the organization and confirmed the effectiveness of the same in their report during the Financial Year 2020-21.

**MAINTENANCE OF COST RECORDS:**

The Company is duly maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, such accounts and records are made available for the Cost Auditors of the Company for Audit purposes.

**AUDITORS AND AUDITORS' REPORT:**

**Statutory Auditors:**

M/s. L. Mukundan and Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, at the 22<sup>nd</sup> Annual General Meeting held on September 27, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Auditors on the Financial Statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**Cost Auditors:**

M/s. K. R. Vivekanandan Unni & Associates, Cost Accountants (having Firm Registration Number: 102179) has been appointed as the Cost Auditors of the Company for the Financial Year 2020-21 for conducting audit of the cost accounts maintained by the Company relating to inorganic chemicals and base metals.

The Board of Directors on the recommendation of the Audit Committee has approved the remuneration of Rs. 35,000/- (Rupees Thirty Five Thousand Only) in addition to applicable taxes and out of pocket expenses. As per the provisions of Section 148 of the Companies Act, 2013, the remuneration of the Cost Auditors is required to be ratified by the shareholders of the Company.

In respect of the cost audit for the FY 2019-20 which was duly submitted in the Financial Year 2020-21, the Cost Audit Report does not contain any qualification, reservation or adverse remark.

A resolution seeking Shareholders ratification for the remuneration payable to the Cost Auditor forms part of the Notice of this Annual General Meeting and the same is recommended for your consideration and ratification.



## Twenty Sixth Annual Report 2020-2021

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### **Recommendation of Audit committee:**

All the recommendations of the Audit Committee during the Financial Year 2020-21 are accepted by the Board.

### **Secretarial Audit:**

The Board had appointed KSM Associates, Practising Company Secretaries, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2021 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **REPORTING OF FRAUDS BY THE AUDITORS:**

During the Financial Year 2020-21, the Statutory Auditors, Cost Auditors or Secretarial Auditors have not reported any fraud to the Audit Committee under Section 143(12) of the Companies Act, 2013.

### **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.

### **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.

### **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT AT WORK PLACE:**

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 ('POSH Act'). Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees of the Company are covered under this policy.

During the year, there were no complaints received pursuant to the provisions of the POSH Act.

### **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:

1. in the preparation of the annual accounts applicable accounting standards has been followed and there is no material departure from the same;
2. 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., 31<sup>st</sup> March 2021 and of the profit of the Company for that period;
3. 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;
4. the Directors have prepared the annual accounts on a going concern basis;
5. 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
6. 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.

**AWARDS AND RECOGNITION:**

During the year, your company has received the following award/recognition:

The prestigious AEO-T3 (Authorized Economic Operator) Certificate from Directorate of International Customs, Central Board of Indirect Taxes and Customs, Ministry of Finance, Government of India in recognition and appreciation of commitment to secure the international supply chain and in compliance with SCO's SAFE Framework of Standards. The Company is 2nd in south India to receive the above certificate for its commitment in supply chain Management.

**ANY APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR 31<sup>st</sup> MARCH 2021:**

Not Applicable for the Company for the Financial Year 2020-21

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS:**

Not Applicable for the Company for the Financial Year 2020-21

**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, shareholders and other stakeholders. 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.

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

**Date: 26<sup>th</sup> July 2021**

**Place: Chennai**

**Anil Kumar Bansal  
Chairman &  
Whole-Time Director  
DIN: 00232223**

**Ashish Bansal  
Managing Director  
DIN: 01543967**

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### ANNEXURE I

#### Disclosure under Section 197(12) of Companies Act 2013 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 2020-21:

Name of the Director(s)	Category	Ratio
Mr. Anil Kumar Bansal	Chairman and Whole - Time Director	62:1
Mr. Ashish Bansal	Managing Director	124:1
Mr. R.P Bansal	Whole-time Director	62:1

2. The Percentage increase/(decrease) in remuneration of Directors and Key Managerial Personnel's in the financial year 2020-21:

Name of the Director(s)	Category	% Increase or (decrease)
Mr. Anil Kumar Bansal	Chairman and Whole-time Director	(1.67)%
Mr. Ashish Bansal	Managing Director	1.37%
Mr. R.P Bansal	Whole-time Director	0.43%
Mr. K. Kumaravel	GM Finance & Company Secretary	(4.86)%
Mrs. Usha Sankar	Chief Financial Officer	(4.80)%

3. The Percentage increase/(decrease) in the median remuneration of employees in the financial year 2020-21: **(3.20)%**

4. The Number of permanent employees on the rolls of company as on 31<sup>st</sup> March 2021: **468**

5. The average annual increase/(decrease) in the salaries of employees other than the Managerial Personnel during the last financial year was around (11.17)%, as compared to increase/(decrease) in managerial remuneration of (0.10)%. Decrease in salaries of employees is due to restriction of bonus payment to 8.33% instead of 20% due to reduction in profit. However, for Whole Time Directors their scale of pay does not include bonus, resulted the difference.

6. Affirmation:

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

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

Date: 26<sup>th</sup> July 2021  
Place: Chennai

**Anil Kumar Bansal**  
Chairman  
DIN: 00232223

**Ashish Bansal**  
Managing Director  
DIN: 01543967

**ANNEXURE II**

**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 along with necessary Rules.

Our key focus area of CSR includes:

- Providing education to the poor and destitute children;
- Health Care;
- Empowerment of Women and others.

2. **Composition of the CSR Committee:**

SI No.	Name of Committee Members	Designation	Number of CSR Meetings held during the Year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vijay Anand	Chairman & Independent Director	1	1
2.	Mr. Ashish Bansal	Member & Managing Director	1	1
3.	Dr. Shoba Ramakrishnan	Member & Independent Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: [https://pocl.co.in/wp-content/uploads/2021/04/7-CSR\\_Policy.pdf](https://pocl.co.in/wp-content/uploads/2021/04/7-CSR_Policy.pdf)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

**Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

SI No	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the Financial Year, if any(in Rs.)
1.	2017-18	—Nil—	—Nil—
2.	2018-19	—Nil—	—Nil—
3.	2019-20	—Nil—	—Nil—

6. Average Net Profit of the Company as per Section 135(5) of the Act: **Rs. 39.03 Crores**
7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act for the Financial Year 2020-21: **Rs. 78.05 Lakhs**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**
- (c) Amount required to be set off for the Financial Year, if any: **Nil**
- (d) Total CSR obligation for the Financial Year 2020-21[(a) + (b) – (c)]:**Rs. 78.05 Lakhs**

## Twenty Sixth Annual Report 2020-2021

8. (a) CSR Amount spent or unspent for the Financial Year 2020-21:

Total Amount Spent for the Financial Year. (Rs. in lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
81.45	—	—	—	—	—

- (b) Details of CSR amount spent against ongoing projects for the Financial Year:

**There being no on-going project, these disclosures are not applicable.**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S.No.	Name of the Project	Item from the list of activities in SchVII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amt allocated for the project (in Rs.)	Amt spent in the current FY (in Rs.)	Amt transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regn No.
<b>NIL</b>												

- (c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

**Refer Annexure II-A**

- (d) Amount spent in Administrative Overheads: **Nil**  
 (e) Total Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (f) Total amount spent for the Financial Year: **Rs. 81.45 lakhs**  
 (g) Excess Amount for set off, if any:

SI No.	Particulars	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	78.05
(ii)	Total amount spent for the Financial Year	81.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.40

9. (a) Details of Unspent CSR Amount for the preceding three financial years : **Nil**  
 (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s) - **Nil**  
 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year - **Not Applicable**  
 11. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act – **Not Applicable**

**For and on behalf of  
Pondy Oxides and Chemicals Limited**

Date: 26<sup>th</sup> July 2021  
Place: Chennai

A Vijay Anand  
Chairman- CSR Committee  
DIN : 06431219

Ashish Bansal  
Managing Director  
DIN : 01543967

**ANNEXURE II - A**

**Details of CSR amount spent against other than ongoing projects for the Financial Year**

SI No.	Name of the Project(s)	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No) & District	Amount Spent for the Project (Rs. in lakh)	Mode of Implementation Direct Yes / No	Mode of Implementing through implementing Agency	
						Name	CSR Registration
1.	Construction of new school building in paruthipattu, Chennai and sponsoring for education	(ii) - promoting education to poor and destitute students	NA	50.00	Yes	—	
2.	Laying of Road near Smelter plant Sriperumbudur, Kanchipuram District, Tamil Nadu	(x) - rural Infrastructure development	Yes, Sriperumbudur	19.62	Yes	—	
3.	Medical Aid for under-privileged	(i) - promoting health care Including preventive health care	NA	5.00	Yes	—	
4.	Contribution made to combat COVID-19	(xii) - disaster management, including relief	NA	4.00	Yes	—	
5.	SIPCOT Industrial Estate Sriperumbudur, (Kanchipuram District, Tamil Nadu) Maintenance	(iv) - ensuring environmental sustainability	Yes, Sriperumbudur	2.83	Yes	—	
<b>TOTAL CSR AMOUNT SPENT FOR THE FY 2020-21</b>				<b>81.45</b>	—	—	

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ANNEXURE - III

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

[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  
4<sup>th</sup> 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>1</sup>;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008<sup>2</sup>;
  - 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, 2021<sup>3</sup>; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018<sup>4</sup>;

**(Footnotes)**

1. Not applicable to the Company, as the Company does not have any Employee stock option 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.
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- (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) The Environment (Protection) Act, 1986 and The Environment (Protection) Rules, 1986
  - d) Hazardous Wastes (Management and Transboundary Movement) Rules, 2016
  - e) The Factories Act, 1948 & respective State Factories rules.
  - f) The Employees State Insurance Act, 1948
  - g) The Industrial Employment (Standing Orders) Act, 1946
  - h) Industrial Disputes Act, 1947
  - i) Minimum Wages Act, 1948
  - j) Payment of Wages Act, 1936
  - k) The Tamil Nadu Public Health Act, 1939
  - l) Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958 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.
- (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.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

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 : 26<sup>th</sup> July 2021

Krishna Sharan Mishra  
Partner  
FCS 6447; CP 7039  
UDIN: F006447C000685026



## Twenty Sixth Annual Report 2020-2021

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### ANNEXURE - A

To,  
The Members,  
Pondy Oxides and Chemicals Limited  
CIN: L24294TN1995PLC030586  
4<sup>th</sup> 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.
- g. The Audit has been done using electronic means, in view of restrictions placed by the Government on account of Covid-19 pandemic.

For **KSM Associates, Company Secretaries**

**Place : Chennai**  
**Date : 26<sup>th</sup> July 2021**

**Krishna Sharan Mishra**  
**Partner**  
**FCS 6447; CP 7039**  
**UDIN: F006447C000685026**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**ECONOMIC OVERVIEW**

**INDIAN OUTLOOK**

India's gross domestic product (GDP) shrank 7.3% to Rs.135.13 trillion in 2020-21 (in real terms adjusted for inflation). It was at Rs.145.69 trillion in 2019-20. GDP is a measure of the economic size of a country, and inflation is the rate of price rise. Despite that, India remained a preferred investment destination in FY 2020-21 with FDI pouring in amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. Net FPI inflows recorded an all-time monthly high of US\$ 9.8 billion in November 2020, as investors' risk appetite returned, with a renewed search for yield, and US dollar weakened amid global monetary easing and fiscal stimulus packages. India was the only country among emerging markets to receive equity FII inflows in 2020.

**Industry Structure and Developments**

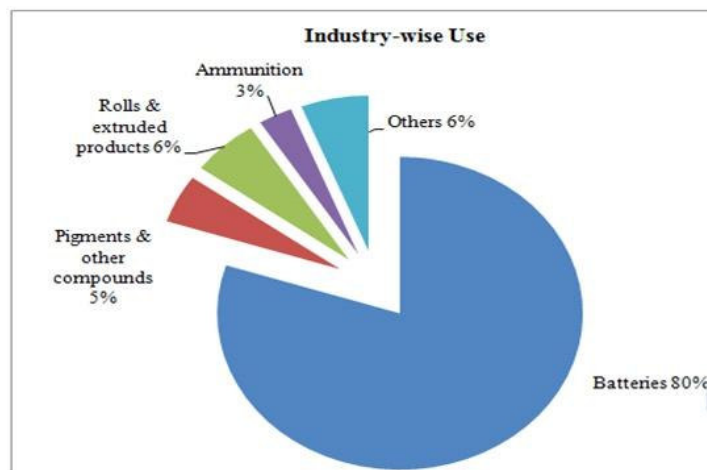
Lead finds its use in storage batteries, also dubbed lead acid batteries. India is likely to witness a substantial growth in the demand for lead batteries given that several sectors, including automotive, telecommunication, railways and defence, are set to expand in the years ahead. As a battery ingredient, lead is increasingly used in inverters, UPS and similar energy storage devices.

The Indian market for lead acid batteries is currently estimated US\$7 billion, driven by the automotive sector, which consumes 60% of lead acid batteries. The demand of Lead has been increasing with a CAGR of 3.8%, while there has been a consistent level of imports over last 5 years since 2016.

The environmental aspects of the lead sector has been a matter of concern, with informal, or backyard lead recycling from used batteries. Streamlining collection, disposal and recycling of lead will help in increased lead recovery in an eco-friendly manner.

**Global Lead Industry**

Globally Lead is commonly used in construction industry, automotive industry and electronic industry and it finds applications in batteries and exhibits low tensile strength and electrical conductivity.

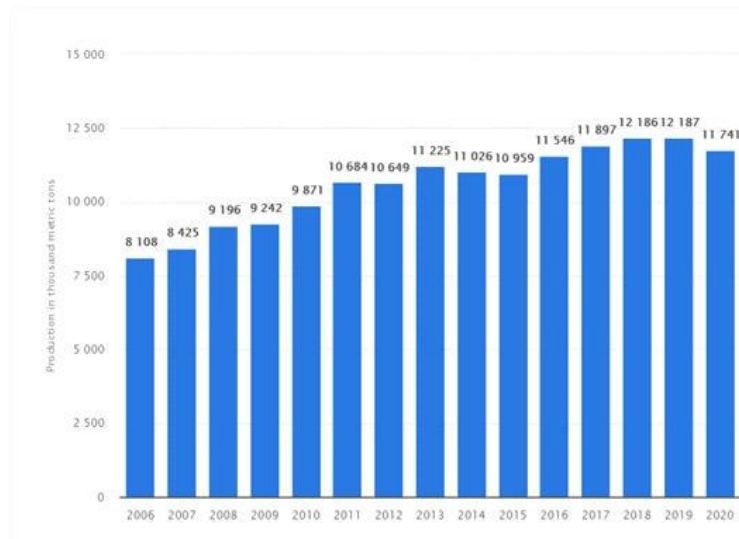


The global Lead market is expected to showcase a significant CAGR of 6.8% during the forecasted period 2018-2027. Additionally, the global lead market is thriving on the back of building construction industry. Further, rising demand for lead-acid batteries for automotive application on account of increasing automobile industry is expected to showcase a steady growth of the market.

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**World production of lead from 2006 to 2020**  
(in 1,000 metric tons)

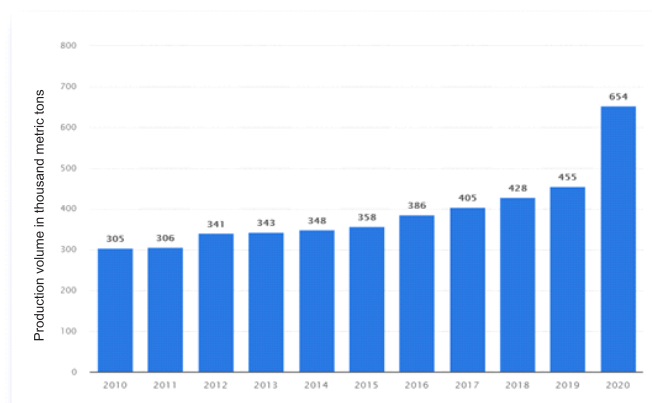


Lead Market's global size on the annual consumption is anticipated to exceed 13 million tonnes by 2025.

### Indian Lead Industry

The volume of secondary refined lead produced across India in 2020 was over 650 thousand MT. Total Lead production (including primary & secondary refined, alloys and oxides) is estimated to be over 1.4 million MT in 2020.

**Volume of secondary refined lead produced across India from 2010 to 2020**  
(in 1,000 metric tons)



The main use for Lead in India is Lead Acid Batteries. Lead Acid battery usage is colossal in railways, transportation, telecommunication, automobiles and many other sectors and is further increasing with solar and wind schemes launched by government.

### Segment wise or Product wise performance

#### Lead & Lead Alloys

During the year 2020-21, despite of COVID-19 impact achieved the good capacity utilization. The company annual production of Lead Metal and Alloys was 58,613 MT in all its units apart from the Job Work quantity of 4,771 MT handled during the Year 2020-21. As informed in the earlier annual report your Company received consent for establishment from

Tamil Nadu Pollution Control Board to increase the plant capacity to 48,000 MT in Tamil Nadu and in the process of completion of installation of Machineries and utilities at higher capacity thereby overall Lead manufacturing capacity of all units together will reach 1,32,000 MT per annum.

#### **Zinc and Zinc Oxides**

During the year, your Company's capacity utilization of Zinc Oxide is less than 20% only against the installed capacity of 3,600 MT per annum. As informed in the previous annual report the Company obtained vendor approval from various Zinc Oxide manufacturers and started supplying materials to them. Based on the commercial viability, the Company is slowly increasing the capacity utilisation in Zinc and Zinc Oxide plant.

#### **Risks Opportunities and Threats**

The Metal Industry has been on an uptick, underpinned by supply-demand deficit, backed by bullish global growth indicators and supply related reforms. The long-term trends in the industry, the demand for the metals and our strong balance sheet provides us many opportunities to create value for stakeholders. POCL's success as an organization depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business.

Pricing, growing demand and ongoing market volatility are the major challenges faced by the Company. POCL seeks to maintain balance sheet liquidity and implement plans to boost operational cash flow for long-term profitability. Cash generation and preservation remain a key focus.

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. POCL has in place a robust risk management framework for identification and monitoring and mitigation of commodity price and foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework. POCL primarily use forward exchange contracts to hedge the effects of movement in exchange rates.

#### **Internal Control Systems and their adequacy**

Your Board has devised systems, policies and procedures / frameworks, which are currently operational within your Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its 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. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

#### **Discussion on Financial Performance with respect to Operational performance**

POCL recorded an operational and financial performance above the benchmark of Industry Standards in the FY 2020-21, delivering growth year over year. Growth in volume resulted in EBITDA of Rs. 2,668.21 Lakhs even in unfavorable circumstances and price environment. Despite in the tough and challenging phase and with slight disruption in the operations of the Company, it contributed to total net sales of the Company at Rs. 1,00,427.16 lakhs (PY Net Sales: Rs. 1,21,987.10 lakhs). The exports contributed to Rs. 50,155.17 Lakhs for the year 2020-21 from Rs. 68,068/- lakhs in the previous year.

#### **Revenue**

Revenue for the year was Rs. 1,00,427.16 lakhs for the Financial Year ended 31<sup>st</sup> March 2021.

#### **Depreciation and Amortization**

Depreciation for the Financial Year 2020-21 was Rs. 839.22 Lakhs compared to Rs. 786.67 lakhs in the previous year.

## Twenty Sixth Annual Report 2020-2021

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### Net Interest

The average cost of borrowings has been retained at 8% for the Financial Year 2020-21. Finance cost for the Financial Year 2020-21 was Rs. 451.49 lakhs which has drastically decreased from Rs. 994.56 lakhs in the previous year.

### Taxation

Tax expense for the Financial Year 2020-21 was Rs. 299.72 Lakhs against Rs. 488.22 lakhs in the previous year, showing average tax rate of 25% compared to 23% for the previous year.

### Profit after Tax (before exceptional item)

The profit after tax before exceptional item was Rs. 1,077.78 lakhs in Financial Year 2020-21.

### EPS

Earnings Per Share for the Financial Year 2020-21 was Rs. 18.54 per share.

### Dividend

Considering the profits of the Company for the Financial Year 2020-21, the Board in its Meeting held on 25<sup>th</sup> June 2021 had declared a Final Dividend of at 25% (i.e. Rs. 2.5/- per share) on the equity shares of Rs. 10/- each. The total Dividend payout, if declared at the ensuing Annual General Meeting for the Financial year 2020-21 would be Rs. 145.31 lakhs.

### Shareholders fund

Total Shareholders fund as on 31<sup>st</sup> March 2021 aggregated Rs. 16,132.29 lakhs as compared to previous year at Rs. 15,044.98 lakhs. The increase in the shareholders' fund was primarily on account of profits made during the year.

### Net Fixed Assets

The net fixed assets as on 31<sup>st</sup> March 2021 was Rs. 4,397.66 Lakhs compared to Rs. 5,090.24 lakhs for the previous year. The capital work in progress for the year as on 31<sup>st</sup> March 2021 is Rs. 566.59 lakhs.

### Material developments in Human resources/Industrial relations front, including no. of people employed

Your Board has devised systems, policies and procedures / frameworks, which are currently operational within your Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its 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. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

### Details of significant changes in key financial ratios, alongwith detailed explanation including:

Key Financial Ratios	2020-21	2019-20	Change %	Remarks
Debtors turnover (in times)	12.08	16.72	- 28%	Due to increase in receivables at the year end
Inventory Turnover (in times)	10.35	13.50	- 23%	Due to increase in Stock in transit and raw materials at the year end
Interest Coverage Ratio (in times)	4.05	3.13	29%	Due to effective management of Finance
Current Ratio (in times)	1.87	2.50	- 25%	Due to increase in current liability.
Debt Equity Ratio (in times)	0.12	0.05	140%	Due to availment of new Term Loan
Operating Profit Margin (%)	2.65	4.54	-42%	Due to reduction in profit
Net Profit Margin (%)	1.07	1.34	- 20%	Due to reduction in profit
Return on Networth (%)	6.91	11.64	- 41%	Due to reduction in profit

**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: 26<sup>th</sup> July 2021  
Place: Chennai**

**Anil Kumar Bansal  
Chairman & Whole Time Director  
DIN:00232223**

**Ashish Bansal  
Managing Director  
DIN: 01543967**

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### CORPORATE GOVERNANCE REPORT

In accordance with the Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, the report containing the details of Corporate Governance systems and processes at Ponds Oxides and Chemicals Limited (POCL) is as follows:

#### I. **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate Governance involves the balancing of interests of the stakeholders of a Company, Management, Customers, Suppliers, financiers, the Government and the Community. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate governance encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. At POCL with a strong legacy of fair, transparent and ethical governance practices we ensure that the balance is maintained at all levels. We strive to enhance shareholder's value and protect the interest of the stakeholders by improving the corporate performance and accountability.

The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders.

POCL follows a traditional and holistic approach in delivering accountability to all its stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate governance.

#### II. **BOARD OF DIRECTORS:**

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. POCL has ensured the presence of an active and Independent Board to ensure the highest standards of Corporate Governance. During the year and as on date 1 (one) of the Independent Director's on the Board has resigned due to personal reasons. The Company, as on the date of this report has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. The Board comprises of 3 Executive Directors and 3 Non-Executive Independent Directors. The Independent Directors in the Board are competent and highly respected professionals from their respective fields and have vast experience, which enables them to contribute effectively to the company. The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Independent Director.

#### A. **Board Composition and Category of Directors as on 31<sup>st</sup> March 2021:**

Name of the Director	DIN	Designation	Category
Mr. Anil Kumar Bansal	00232223	Chairman and Whole-Time Director	Promoter – Executive
Mr. Ashish Bansal	01543967	Managing Director	Promoter – Executive
Mr. R.P. Bansal	00232708	Whole Time Director	Promoter – Executive
Mr. A Vijay Anand	06431219	Independent Director	Non-Executive
Dr. Shoba Ramakrishnan	02773030	Independent Director	Non-Executive
Dr. M Ramasubramani	07999117	Independent Director	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 shareholding of the Directors are provided in the Annual Return in Form MGT - 7 in the weblink <https://pocl.co.in/annual-returns/>

The Composition of the Board and the number of Directorships is in conformity with Regulation 17 and 26(1) of SEBI Listing Regulations and as per the provisions of Companies Act, 2013 and the limits of the Directorships of the Directors are within the stipulated requirements as per SEBI Listing Regulations.

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, Part C (2) (i), the Board of Directors of the company hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management. A formal letter of appointment has been issued to the Independent Directors and the same is also hosted on the website of the Company.

**B. Board Meetings:**

The Board meets at regular intervals to discuss and decide on the Company/ Business Policy and Strategy apart from other Board businesses. The Notice along with the Agenda of the Board meetings are given well in advance to all the Directors and the Board Meetings held during the Financial Year were held through Video Conferencing & other Audio Visual means.

The Agenda for the Meeting covers items set out as per the guidelines in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent it is relevant and applicable. The Agenda includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. Where it is not practicable to attach any document to the agenda, it is placed before the meeting with specific reference to this effect.

During the financial year ended 31<sup>st</sup> March 2021, four (4) Board Meetings were held and the maximum interval between any two meetings was well within the maximum allowed gap of 120 days. The details of the Board Meetings held are given below:

Date	Board Strength	No. of Directors Present
29 <sup>th</sup> June 2020	6	6
13 <sup>th</sup> August 2020	6	6
9 <sup>th</sup> November 2020	6	6
13 <sup>th</sup> February 2021	6	6

**C. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorship(s) and Chairmanship(s)/ Membership(s) of Committees of each Director in various Companies:**

Name of Director	Attendance at Meetings during the Financial Year 2020-21		Number of Directorships in other Companies as on 31 <sup>st</sup> March 2021	No. of Membership(s)/ Chairmanship(s) of Board Committee(s) in Public Companies as on 31 <sup>st</sup> March 2021	
	Board Meeting	Last AGM		Chairman	Member
Mr. Anil Kumar Bansal	4	Yes	-	-	2
Mr. Ashish Bansal	4	Yes	-	-	-
Mr. R.P. Bansal	4	Yes	-	-	-
Mr. A Vijay Anand	4	Yes	1	2	-
Dr. Shoba Ramakrishnan	4	Yes	1	-	1
Dr. M Ramasubramani	4	Yes	1	-	1

*In accordance with Regulation 26 of SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies including Pondy Oxides and Chemicals Limited have been considered.*

*None of the Directors are holding any position as Directors/ Committee members in any other Listed Entity.*



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### D. **Number of Shares and Convertible Instruments held by Non-Executive Directors as on 31<sup>st</sup> March 2021:**

Name of Non-Executive Director	No. of Shares held
Mr. A Vijay Anand	3,181
Dr. Shoba Ramakrishnan	15
Dr. M Ramasubramani	—

### E. **Separate Independent Directors' Meeting**

The Company's Independent Directors met on 13<sup>th</sup> February 2021 without the presence of the Executive Directors. During the meeting, the Independent Directors inter-alia reviewed the performance of the non- Independent Directors, Board as a whole, and the Chairman after taking into the views of executive and non-executive Directors. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Attendance of Independent Directors at the meeting held on 13<sup>th</sup> February 2021 is given hereunder:

Name of the Independent Director(s)	Whether Present or not
Mr. A Vijay Anand	No
Dr. Shoba Ramakrishnan	Yes
Dr. M Ramasubramani	Yes

### F. **Familiarization Programme:**

The Company has a familiarization programme for the Independent Directors. At the time of appointing new Non-Executive Independent Directors, a formal letter of appointment is given to them, which explains their role, function, duties and responsibilities in the Company. The Executive Directors provide an overview of the Company's business operations to the new Non-Executive Directors/ Independent Directors. The New Director is also explained in detail the compliance required from him under the Companies Act, the Listing Regulations and other various statutes. Further on an ongoing basis as a part of the Agenda of the Board meeting and the Committee meeting, presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's business and operations, industry strategy, finance and other relevant matters. The details of the Familiarization program for directors is available on the website link: <https://pocl.co.in/wp-content/uploads/2021/04/Details-of-familiarisation-programmes-imparted-to-Independent-Directors.pdf>

### G. **Skills/Expertise/Competencies of the Board of Directors:**

The Board Members are equipped with varied experience and also possess the required skills that allows them to make effective contribution to the Board and its Committees.

Skill	Description
Leadership/Strategy	Experience in Leadership roles and industry expertise which help in strategic planning, effective decision making and risk management.
Global Business	Experience in driving business success/ dynamics in markets around the world, under- standing of various Geographical Markets, Industry verticals and regulatory jurisdictions.
Metal/ Chemical Industry	Widespread knowledge in Metal /Chemical Industry and technical knowledge of the manufacturing process.
Sales, Marketing and Finance	Well versed in developing strategies to grow sales and increase the market share and enhance the Organisation's reputation. Financial expertise resulting in proficiency in complex financial management and capital allocation and a strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.
Technology	Technology expertise resulting in knowledge of creation of new business models.
Regulatory	Strong Knowledge and expertise in Corporate Law and other regulatory compliances including Industry specific Laws.

Name of Director	Leadership/ Strategy	Global Business	Metal/ Chemical Industry	Sales and Marketing	Finance	Technology	Regulatory
Mr. Anil Kumar Bansal	✓	✓	✓	✓	✓	✓	✓
Mr. Ashish Bansal	✓	✓	✓	✓	✓	✓	✓
Mr. R.P. Bansal	✓	✓	✓	✓	✓	✓	✓
Mr. A Vijay Anand	✓	✓	–	✓	✓	✓	✓
Dr. Shoba Ramakrishnan	✓	–	✓	✓	✓	–	✓
Dr. M Ramasubramani	✓	–	–	✓	✓	✓	✓

### III. **COMMITTEES OF THE BOARD**

The Board of Directors have set up Committees as applicable to the Company to deal with specific areas/activities as mandated by the applicable regulations. The Board clearly defines the role of each committee and the Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board has established the following committees-

- (i) **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 SEBI (LODR) Regulations.

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

**Terms of Reference in brief:**

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
- Review of quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, and significant adjustments made in the financial statements, if any arising out of audit findings.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Reviewing, with the management, the performance of statutory auditors and internal auditors, and adequacy of internal control systems.
- Formulating the scope, functioning, periodicity and methodology for conducting internal audit.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer after assessing qualifications, experience, background, etc. of the candidate.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of SEBI Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

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### **Composition and Attendance:**

The composition of the committee and Chairman and the Members of the Committee as on 31<sup>st</sup> March 2021 are as under:

<b>Name of Director</b>	<b>Designation</b>	<b>Attendance</b>
Mr. A Vijay Anand	Chairman - Independent Director	4
Mr. Anil Kumar Bansal	Member - Chairman & Whole time Director	3
Dr. M.Ramasubramani	Member - Independent Director	4

During the Financial Year 2020-21, four (4) meetings of the Audit Committee were held on 29<sup>th</sup> June 2020, 13<sup>th</sup> August 2020, 9<sup>th</sup> November 2020 and 13<sup>th</sup> February 2021. 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 meetings.

Mr. K Kumaravel, GM- Finance and Company Secretary of the Company acts as the Secretary to the Committee.

### **(ii) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is constituted as per the provisions of Regulation 19 of SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013.

### **Terms of Reference in brief:**

The terms of reference of the NRC covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- Identification of persons who are qualified to become Directors and who may be appointed to Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and renewal.
- Evaluating the performance of the Directors and providing necessary reports to the Board for further evaluation and consideration.
- Recommending to the Board on remuneration to the Directors, KMP's and SMP's of the Company.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented personnel by creation of competitive advantage through a structured talent review.

Two (2) meetings of the Nomination and Remuneration Committee were held on 29<sup>th</sup> June 2020 and 13<sup>th</sup> August 2020. 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 as on 31<sup>st</sup> March 2021 are as under:

<b>Name of Director</b>	<b>Designation</b>	<b>Attendance</b>
Mr. A Vijay Anand	Chairman - Independent Director	2
Dr. Shoba Ramakrishnan	Member - Independent Director	1
Dr. M.Ramasubramani	Member - Independent Director	1

Mr. K Kumaravel, GM- Finance and Company Secretary of the Company acts as the Secretary to the Committee.

### **Performance Evaluation**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors. The criteria for Board evaluation cover the areas relevant to their functioning and is in compliance with the applicable laws and regulations.

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

**Remuneration Policy**

The policy on directors' appointment and remuneration, including criteria for determining qualifications and making payments, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Companies Act, 2013, can be viewed on the Company's website at <https://pocl.co.in/portfolio/investor-relations/>. There has been no change in the policy since the last financial year. We affirm that the remuneration paid to the directors is as per the terms laid down in the remuneration policy of the Company. The Committee has also devised a Board Diversity policy vide <https://pocl.co.in/wp-content/uploads/2020/09/Board-Diversity-Policy.pdf> which has been approved by the Board.

**Directors Remuneration:**

Details of Remuneration paid to the Executive Directors during the Financial Year 2020-21 are mentioned below:

(Rs. In Lakhs)

Name of the Director	Salary	Perquisites	Total
Mr. Anil Kumar Bansal	108.00	4.18	112.18
Mr. Ashish Bansal	216.00	18.48	234.48
Mr. R.P. Bansal	108.00	8.32	116.32

The remuneration to the above directors is paid in accordance with Schedule V to the 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. The Company is not paying any Performance linked incentives to its Directors. The service contract and the notice period of the Executive Directors are as per the terms of appointment. There is no separate provision for payment of severance fees. The Company has not allotted any Shares through Stock option.

The Non-Executive Independent Directors are entitled to sitting fees for attending the Board meetings.

Sitting fees paid to the Non-Executive Directors during 2020-21:

(Rs. In lakhs)

Name of the Non-Executive Director	Sitting Fee
Mr. A Vijay Anand	1.00
Dr. Shoba Ramakrishnan	1.00
Dr. M Ramasubramani	1.00

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

**(iii) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The said committee consists of Non-executive/Independent Directors and the Committee redresses the Shareholders' grievances.

**Composition and Attendance:**

The Chairman and the Members of the Committee as on 31<sup>st</sup> March 2021 are as under:

Name of Director	Designation	Attendance
Mr. A Vijay Anand	Independent Director- Chairman	2
Dr. Shoba Ramakrishnan	Independent Director- Member	5
Mr. Anil Kumar Bansal	Chairman & Whole time Director- Member	5

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The Stakeholders' Relationship Committee met Five (5) times on 29<sup>th</sup> June 2020, 13<sup>th</sup> August 2020, 9<sup>th</sup> November 2020, 8<sup>th</sup> January 2021 and 24<sup>th</sup> February 2021.

As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. K Kumaravel, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of Investor grievances.

During the year 2020-21, one (1) complaint 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 31<sup>st</sup> March 2021.

### (vi) **Corporate Social Responsibility Committee**

In compliance with Section 135 of the Companies Act 2013, (Act) the Board has constituted the Corporate Social Responsibility Committee. The terms of reference of the Committee inter alia consists of framing the CSR policy of the Company and reviewing it from time to time and ensuring effective implementation and monitoring of CSR activities as per the approved policy, plans and budget.

During the financial year 2020-21, One (1) meeting of the committee was held on 13<sup>th</sup> August 2020.

The composition of the Corporate Social Responsibility Committee as on 31<sup>st</sup> March 2021 and the attendance of members are given below:

Name of Director	Designation	Attendance
Mr. A Vijay Anand	Independent Director- Chairman	1
Dr. Shoba Ramakrishnan	Independent Director- Member	1
Mr. Ashish Bansal	Managing Director- Member	1

## IV. **GENERAL BODY MEETINGS:**

### (i) **Annual General Meeting:**

Year	Date	Time	Venue	Special Resolution(s)
2019-20	25 <sup>th</sup> AGM – 28 <sup>th</sup> Sept 2020	3:00 PM	Held through Video Conferencing / Other Audio Visual Means	1) To Re-appoint Mr. Ashish Bansal (DIN: 01543967) as Managing Director and fixing his remuneration 2) To Re-appoint Mr. Anil Kumar Bansal (DIN: 00232223) as Whole-Time Director and fixing His remuneration 3) To Re-appoint Mr. R P Bansal (DIN: 00232708) as Whole-Time Director and fixing His remuneration
2018-19	24 <sup>th</sup> AGM – 18 <sup>th</sup> Sept 2019	11.30 A.M.	Music Academy, 306 T.T.K.Road, Chennai – 600014	1) To re-appoint Dr. Shoba Ramakrishnan (DIN: 02773030), as an Independent Director of the Company.
2017-18	23 <sup>rd</sup> AGM – 22 <sup>nd</sup> Sept 2018	11.30 A.M.	Music Academy, 306 T.T.K.Road, Chennai – 600014	1) To re-appoint Mr. Anilkumar Sachdev, (DIN:00043431) as an Independent Director of the Company; 2) To approve the continuation of office of Mr. G P Venkateswaran (DIN: 01509307), as Independent Director on completion of 75 years of age.

**(ii) Other General Meeting(s):**

There were no other General Meeting(s) during the Financial Year 2020-21.

**(iii) Postal Ballot:**

During the Financial Year 2020-21, no resolutions were passed through Postal Ballot.

**(iv) Remote e-voting at the AGM:**

In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13,2020 read with Circular No. 20/2020 dated May 05,2020 and January 13, 2021, companies are permitted to hold their Annual General Meeting (AGM) through Video Conferencing (VC) /Other Visual Audio Means(OVAM) for the calendar year 2021. In compliance with the applicable provisions of the Companies Act, 2013("Act") read with aforesaid MCA circulars and SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 (SEBI Listing Regulations) the AGM of the Company is being conducted through Video Conferencing (VC).

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for e-voting facility at the AGM. The Company has engaged the services of CDSL to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on 11<sup>th</sup> September 2021, shall be eligible to participate in the e-voting.

**V. MEANS OF COMMUNICATION:**

The Company promptly reports all material information including quarterly/half year and annual audited financial results to the Stock Exchange. All disclosures and communications to the BSE are filed electronically through the designated portal.

The quarterly results are published in a leading Tamil & English Newspaper having wide circulation. Quarterly results are also hosted in the company's website [www.pocl.co.in](http://www.pocl.co.in).

The Company maintains a functional website [www.pocl.co.in](http://www.pocl.co.in). The website contains a separate dedicated section "Investor Relations" where all shareholders' information is made available. The Company also has a designated exclusive e-mail id [complaints@pocl.co.in](mailto:complaints@pocl.co.in) for investor services. No presentations were made to the institutional investors or to the analysts during the Financial Year 2020-21.

**VI. GENERAL SHAREHOLDERS INFORMATION:**

**(a) Company Registration Details**

Pondy Oxides and Chemicals Limited was incorporated on 21<sup>st</sup> March 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, 4<sup>th</sup> Floor, # 2, Harrington Road, Chetpet, Chennai – 600 031.

**(b) Annual General Meeting**

The 26<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Saturday, 18<sup>th</sup> September 2021 at 3.00 PM through Video Conferencing/Other Audio Visual Means.

**(c) Financial Year**

The Company's Financial Year commences from 1<sup>st</sup> April and closes on 31<sup>st</sup> March and the Financial Statements of the Company from 1<sup>st</sup> April 2020 till 31<sup>st</sup> March 2021 forms part of this Annual Report.

**(d) Book Closure**

The Transfer books of the Company shall be closed from 12<sup>th</sup> September 2021 to 18<sup>th</sup> September 2021(both days inclusive).

**(e) Dividend Payment Date**

Since the approval of the Final Dividend is placed before the Shareholders at the 26<sup>th</sup> AGM dated 18<sup>th</sup> September 2021, the Final Dividend will be paid to Shareholders of the Company on or before 16<sup>th</sup> October 2021, subject to approval by the Shareholders.

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**(f) Listing on Stock Exchange and Stock Code**

Equity Shares of the Company are listed in BSE Limited having its registered office at 25<sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai- 400 001

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

**(g) Payment of Annual Listing Fees/Custodian Fees**

Annual Listing Fee for the Financial Year 2020-21 has been paid by the Company to BSE. Annual Custody fee for the Financial Year 2020-21 has been paid by the Company to NSDL and CDSL on receipt of invoices.

**(h) Share Market data:**

The Market price data for the Financial Year 2020-21 is as follows-

Month	BSE SENSEX		POCL	
	High price	Low Price	High price	Low Price
April' 20	33,887	27,501	170	127
May' 20	32,845	29,968	159	136
June' 20	35,707	32,348	198	138
July' 20	38,617	34,927	187	157
Aug' 20	40,010	36,911	302	170
Sept' 20	39,360	36,496	268	210
Oct' 20	41,048	38,410	274	228
Nov' 20	44,825	39,335	247	181
Dec' 20	47,897	44,118	229	191
Jan' 21	50,184	46,160	267	210
Feb' 21	52,517	46,434	255	211
Mar' 21	51,822	48,236	265	192

**(i) Performance of the Company's Share Price vis-à-vis BSE Sensex during the financial year 2020-21 (High price of BSE and POCL taken as base):**



**(j) 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 012  
 Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)  
 Website: [www.cameoindia.com](http://www.cameoindia.com)

**(k) Share Transfer System**

As on 31<sup>st</sup> March 2021, 99.21% of the equity shares of the Company are held in electronic form (for previous year i.e. 31<sup>st</sup> March 2020 it was 99.09%). Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares, the transfer documents can be lodged with the Registrar and Transfer Agents at the above-mentioned address.

Shares sent for physical transfers were registered promptly within 15 days from the date of receipt of completed and validly executed documents. SEBI, effective April 01, 2019, prohibited physical transfer of shares of listed companies and transfer only through Demat is allowed. The Board has delegated the authority to Stakeholders Relationship Committee for approving transfer, transmission, etc. which approves the transfer. The same is taken note of at the subsequent Board Meeting. During the year the Company has not received any physical Share transfer requests.

**(l) Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in the BSE in dematerialized form. 99.21% of the Company's equity share capital is in dematerialized form as on 31<sup>st</sup> March 2021. 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 as on 31 <sup>st</sup> March 2021	% of total Number of Shares as on 31 <sup>st</sup> March 2021
NSDL	47,04,629	80.94
CDSL	10,61,604	18.27
Physical	46,157	0.79
<b>Total</b>	<b>58,12,390</b>	<b>100.00</b>

**(m) 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 31<sup>st</sup> March 2021, the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

**(n) Categories of Shareholders as on 31<sup>st</sup> March 2021:**

Category Code	Category	No. of Shareholders	Shares	%
A(1)	Shareholding of Promoters	8	28,33,165	48.74
B(3)[(a)(i)] and [(a)(ii)]	Resident Individuals	10945	25,03,922	43.08
B(3)(e)(1)	Body Corporates	72	1,10,615	1.90
B(3) (e) (6) and (7)	Non – Resident Individuals	256	2,24,403	3.86
B (3) (e) (2) to (5)	Others	387	1,40,285	2.42
<b>TOTAL [(A) + (B)]</b>		<b>11,668</b>	<b>58,12,390</b>	<b>100.00</b>



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(o) **Distribution of Shareholding by Size as on 31<sup>st</sup> March 2021**

No. of Shares held	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares held
Upto 5000	10,683	91.56	10,25,670	17.65
5001-10000	564	4.83	4,22,334	7.27
10001-20000	230	1.97	3,35,245	5.77
20001-30000	81	0.70	2,01,343	3.46
30001-40000	36	0.31	1,27,075	2.19
40001-50000	15	0.13	66,380	1.14
50001-100000	33	0.28	2,12,231	3.65
Above 100000	26	0.22	34,22,112	58.87
<b>TOTAL</b>	<b>11,668</b>	<b>100.00</b>	<b>58,12,390</b>	<b>100.00</b>

(p) **Plant Locations**

● **Smelter Division [SMD] - I**

G-17 to G-19 & G-30 to G-32,  
SIPCOT Industrial Park, Mambakkam Village,  
Pondur Post, Sriperumbudur,  
District – Kancheepuram,  
Tamil Nadu – 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, Sriperumbudur,  
District – Kancheepuram,  
Tamil Nadu – 602 105

(q) **Address for correspondence**

- Shareholder's 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 at KRM Centre, 4<sup>th</sup> Floor, # 2, Harrington Road. Chetpet. Chennai- 600031 for any assistance. He can also be contacted at [kk@pocl.co.in](mailto:kk@pocl.co.in)
- Investors can also contact the Company at the designated exclusive e-mail id [complaints@pocl.co.in](mailto: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.

(r) **List of Credit Rating**

The Company has retained its rating from Brickwork Ratings India Private Limited as BWR A- (Pronounced as BWR Single A Minus) for Long term borrowings and BWR A2+ (Pronounced as BWR A Two Plus) for Short term borrowings.

**VII. OTHER DISCLOSURES**

**(a) Related Party Transactions:**

During the year under review, there were no materially significant related party transactions having 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 and it can be viewed at <https://pocl.co.in/wp-content/uploads/2021/04/2-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 exchanges (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 at the following link: <https://pocl.co.in/wp-content/uploads/2021/04/5-Whistle-Blower-Policy.pdf>

**(d) Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013**

Pursuant to para 10(1) of Para C of Schedule V to the SEBI Listing Regulations, details of complaints received and disposed off during the year is as follows:

- Number of complaints filed during the year – Nil
- Number of complaints disposed off during the year – N.A.
- Number of complaints pending at the end of the year – N.A.

**(e) 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 and the same is available in the website of the Company at <https://pocl.co.in/wp-content/uploads/2020/06/Code-of-conduct-for-prevention-of-Insider-Trading.pdf>

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.

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

**(i) Fluctuation in commodity prices:**

**Impact:** Prices of the Company's finished goods are linked to international bench mark i.e LME and are strongly influenced by global economic conditions and global demand supply for the products. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

**Mitigation:** We consider exposure to commodity price fluctuations to be an integral part of company's business and its usual policy is to sell its products at monthly average prices linked with London Metal Exchange (LME). However, to minimise price risk involved in procurement of major raw materials for the manufacture of finished goods and to achieve monthly average hedging is done. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Company Management. The Company monitors the commodity markets closely to determine the effect of price fluctuations on earnings.

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### (ii) **Currency Exchange rate Fluctuation:**

**Impact:** Movement in functional currency of the Company against major foreign currencies may impact the Company's revenue. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings. Our assets, earnings and cash flows are influenced by fluctuation in those foreign currencies, mainly US Dollars.

**Mitigation:** We have developed a module for forex management to monitor, measure and hedge currency risk liabilities. The Treasury team reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time and within the overall framework of our forex policy taking into account the natural hedging due to Export. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions denominated in foreign currencies. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

### (iii) **Exposure to Commodity and Commodity risks faced by the company during the Financial Year 2020-21:**

- Total Exposure to commodities: Rs. 1,97,213 Lakhs
- Exposure to various commodities:

Commodity Name	Exposure in Amount (Rs.in Lakhs)	Units	Exposure in Quantity terms	% of such exposure hedged through commodity derivatives				Total
				Domestic Market		International Market		
				OTC	Exchange	OTC	Exchange	
Lead	1,79,328	MT	1,29,187	-	15%	-	30%	45%

- Commodity means a commodity whose price is fixed by an international benchmark and having material effect on the financial statements.
- Exposure for Lead includes Purchases and Sales and are reported without netting off and therefore the natural hedge of imports meant for exports not considered for the above table.

### (g) **Certificate from a Company Secretary in Practice**

The Company has received a certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate from the Company Secretary in Practice is annexed to this report.

### (h) **Details of non-acceptance of recommendation of any Committee by the Board.**

The Board has accepted the recommendations of all the Committees of the Board during the financial year 2020-21.

### (i) **Fees paid to Statutory Auditors**

During the Financial Year 2020-21, the Company has paid Rs. 16.13 Lakhs to the Statutory Auditors for all services received by the Listed Entity detailed below:

Type of Service	Amount (Rs. in Lakhs)
Statutory Audit fees	10.00
Taxation fee	2.00
GST Audit	2.00
Limited Review	1.25
Other Certifications	0.88
<b>Total</b>	<b>16.13</b>

**(j) Discretionary Requirements**

The Company has adopted the discretionary requirements as specified in Part E of Schedule II to the extent of the Unmodified audit opinions/reporting.

**(k) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chartered Accountant's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

**(l) Compliance with Governance Framework**

The company has complied with all mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(m) Risk Management**

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the elements of risk 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. The Risk Management Policy can be viewed in the website of the Company at <https://pocl.co.in/wp-content/uploads/2020/09/Risk-Management-Policy.pdf>

**(n) Details of utilization of funds raised through preferential allotment or qualified institutional placement**

During the year under review, the Company has not raised any money from public issue, rights issue or any preferential issue except for the issue of securities mentioned below.

**(o) Issue of Securities**

During the year, the Company has not issued any Securities.

**(p) Unclaimed Suspense account:**

During the Financial Year 2020-21, we have opened an Unclaimed Suspense Account and following are the details of the Shares lying in the said Account pursuant to Part F to Schedule V of SEBI Listing Regulations:

Particulars	Details
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (i.e. 1 <sup>st</sup> April 2020)	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the Financial Year 2020-21	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2020-21	6
Aggregate number of shareholders at the end of the year (i.e. 31 <sup>st</sup> March 2021)	6
Outstanding shares in the suspense account lying at the end of the year (i.e. 31 <sup>st</sup> March 2021)	2,781

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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**(q) Transfer of Unpaid/ Unclaimed Amounts and Shares to the Investor Education and Protection Fund**

Pursuant to the provisions of Section 124(5) of the Act, if the Dividend transferred to the unpaid dividend account of the company, remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund (IEPF), a fund established under subsection (1) of Section 125 of the Act. Accordingly, the Company pertaining to the Financial Year 2012-13 has credited Rs. 1.69 lakhs to the Investor Education and Protection Fund (IEPF) during the Financial Year 2020-21.

In terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016,(as amended from time to time) the shares on which dividend has not been paid or claimed by a shareholder for a period of 7 consecutive years or more shall be credited to the demat account of the Investor Education and Protection Fund (IEPF) Authority within a period of 30 days of such shares becoming due to be so transferred. Accordingly, the Company pertaining to the Financial Year 2012-13 has transferred 705 equity shares of Rs. 10/- each, to the credit of IEPF Authority during the Financial Year 2020-21.

Upon the transfer of such shares, all benefits like Dividend, Bonus etc. if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

The members who have a claim on Unclaimed Dividend/ Shares may claim the same from IEPF by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed, to the company along with requisite documents as mentioned in Form IEPF-5. No claims shall lie against the company in respect of the Unclaimed Dividend/Shares so transferred.

The Company sends periodical communication to the concerned Shareholders to claim their Dividends in order to avoid transfer of Dividends/ Shares to IEPF authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends by shareholders are uploaded on the website of the company at <http://pocl.co.in/transfer-of-shares/>

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

**Date: 26<sup>th</sup> July 2021  
Place: Chennai**

**Anil Kumar Bansal  
Chairman & Whole-Time Director  
DIN:00232223**

**Ashish Bansal  
Managing Director  
DIN: 01543967**

**Certificate of Non-Disqualification of Directors**

[Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, minute books, forms, returns declarations/disclosures received from the Directors and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives of Pondy Oxides and Chemicals Limited (CIN: L24294TN1995PLC030586) (hereinafter called the company), having its Registered Office at 4<sup>th</sup> Floor, KRM Centre, No. 2, Harrington Road, Chetpet, Chennai-600 031, Tamil Nadu, India (hereinafter referred to as "the Company") for the purpose of issue of this certificate pursuant to regulation 34(3) read with para C(10)(i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge and based on such examination/verifications including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as well as information and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors as stated below on the Board of the Company during the financial year 2020-21 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any such other statutory authority.

SN	DIN	Name	Designation
1	00232223	Mr. Anil Kumar Bansal	Chairman and Whole-Time Director
2	00232708	Mr. Rajendraprasad Bansal	Whole-Time Director
3	01543967	Mr. Ashish Bansal	Managing Director
4	00043431	Mr. Anil Kumar Sachdev #	Independent Director
5	02773030	Dr. Shoba Ramakrishnan	Independent Director
6	06431219	Mr. Vijay Anand	Independent Director
7	07999117	Dr. Ramasubramani*	Independent Director

# resigned with effect from 29.06.2020

\*Regularised with effect from 28.09.2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KSM Associates, Company Secretaries**

Place : Chennai  
Date : 26<sup>th</sup> July 2021

**Krishna Sharan Mishra**  
Partner  
FCS 6447; CP 7039  
UDIN : F006447C000685169

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### **CEO & CFO CERTIFICATE** **UNDER REGULATION 17(8) 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 31<sup>st</sup> March 2021 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 together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept 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 not noticed any deficiency in the design or operation of internal controls, or of which we are aware that needs to be rectified or informed to the auditors and the Audit Committee.
4. During the year it was disclosed to the Auditors and the Audit Committee that:
  - (a) There were no significant changes in internal control over financial reporting;
  - (b) No significant changes in accounting policies were made during the year that require disclosure in the notes to the financial statements; and
  - (c) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

**Place: Chennai**  
**Date: 25<sup>th</sup> June 2021**

**Ashish Bansal**  
**Managing Director**

**Usha Sankar**  
**Chief Financial Officer**

**DECLARATION PURSUANT TO CLAUSE D OF SCHEDULE V TO SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Ashish Bansal, Managing Director of Pondy Oxides and Chemicals Limited, declare that all the Members of the Board of Directors and Senior Management have affirmed compliance with the POCL Code of Conduct for the Financial Year ended 31<sup>st</sup> March 2021.

**For Pondy Oxides and Chemicals Limited**

**Date : 26<sup>th</sup> July 2021**  
**Place: Chennai**

**Ashish Bansal**  
**Managing Director**  
**DIN: 01543967**



## Twenty Sixth Annual Report 2020-2021

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### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of Pondy Oxides and Chemicals Limited

1. 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, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

#### Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the Company's management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

#### Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 1 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. 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.

#### Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

#### Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **L Mukundan and Associates**  
*Chartered Accountants*  
Firm Registration No.010283S

Place : Chennai  
Date : 25<sup>th</sup> June 2021

**L Mukundan**  
*Partner*  
Membership No: 204372  
UDIN:21204372AAAACV4167

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of Pondy Oxides And Chemicals Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Pondy Oxides And Chemicals Limited (“the Company”), which comprise the balance sheet as at 31-March 2021, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Emphasis of Matter**

We draw attention to Note 2B to the financial statements, which explain the uncertainties and the impact of COVID-19 pandemic situation on the Company’s financial results as assessed by the management.

Our opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of account and explanations provided to us, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Derivative financial instruments are used to manage and hedge foreign currency exchange risks and commodity risk. Derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.</p> <p>The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. At</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>● We obtained an understanding of the risk management policies and testing key controls for the use, recognition and measurement of derivative financial instruments;</li> <li>● We reconciled derivative financial instruments data with third party confirmations;</li> <li>● We compared valuation of derivative financial instruments with market data;</li> <li>● We tested, on a sample basis, the applicability and accuracy of hedge accounting; and</li> </ul>

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Key audit matters	How our audit addressed the key audit matter
<p>inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.</p> <ul style="list-style-type: none"> <li>● We focused on this area on account of the number of contracts, their measurement, the complexity related to hedge accounting and the potential impact on the statement of profit and loss.</li> <li>● As at 31<sup>st</sup> March 2021, the Company has net derivative financial liability at fair value of Rs. 0.61 crores (Refer note no. 22)</li> </ul>	<ul style="list-style-type: none"> <li>● We considered the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting in notes 22, 27 &amp; 28 to the financial statements;</li> </ul> <p>Based on the procedures performed the derivative financial instruments and hedge accounting are fairly stated in the financial statements.</p>

### Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Responsibility Report including Annexure to Board's Report, Corporate Governance and Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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### 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) 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) Rules, 2014 (as amended), 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 materially significant pending litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **L Mukundan and Associates**  
*Chartered Accountants*  
Firm Registration No: 010283S

Place : Chennai  
Date: 25<sup>th</sup> June 2021

**L Mukundan**  
*Partner*  
Membership No. 204372  
UDIN: 21204372AAAACU1434

**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 **PONDY OXIDES AND CHEMICALS LIMITED** of even date:

1. In respect of company’s fixed assets:
  - 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. No material discrepancies as compared to book records were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land, are held in the name of the Company as at the balance sheet date. Immovable properties of freehold land disclosed as fixed assets in the financial statement whose title deeds have been pledged as security for loans, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
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. 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. Accordingly, the provisions of clauses (iii) (a),(b) &(c) of Para 3 of the Order are not applicable.
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 during the year from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed there under and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to 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. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

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- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Cess and other material statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loan or borrowing from government and has not issued any debentures during the year under audit.
9. In our opinion and according to the information and explanations given to us, the term loans availed by the Company have been applied for the purpose for which they were obtained. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year .
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the management, no material fraud by the Company and no fraud on the company by its officers or employees has been noticed or reported during the year.
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 managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence, reporting under Clause 3 paragraph 3(xii) of the Order is not applicable to the company.
13. According to the information and explanations given to us and based on our examination of the records and approvals of the Audit Committee 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 and hence, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
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 its directors or persons connected to its Directors. 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 L.Mukundan and Associates**  
*Chartered Accountants*  
Firm Registration No: 010283S

Place: Chennai  
Date: 25<sup>th</sup> June 2021

**L Mukundan**  
*Partner*  
Membership No. 204372  
UDIN: 21204372AAAACU1434

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of PONDY OXIDES AND CHEMICALS LIMITED of even date)**

**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 March 31, 2021 in conjunction with our audit of the 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 (IFCoFR) 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 (the "Guidance Note") 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 IFCoFR 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 IFCoFR 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.



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### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 Control over Financial Reporting issued by the ICAI.

For **L Mukundan and Associates**

*Chartered Accountants*

Firm Registration No: 010283S

Place: Chennai

Date: 25 June 2021

**L Mukundan**

*Partner*

Membership No. 204372

UDIN: 21204372AAAACU1434

**Balance Sheet as at March 31, 2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	4,303.77	4,966.14
(b) Capital work in progress	4	566.59	188.33
(c) Goodwill	5	965.46	965.46
(d) Intangible assets	4	93.89	124.10
(e) Financial assets			
(i) Investments	6	17.08	9.56
(ii) Other financial assets	7	78.47	106.13
(f) Deferred Tax Asset (net)	8	72.24	11.47
(g) Other non-current assets	9	114.33	252.07
<b>Total non-current assets</b>		<b>6,211.83</b>	<b>6,623.26</b>
<b>Current assets</b>			
(a) Inventories	10	12,355.27	7,050.44
(b) Financial assets			
(i) Trade receivables	11	10,881.02	5,741.00
(ii) Cash and cash equivalents	12	12.55	615.63
(iii) Bank balances other than above	13	73.11	322.11
(c) Other current assets	14	2,378.92	1,571.56
<b>Total current assets</b>		<b>25,700.87</b>	<b>15,300.74</b>
<b>Total Assets</b>		<b>31,912.70</b>	<b>21,924.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	581.24	581.24
(b) Other equity	16	15,551.05	14,463.74
<b>Total equity</b>		<b>16,132.29</b>	<b>15,044.98</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,966.38	684.30
(b) Provisions	18	27.45	56.29
(c) Other liabilities	19	30.57	10.38
<b>Total non-current liabilities</b>		<b>2,024.40</b>	<b>750.97</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	12,402.58	4,443.61
(ii) Trade payables			
- Dues to Micro and Small enterprises	21	98.63	8.07
- Dues to Creditors other than Micro and Small enterprises		694.44	463.34
(iii) Other financial liabilities	22	255.96	817.55
(b) Provisions	23	13.42	77.34
(c) Other current liabilities	24	290.98	318.14
<b>Total current liabilities</b>		<b>13,756.01</b>	<b>6,128.05</b>
<b>Total liabilities</b>		<b>15,780.41</b>	<b>6,879.02</b>
<b>Total Equity and Liabilities</b>		<b>31,912.70</b>	<b>21,924.00</b>

The accompanying notes form an integral part of the financial statements

**For and on behalf of the board**

**Anil Kumar Bansal**  
Chairman  
DIN: 00232223

**Ashish Bansal**  
Managing Director  
DIN: 01543967

**Usha Sankar**  
Chief Financial Officer

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

As per our report of even date attached  
**For M/s. L. Mukundan and Associates**  
Chartered Accountants  
(FRN No.010283S)

**L. Mukundan**  
Partner  
M.No.204372

Place : Chennai  
Date : June 25, 2021

Place : Chennai  
Date : June 25, 2021

## Twenty Sixth Annual Report 2020-2021

### Statement of profit and loss for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Continuing Operations</b>			
<b>A Income</b>			
(a) Revenue from operations	25	1,00,427.16	1,21,987.10
(b) Other income	26	331.94	354.28
<b>Total income</b>		<b>1,00,759.10</b>	<b>1,22,341.38</b>
<b>B Expenses</b>			
(a) Cost of materials consumed	27	87,157.84	1,07,381.96
(b) Purchases of Stock in Trade	28	4,392.10	2,797.33
(c) Changes in inventories of finished goods and WIP	29	1,679.90	2,708.45
(d) Employee Benefits Expense	30	1,647.42	1,911.04
(e) Finance costs	31	451.49	994.56
(f) Depreciation and amortisation expense	32	839.22	786.67
(g) Other expenses	33	3,213.63	3,638.59
<b>Total expenses</b>		<b>99,381.60</b>	<b>1,20,218.60</b>
<b>C Profit before exceptional items and tax</b>		<b>1,377.50</b>	<b>2,122.78</b>
Exceptional items		-	-
<b>D Profit before tax from continuing operations</b>		<b>1,377.50</b>	<b>2,122.78</b>
Tax expense	34		
(a) Current tax		369.75	481.64
(b) Deferred tax charge/ (credit)		(70.03)	6.58
<b>Profit for the year</b>		<b>1,077.78</b>	<b>1,634.56</b>
<b>E Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		36.80	12.81
Income tax (charge)/ credit relating to these items		(9.26)	(3.22)
<b>Other comprehensive income for the year, net of tax</b>		<b>27.54</b>	<b>9.59</b>
<b>Total comprehensive income for the year</b>		<b>1,105.32</b>	<b>1,644.15</b>
<b>Earnings per share</b>			
	35		
Basic earnings per share		18.54	29.28
Diluted earnings per share		18.54	29.28

The accompanying notes form an integral part of the financial statements

**For and on behalf of the board**

**Anil Kumar Bansal**

Chairman

DIN: 00232223

**Ashish Bansal**

Managing Director

DIN: 01543967

**Usha Sankar**

Chief Financial Officer

**K.Kumaravel**

GM Finance & Company Secretary

As per our report of even date attached

**For M/s. L. Mukundan and Associates**

Chartered Accountants

(FRN No.010283S)

**L. Mukundan**

Partner

M.No.204372

Place : Chennai

Date : June 25,2021

Place : Chennai

Date : June 25,2021

**Statement of cash flows for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	1,377.50	2,122.78
Adjustments for		
Depreciation and amortisation expense	839.22	786.67
(Profit)/ loss on sale of fixed asset	9.82	36.63
(Increase)/ decrease in fair value of investments	(7.52)	4.84
Interest income	(7.88)	(14.23)
Dividend income	(0.09)	(0.11)
Finance costs	451.49	994.56
Operating Profit before working capital changes	<u>2,662.54</u>	<u>3,931.14</u>
Change in operating assets and liabilities		
(Increase)/ decrease in other financial assets	27.66	5.06
(Increase)/ decrease in inventories	(5,304.83)	3,967.14
(Increase)/ decrease in trade receivables	(5,140.02)	3,112.77
(Increase)/ decrease in other assets	(803.04)	2,324.83
Increase/ (decrease) in provisions and other liabilities	(562.14)	511.99
Increase/ (decrease) in trade payables	321.66	64.48
Cash generated from operations	(8,798.17)	13,917.41
Less : Income taxes paid (net of refunds)	(260.86)	(387.73)
<b>Net cash from operating activities (A)</b>	<u><b>(9,059.03)</b></u>	<u><b>13,529.68</b></u>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	(591.15)	(3,596.39)
Sale proceeds of PPE	4.89	52.53
(Investments in)/ Maturity of fixed deposits with banks	249.00	(23.60)
Dividend received	0.09	0.11
Interest received	3.56	27.23
<b>Net cash used in investing activities (B)</b>	<u><b>(333.61)</b></u>	<u><b>(3,540.12)</b></u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of equity share capital (net of share application money)	-	838.29
Proceeds from/ (repayment of) long term borrowings	1,282.08	332.36
Proceeds from/ (repayment of) short term borrowings	7,958.97	(9,185.93)
Finance costs	(451.49)	(994.56)
Dividend paid	-	(469.94)
<b>Net cash from/ (used in) financing activities (C)</b>	<u><b>8,789.56</b></u>	<u><b>(9,479.78)</b></u>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<u><b>(603.08)</b></u>	<u><b>509.78</b></u>
Cash and cash equivalents at the beginning of the financial year	615.63	105.85
<b>Cash and cash equivalents at end of the year</b>	<u><b>12.55</b></u>	<u><b>615.63</b></u>

**Notes:**

- The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks		
in current accounts	3.61	607.96
- in EEFC Account	8.16	5.44
Cash on hand	0.78	2.23
	<u><b>12.55</b></u>	<u><b>615.63</b></u>

**For and on behalf of the board**

**Anil Kumar Bansal**

Chairman

DIN: 00232223

**Ashish Bansal**

Managing Director

DIN: 01543967

**Usha Sankar**

Chief Financial Officer

**K.Kumaravel**

GM Finance & Company Secretary

As per our report of even date attached

**For M/s. L. Mukundan and Associates**

Chartered Accountants

(FRN No.010283S)

**L. Mukundan**

Partner

M.No.204372

Place : Chennai

Date : June 25,2021

Place : Chennai

Date : June 25,2021

## Twenty Sixth Annual Report 2020-2021

### Statement of Changes in Equity for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### (A) Equity Share Capital

Balance at the beginning of April 01, 2020	581.24
Changes in equity shares Capital during the year	-
Balance at the end of March 31, 2021	581.24

#### (B) Other Equity

Particulars	General Reserve	Securities Premium	Other comprehensive income	Retained Earnings	Total
Balance as at April 01,2020	1,195.92	1,092.52	-	12,175.30	14,463.74
Additions/ (deductions) during the year	110.00	-	27.54	(100.47)	37.07
Total Comprehensive Income for the year	-	-	(27.54)	1,077.78	1,050.24
Balance as at March 31, 2021	1,305.92	1,092.52	-	13,152.61	15,551.05

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

**Anil Kumar Bansal**

Chairman

DIN: 00232223

**Ashish Bansal**

Managing Director

DIN: 01543967

**Usha Sankar**

Chief Financial Officer

**K.Kumaravel**

GM Finance & Company Secretary

As per our report of even date attached

For M/s. L. Mukundan and Associates

Chartered Accountants

(FRN No.010283S)

**L. Mukundan**

Partner

M.No.204372

Place : Chennai

Date : June 25,2021

Place : Chennai

Date : June 25,2021

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**Notes to Financial Statements for the year ended March 31,2021****1 Corporate Information**

POCL is a Public Limited Company incorporated under the Companies Act, 1956. The Company's Equity shares are listed at the Bombay Stock Exchange (BSE). The registered office of the company is situated at KRM Centre, 4th Floor, #2, Harrington Road, Chetpet, Chennai, Tamilnadu - 600031.

The Principle Activities of the company are converting Lead Scraps of various forms into Lead Metal and Alloys. The company carries out smelting of Lead Battery Scrap to produce secondary lead metal which is further transformed into Pure lead and Specific Lead Alloys. Further company also manufactures Zinc metal and Zinc Oxide.

The Company's products are exported to numerous international customers mainly but not limited to the Asian region like Japan, South Korea, Thailand and Middle – East. Over the years POCL has built a unmatched brand image within the lead sector for its quality, high level of efficiency, reliability, technical support and service. POCL also supply its products to leading battery manufacturers in India.

**2 Basis of preparation of financial statements****Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 25, 2021.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**Property, Plant and Equipment (PPE), Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

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### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets (PPE/Intangible Assets/ Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### **Defined Benefit Plans and Other long term employee benefits**

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### **Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

## **2B Note on COVID-19**

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of the Company's locations (manufacturing, warehouses, offices, etc.) are scaled down or shut down in compliance with the directives/orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities.

As per management's current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these Standalone Financial Statements.

### **3 Significant Accounting Policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.



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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### c) Revenue Recognition

#### **Sale of goods**

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### **Sale of services**

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### **Export entitlements**

In respect of the exports made by the Company, the related export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive the incentives/ entitlements as per the terms of the scheme is established and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### **Interest Income**

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

**Rental income**

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

**d) Property, plant and equipment and capital work in progress**

**Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

**Component Cost**

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

**Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a written down value method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on written down value method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **f) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

#### **Useful life and amortisation of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### **Subsequent cost and measurement**

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### **Intangible assets under development**

Expenditure on intangible assets eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### **g) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

**h) Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

**(i) Raw materials, stock acquired for trading, packing materials and consumables:** At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

**(ii) Work-in-process and intermediates:** At material cost, conversion costs and appropriate share of production overheads

**(iii) Finished goods:** At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**i) Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

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Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

### Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

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- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
<b>Trade Receivables</b>	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
<b>Other financial assets</b>	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

<b>Classification</b>	<b>Name of the financial liability</b>
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 Revenue.

### **Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

#### **(a) Derivatives fair valued through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the



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Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (j) Foreign currency transactions and translations Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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The Company enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

**k) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**l) Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

**m) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Uncertainty over Income Tax Treatments clarifies that while determinating the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments.

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### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### **n) Retirement and other employee benefits**

#### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Employee Benefits in connection with Plan amendments, curtailments and settlements, to use updated assumptions to determine current service cost to be updated and to recognise in profit or loss as part of past service cost or gain or loss on settlement.

#### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed

by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**o) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**p) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**q) Provisions, contingent liabilities and contingent asset**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### **Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

### **r) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### **s) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### **t) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

### **u) Business Combination**

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company.

The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost being the excess of aggregate consideration transferred over the net identifiable assets and liabilities. Transaction costs are recognised in profit & loss account.

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**4a) Property, plant and equipment**

Particulars	Tangible Assets											Intangible Assets	
	Owned Assets										Right of Use Asset		Total
	Free hold Land	Buildings	Plant and Equipment	Lab Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Fittings	Sub Total	Lease hold Land			
<b>Deemed Cost as at April 1, 2019</b>	<b>354.65</b>	<b>1,777.92</b>	<b>1,430.80</b>	<b>119.43</b>	<b>104.01</b>	<b>118.65</b>	<b>123.74</b>	<b>169.01</b>	<b>4,198.21</b>	<b>237.82</b>	<b>4,436.03</b>	<b>36.01</b>	
Additions *	71.30	176.10	748.46	-	49.55	12.02	29.96	35.60	1,122.99	-	1,122.99	123.05	
Acquisition through business combination	293.15	629.86	435.94	-	6.52	-	1.28	90.82	1,457.57	-	1,457.57	-	
Disposals	-	(14.85)	(135.69)	(0.29)	(0.33)	-	(0.84)	-	(152.00)	-	(152.00)	-	
<b>Cost as at March 31, 2020</b>	<b>719.10</b>	<b>2,569.03</b>	<b>2,479.51</b>	<b>119.14</b>	<b>159.75</b>	<b>130.67</b>	<b>154.14</b>	<b>295.43</b>	<b>6,626.77</b>	<b>237.82</b>	<b>6,864.59</b>	<b>159.06</b>	
Additions	-	19.12	97.04	-	8.81	-	17.99	18.39	161.35	-	161.35	-	
Disposals	-	(12.97)	(18.35)	-	(3.90)	-	-	-	(35.22)	-	(35.22)	-	
<b>Cost as at March 31, 2021</b>	<b>719.10</b>	<b>2,575.18</b>	<b>2,558.20</b>	<b>119.14</b>	<b>164.66</b>	<b>130.67</b>	<b>172.13</b>	<b>313.82</b>	<b>6,752.90</b>	<b>237.82</b>	<b>6,990.72</b>	<b>159.06</b>	
<b>Depreciation/Amortisation</b>													
<b>As at March 31, 2019</b>	<b>-</b>	<b>390.05</b>	<b>480.80</b>	<b>62.84</b>	<b>59.29</b>	<b>45.67</b>	<b>79.89</b>	<b>77.99</b>	<b>1,196.53</b>	<b>7.83</b>	<b>1,204.36</b>	<b>5.22</b>	
Charge for the year	-	197.20	414.20	14.60	23.87	24.18	27.86	52.41	754.32	2.61	756.93	29.74	
Disposals	-	(3.68)	(58.30)	(0.21)	-	-	(0.65)	-	(62.84)	-	(62.84)	-	
<b>As at March 31, 2020</b>	<b>-</b>	<b>583.57</b>	<b>836.70</b>	<b>77.23</b>	<b>83.16</b>	<b>69.85</b>	<b>107.10</b>	<b>130.40</b>	<b>1,888.01</b>	<b>10.44</b>	<b>1,898.45</b>	<b>34.96</b>	
Charge for the year	-	188.74	471.64	10.64	39.83	18.47	29.21	47.87	806.40	2.61	809.01	30.21	
Disposals	-	(4.31)	(13.13)	-	(3.07)	-	-	-	(20.51)	-	(20.51)	-	
<b>As at March 31, 2021</b>	<b>-</b>	<b>768.00</b>	<b>1,295.21</b>	<b>87.87</b>	<b>119.92</b>	<b>88.32</b>	<b>136.31</b>	<b>178.27</b>	<b>2,673.90</b>	<b>13.05</b>	<b>2,686.95</b>	<b>65.17</b>	
<b>Net Block</b>													
As at April 1, 2019	354.65	1,387.87	950.00	56.59	44.72	72.98	43.85	91.02	3,001.68	229.99	3,231.67	30.79	
As at March 31, 2020	719.10	1,985.46	1,642.81	41.91	76.59	60.82	47.04	165.03	4,738.76	227.38	4,966.14	124.10	
As at March 31, 2021	719.10	1,807.18	1,262.99	31.27	44.74	42.35	35.82	135.55	4,079.00	224.77	4,303.77	93.89	

\* Includes Free Hold Land of Rs. 71.30 Lakhs and Buildings of Rs. 114.69 Lakhs transferred from Investment Property

**b) Capital work-in-progress**

Capital work-in-progress as at 31st March, 2021 is Rs. 566.59 Lakhs (Previous Year - Rs. 188.33 Lakhs).

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### Notes to Financial Statements for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020
<b>5 Goodwill</b>		
Acquisitions through business combination	965.46	965.46
	<b>965.46</b>	<b>965.46</b>
<b>6 Non-current investments</b>		
Investments in companies other than subsidiaries, associates and joint ventures at FVTPL		
i. Investments in Equity Instruments (Quoted) 2,000 equity shares (previous year 2,000) of Rs.10 each in Amara Raja Batteries Ltd, fully paid	17.08	9.56
	<b>17.08</b>	<b>9.56</b>
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	17.08	9.56
Aggregate market value of quoted investments	17.08	9.56
<b>7 Other non-current financial assets</b>		
Security deposits	78.47	106.13
	<b>78.47</b>	<b>106.13</b>
<b>8 Deferred Tax Asset / (Liability) - Net</b>		
<b>Deferred Tax Liability</b>		
On Fixed Assets	-	-
On others	-	-
	-	-
<b>Deferred Tax Asset</b>		
On Fixed Assets	65.33	(2.70)
On expenses allowed under Income Tax on payment basis	6.91	14.17
	72.24	11.47
Net deferred tax asset / (liability)	<b>72.24</b>	<b>11.47</b>
<b>9 Other non-current assets</b>		
Advance income tax (net of provision for tax)	9.38	198.66
Capital Advances	104.95	53.41
	<b>114.33</b>	<b>252.07</b>
<b>10 Inventories</b>		
Raw Materials	7,654.70	2,455.17
Stock in Transit	2,381.67	654.53
Work-in-progress	1,466.18	736.72
Finished goods	511.67	1,760.59
Stock of traded goods	213.30	1,373.75
Stores and spares	127.75	69.68
	<b>12,355.27</b>	<b>7,050.44</b>

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
<b>Inventory comprise of</b>		
<b>Raw Materials</b>		
Lead in all forms	7,002.83	2,026.84
Others	651.87	428.33
	<u><b>7,654.70</b></u>	<u><b>2,455.17</b></u>
<b>Work in progress</b>		
Lead in all forms	1,457.48	728.16
Others	8.70	8.56
	<u><b>1,466.18</b></u>	<u><b>736.72</b></u>
<b>Finished Goods</b>		
Lead Ingots	19.52	722.17
Lead Alloys	394.24	807.04
Others	97.91	231.38
	<u><b>511.67</b></u>	<u><b>1,760.59</b></u>
<b>Traded goods</b>		
Zinc Ingots	129.34	1,362.98
Others	83.96	10.77
	<u><b>213.30</b></u>	<u><b>1,373.75</b></u>
<b>11 Trade receivables</b>		
Considered good - Secured	46.58	-
Considered good - Unsecured	10,834.44	5,741.00
	<u><b>10,881.02</b></u>	<u><b>5,741.00</b></u>
<b>12 Cash and cash equivalents</b>		
Cash in hand	0.78	2.23
Balances with banks		
In current accounts	3.61	607.96
In EEFC account	8.16	5.44
	<u><b>12.55</b></u>	<u><b>615.63</b></u>
<b>13 Other Bank Balances</b>		
In fixed deposits		
Margin money with banks (maturing within 12 months from the reporting date) *	59.54	285.54
In earmarked accounts		
Unpaid dividend accounts	13.57	36.57
	<u><b>73.11</b></u>	<u><b>322.11</b></u>

\* Lien marked with banks and are restricted from being exchanged or used to settle a liability.



## Twenty Sixth Annual Report 2020-2021

### Notes to Financial Statements for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020
<b>14 Other current assets</b>		
GST / Rebate Receivables	569.78	252.82
Interest accrued on Deposits	4.81	0.49
Prepaid expenses	18.20	5.82
Balances with government authorities	40.50	56.13
Advances to Employees	6.94	9.03
Others - Suppliers Advance (including for expenses)	1,738.69	1,247.27
	<b>2,378.92</b>	<b>1,571.56</b>
<b>15 Capital</b>		
<b>Authorised Share Capital</b>		
2,01,50,000(2,01,50,000) Equity shares of Rs. 10 each	2,015.00	2,015.00
	<b>2,015.00</b>	<b>2,015.00</b>
<b>Issued Share Capital</b>		
58,12,390(58,12,390) Equity shares of Rs. 10 each	581.24	581.24
	<b>581.24</b>	<b>581.24</b>
<b>Subscribed and fully paid up share capital</b>		
58,12,390(58,12,390) Equity shares of Rs. 10 each	581.24	581.24
	<b>581.24</b>	<b>581.24</b>

#### Notes:

(a) **Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	58,12,390	55,75,993
Add: Issued on account of business combination	-	2,36,397
<b>Balance at the end of the year</b>	<b>58,12,390</b>	<b>58,12,390</b>

(b) **Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31,2021		March 31,2020	
	No of shares	%	No of shares	%
Mr. Ashish Bansal	8,50,615	14.63	8,47,582	14.58
Mr. Anil Kumar Bansal	6,23,461	10.73	6,23,461	10.73
Mr. Manju Bansal	5,12,627	8.82	5,12,627	8.82
Mr. R.P.Bansal	5,30,945	9.13	5,30,945	9.13

(c) **Rights, preferences and restrictions in respect of equity shares issued by the Company**

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
<b>16 Other Equity</b>		
General reserve	1,305.92	1,195.92
Securities Premium	1,092.52	1,092.52
Retained Earnings	13,152.61	12,175.30
Other comprehensive income	-	-
	<u><b>15,551.05</b></u>	<u><b>14,463.74</b></u>
<b>a) General reserve</b>		
Balance at the beginning of the year	1,195.92	1,035.92
Additions during the year	110.00	160.00
<b>Balance at the end of the year</b>	<u><b>1,305.92</b></u>	<u><b>1,195.92</b></u>
<b>b) Securities Premium</b>		
Balance at the beginning and end of the year	1,092.52	277.87
Additions on account of business combination	-	814.65
<b>Balance at the end of the year</b>	<u><b>1,092.52</b></u>	<u><b>1,092.52</b></u>
<b>c) Retained Earnings</b>		
<b>Opening balance</b>	12,175.30	11,168.64
Net profit for the period	1,077.78	1,634.56
Transfer from Other Comprehensive Income	27.54	9.59
Transfers to General Reserve	(110.00)	(160.00)
Excess/(Short) provision for taxes reversed	(18.01)	(7.55)
Dividend paid (including tax on dividends)	-	(469.94)
<b>Closing balance</b>	<u><b>13,152.61</b></u>	<u><b>12,175.30</b></u>
<b>d) Other comprehensive income</b>		
<b>Opening balance</b>	-	-
Additions during the year	27.54	9.59
Deductions/Adjustments during the year	(27.54)	(9.59)
<b>Closing balance</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>17 Long Term Borrowings</b>		
Secured *		
From Banks	1,398.13	690.71
Unsecured Loans		
From Related Parties **	750.00	500.00
Less: Current maturities of Long Term Debt (refer Note 22)	(181.75)	(506.41)
	<u><b>1,966.38</b></u>	<u><b>684.30</b></u>
* Refer Note 42 for repayment terms and security details		
** Represents loan from Directors		
<b>18 Provisions (Non-current)</b>		
Provision for Employee Benefits		
Gratuity	27.45	56.29
	<u><b>27.45</b></u>	<u><b>56.29</b></u>

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### Notes to Financial Statements for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020
<b>19 Other non-current Liabilities</b>		
Deferred Government Grants	30.57	10.38
	<u>30.57</u>	<u>10.38</u>
<b>20 Current liabilities - Financial Liabilities: Borrowings</b>		
<b>Secured</b>		
Loans repayable on Demand		
From banks		
Rupee Loans	11,346.75	3,512.78
<b>Unsecured</b>		
From Others	0.66	0.66
Loans from directors	996.70	874.35
Inter Corporate Deposits	58.47	55.82
	<u>12,402.58</u>	<u>4,443.61</u>
<b>Notes:</b>		
(a) Working Capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and 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. The loans carry interest in the range of 6% to 8%		
(b) Inter-corporate and other deposits carry interest in the range of 10% payable annually, repayable as per the terms of repayment agreed.		
<b>21 Trade payables</b>		
Dues to Micro and Small enterprises *	98.63	8.07
Dues to Creditors other than Micro and Small enterprises	694.44	463.34
	<u>793.07</u>	<u>471.41</u>
* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer Note 38.		
<b>22 Other current financial liabilities</b>		
Forward Contract Payable	60.64	274.57
Current maturities of long-term debt	181.75	506.41
Unpaid/Unclaimed dividends	13.49	36.49
Unclaimed Fractional Shares dividends	0.08	0.08
	<u>255.96</u>	<u>817.55</u>
<b>23 Provisions (Current)</b>		
Provision for Tax (net of advance tax and TDS)	-	62.38
Provision for employee benefits		
Compensated absences	13.42	14.96
	<u>13.42</u>	<u>77.34</u>
<b>24 Other current liabilities</b>		
Statutory Dues Payable	141.79	193.45
Employee benefits payable	105.47	104.26
Advance and deposits from customers	33.78	14.86
Deferred Government Grants	9.15	5.57
Other payables	0.79	-
	<u>290.98</u>	<u>318.14</u>

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020
<b>25. Revenue from operations</b>		
Sale of Products		
Manufactured Goods	95,532.79	1,18,446.56
Traded Goods	4,319.12	3,395.44
Sale of Services		
Conversion Charges Received	443.96	2.99
	<u>1,00,295.87</u>	<u>1,21,844.99</u>
Other Operating Revenue	131.29	142.11
	<u><b>1,00,427.16</b></u>	<u><b>1,21,987.10</b></u>
<b>Details of Manufactured and Traded Goods</b>		
<b>I. Manufactured Goods:</b>		
Metals	94,519.71	1,17,127.46
Metallic Oxides	840.57	1,124.52
PVC Additives	-	4.76
Others	172.51	189.82
	<u><b>95,532.79</b></u>	<u><b>1,18,446.56</b></u>
<b>ii. Traded Goods</b>		
Metals	4,319.12	3,393.61
Others	-	1.83
	<u><b>4,319.12</b></u>	<u><b>3,395.44</b></u>
<b>26 Other income</b>		
Interest receipts	7.88	14.23
MTM gain on forward contacts	213.92	-
Gain on foreign exchange fluctuation (net)	-	326.42
Miscellaneous income	110.14	13.63
	<u><b>331.94</b></u>	<u><b>354.28</b></u>
<b>27 Cost of materials consumed</b>		
Opening inventory of raw materials	2,455.18	3,724.07
Add : Purchases	91,800.69	106,387.59
Less : Closing inventory of raw materials	(7,654.70)	(2,455.18)
Add: (Gain)/Deficit in Hedging operations of price of raw materials	556.67	(274.52)
	<u><b>87,157.84</b></u>	<u><b>107,381.96</b></u>
<b>28 Purchases of Stock in Trade</b>		
Metals - with Hedging adjustment	4,392.10	2,794.22
Others	-	3.11
	<u><b>4,392.10</b></u>	<u><b>2,797.33</b></u>
<b>29 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Work-in-progress	736.72	2,283.31
Finished goods	1,760.58	2,439.63
Stock in trade	1,373.75	1,856.56
	<u><b>3,871.05</b></u>	<u><b>6,579.50</b></u>
<b>Closing Balance</b>		
Work-in-progress	1,466.18	736.72
Finished goods	511.67	1,760.58
Stock in trade	213.30	1,373.75
	<u><b>2,191.15</b></u>	<u><b>3,871.05</b></u>
Net (increase)/decrease in inventories	<u><b>1,679.90</b></u>	<u><b>2,708.45</b></u>

## Twenty Sixth Annual Report 2020-2021

### Notes to Financial Statements for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020
<b>30 Employee benefits expense</b>		
Salaries and wages	1,475.45	1,696.79
Contribution to provident and other funds	114.20	139.46
Staff welfare expenses	57.77	74.79
	<b>1,647.42</b>	<b>1,911.04</b>
<b>31 Finance Cost</b>		
Interest on Bank Borrowings	303.75	836.96
Interest on Others	147.74	157.60
	<b>451.49</b>	<b>994.56</b>
<b>32 Depreciation and amortisation expense</b>		
Depreciation on Property, Plant and Equipment	809.01	756.94
Amortisation of Intangible Assets	30.21	29.73
	<b>839.22</b>	<b>786.67</b>
<b>33 Other expenses</b>		
Power and Fuel	994.79	1,138.02
Consumption of Packing Materials	34.23	29.53
Environmental Control Expenses	269.71	185.09
Repairs and Maintenance		
Buildings	54.24	55.07
Plant and Machinery	162.23	149.80
Vehicles	13.62	12.10
Others	19.64	16.81
Factory expenses	178.13	171.20
Freight and Forwarding	760.27	832.19
Insurance	48.62	59.21
Laboratory Expenses	9.39	15.67
Legal and professional charges	57.37	47.42
Merger Expenses	-	32.08
Payments to Auditors [refer note 33 (a)]	16.13	17.16
Communication expenses	18.18	22.46
Printing and Stationery	3.77	7.21
Rates and Taxes	76.98	56.84
Rent	21.93	14.54
Advertisement and business promotion	1.63	18.22
Sales Commission	146.73	190.12
Travelling and Conveyance	12.81	50.94
MTM loss on forward contract	-	292.39
Loss on foreign exchange fluctuation (net)	107.77	-
Loss on fixed assets sold / scrapped / written off	9.82	36.63
Bank charges	90.16	61.95
Expenditure on Corporate Social Responsibility [refer note 33 (b)]	81.45	94.20
Miscellaneous Expenses	24.03	31.74
	<b>3,213.63</b>	<b>3,638.59</b>
<b>33 (a) Payment to auditors</b>		
Statutory Audit fees	10.00	10.00
Taxation fee	2.00	1.00
GST Audit	2.00	1.75
Limited Review Audit	1.25	0.75
Other Certifications*	0.88	3.66
	<b>16.13</b>	<b>17.16</b>

\* Excludes merger certification fee of Nil (previous year - Rs. 1.00 Lakh)

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at March 31,2021	As at March 31,2020		
<b>33 (b) Expenditure on Corporate Social Responsibility</b>				
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	78.05	93.56		
(ii) Amount spent during the year on				
(i) Construction and/ or acquisition of any asset	-	-		
(ii) Other purposes [other than (I) above]	81.45	94.20		
	81.45	94.20		
(iii) Amount unspent during the year	Nil	Nil		
<b>34 Income tax expense</b>				
<b>(a) Income tax expense</b>				
<b>Current tax</b>				
Current tax on profits for the year	369.75	481.64		
MAT Paid	-	-		
<b>Total current tax expense</b>	<b>369.75</b>	<b>481.64</b>		
<b>Deferred tax</b>				
Deferred tax adjustments	(70.03)	6.58		
<b>Total deferred tax expense/(benefit)</b>	<b>(70.03)</b>	<b>6.58</b>		
<b>Income tax expense</b>	<b>299.72</b>	<b>488.22</b>		
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>				
Profit before tax from continuing operations	1,377.50	2,122.78		
Income tax expense calculated at 25.168% (2019-20: 25.168%)	346.69	534.26		
Effect of expenses/income that are not deductible/taxable in determining taxable profit	23.06	(52.62)		
<b>Income tax expense</b>	<b>369.75</b>	<b>481.64</b>		
<b>c) Income tax recognised in other comprehensive income</b>				
<b>Deferred tax</b>				
Remeasurement of defined benefit obligation	9.26	3.22		
<b>Total income tax recognised in other comprehensive income</b>	<b>9.26</b>	<b>3.22</b>		
<b>d) Movement of deferred tax expense for the year ended March 31,2021</b>				
Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(2.70)	68.03	-	65.33
Expenses allowable on payment basis under the Income Tax Act	14.17	2.00	(9.26)	6.91
	11.47	70.03	(9.26)	72.24
<b>Total</b>	<b>11.47</b>	<b>70.03</b>	<b>(9.26)</b>	<b>72.24</b>

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### Notes to Financial Statements for the year ended March 31,2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31,2021		As at March 31,2020
<b>e) Movement of deferred tax expense during the year ended March 31,2020</b>				
Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(1.50)	(1.20)	-	(2.70)
Expenses allowable on payment basis under the Income Tax Act	21.85	(4.46)	(3.22)	14.17
Other temporary differences	0.92	(0.92)	-	-
	21.27	(6.58)	(3.22)	11.47
<b>Total*</b>	<b>21.27</b>	<b>(6.58)</b>	<b>(3.22)</b>	<b>11.47</b>

\*Includes Rs. 37.39 Lakhs of liability on account of business combination

<b>35 Earnings per share</b>	<b>For the year ended March 31,2021</b>	<b>For the year ended March 31,2020</b>
Profit for the year attributable to owners of the Company	1,077.78	1,634.56
Weighted average number of ordinary shares outstanding	58,12,390	55,83,097
Basic earnings per share (Rs)	18.54	29.28
Diluted earnings per share (Rs)	18.54	29.28

### **36 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

Particulars	Year ended March 31,2021		Year ended March 31,2020	
	₹ In Lakhs	Percentage (%)	₹ In Lakhs	Percentage (%)
<b>Raw Materials</b>				
Imported	74,510.17	85.00	87,281.53	81.00
Others	12,647.67	15.00	20,100.43	19.00
	<b>87,157.84</b>	<b>100.00</b>	<b>1,07,381.96</b>	<b>100.00</b>

### **37 Remittance in foreign currency on account of dividend**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Amount Remitted as Dividend	-	16.36

### **38 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under**

Particulars	Year ended March 31,2021	Year ended March 31,2020
(a) The principal amount remaining unpaid at the end of the year	98.63	8.07
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Notes to Financial Statements for the year ended March 31,2021**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**39 Commitments and contingent liability**

Particulars	Year ended March 31,2021	Year ended March 31,2020
<b>Contingent liability</b>	-	-
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	262.67	154.29

**40 Operating Segments**

The operations of the Company falls under a single primary segment i.e., "Metal" in accordance with Ind AS 108 'Operating Segments' and hence segment reporting is not applicable

**Information relating to geographical areas**

**(a) Revenue from external customers**

Particulars	Year ended March 31,2021	Year ended March 31,2020
India	50,271.99	53,918.78
Rest of the world	50,155.17	68,068.32
<b>Total</b>	<b>1,00,427.16</b>	<b>1,21,987.10</b>

**(b) Non current assets**

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

**(c) Information about major customer**

Particulars	Year ended March 31,2021	Year ended March 31,2020
Number of external customers each contributing more than 10% of total revenue	2	3
Total revenue from the above customers	55,329.62	90,262.26

**41 Operating lease arrangements**

Particulars	Year ended March 31,2021	Year ended March 31,2020
<b>As Lessor</b>		
The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Total lease income recognised in the Statement of Profit and Loss	-	-
<b>As Lessee</b>		
The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.		
Lease payments recognised in the Statement of Profit and Loss	21.93	14.54



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### 42 Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Tenor	Repayment Commences from	Security	Guarantee
HDFC Bank	1216.38 (Nil)	48 months	April, 2022	Emergency Credit Line Guaranteed Scheme (ECLGS) Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of HDFC Bank	Personal Guarantee of Promoter Directors
	66.94 (200.00)	42 months	April, 2019	Exclusive Charge on the Fixed Assets located at No 78C, Industrial Park, Gajulamandyam, the erstwhile Meloy Metals Private Limited	
	Nil (100.82)	35 months	April, 2019	Exclusive Charge on the Fixed Assets located at No 78C, Industrial Park, Gajulamandyam, the erstwhile Meloy Metals Private Limited	
Axis Bank	114.81 (339.89)	27 months	September, 2019	Pari Passu First Charge on the Immovables / Other Fixed Assets of Smelter Division I & II	
	Nil (50.00)	36 months	November, 2017	Pari Passu First Charge on the entire Fixed Assets of Zinc Oxide Plant, Sriperumbudur	

The above loans carry interest in the range of 7% to 9%  
(Figures in brackets represent previous year numbers)

## 43 Financial Instruments

### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

<b>Gearing Ratio:</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Debt	2,148.13	1,190.71
Less: Cash and bank balances	85.66	937.74
Net debt	<u>2,062.47</u>	<u>252.97</u>
Total equity	16,132.29	15,044.98
Gearing ratio (%)	12.78%	1.68%

<b>Categories of Financial Instruments</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
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#### Financial assets

##### a. Measured at amortised cost

Other non-current financial assets	78.47	106.13
Trade receivables	10,881.02	5,741.00
Cash and cash equivalents	12.55	615.63
Bank balances other than above	73.11	322.11

##### b. Mandatorily measured at FVTPL

Investments	17.08	9.56
Derivative instruments	-	-

#### Financial liabilities

##### a. Measured at amortised cost

Borrowings (non-current)	1,966.38	684.30
Borrowings (current)	12,402.58	4,443.61
Trade payables	793.07	471.41
Other financial liabilities	195.32	542.98

##### b. Mandatorily measured at FVTPL

Derivative instruments	60.64	274.57
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### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division and uses derivative instruments such as forward contracts, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

### Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions, taking into account the natural hedging on imports & exports and cost of currency to be recovered from the customers as per Sale Contract.

### Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31,2021							
Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	2.35	-	2.35	54.11	-	54.11	54.11
In INR	173.84	-	173.84	3,949.36	-	3,949.36	3,949.36

As on March 31,2020							
Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	-	-	-	20.08	-	20.08	20.08
In INR	-	-	-	1,519.59	-	1,519.59	1,519.59

### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The 25 basis point interest rate changes will impact the profitability by Rs. 14.54 Lakhs for the year (Previous INR 29.74 Lakhs)

**Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

**(a) Trade Receivables**

The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits**

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, investment in units of quoted mutual funds issued by high investment grade funds etc. These bank deposits, mutual funds and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits, debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

**Offsetting related disclosures**

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	793.07	-	-	793.07
Borrowings (including interest accrued thereon upto the reporting date)	181.75	1,966.38	-	2,148.13
	<b>974.82</b>	<b>1,966.38</b>	-	<b>2,941.20</b>

March 31, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	471.41	-	-	471.41
Borrowings (including interest accrued thereon upto the reporting date)	506.41	684.30	-	1,190.71
	<b>977.82</b>	<b>684.30</b>	-	<b>1,662.12</b>

	March 31,2021	March 31,2020
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

#### 44 Related party disclosure

##### a) List of parties having significant influence

###### Holding company

The Company does not have any holding company

###### Subsidiaries, associates and joint ventures

The Company does not have any subsidiaries, associates and joint ventures

###### Key management personnel (KMP)

Mr. Anil Kumar Bansal

Chairman &WTD

Mr. Ashish Bansal

Managing Director

Mr. R.P.Bansal

Whole Time Director

Mr. K Kumaravel

GM-Finance & Company Secretary

Mrs. Usha Sankar

Chief Financial Officer

###### Relative of Key Management personnel

Mr. Pawan Kumar Bansal

Son of Mr. R.P. Bansal

Mr. Sri Sabarish S

Son of Ms. Usha Sankar

Ms. K Mahalakshmi

Wife of Mr. K.Kumaravel

**b) Transactions during the year**

S.No.	Nature of transactions	Year ended March 31,2021	Year ended March 31,2020
1	Mr. Anil Kumar Bansal		
	Interest Paid	24.78	20.28
	Remuneration paid	112.25	114.09
	Loans taken	24.66	140.54
	Loans repaid	16.40	85.56
2	Mr. Ashish Bansal		
	Interest Paid	81.17	86.27
	Remuneration paid	220.08	231.31
	Loans taken	267.50	26.46
	Loans repaid	34.42	143.30
3	Mr. R.P.Bansal		
	Interest Paid	36.13	34.41
	Remuneration paid	115.97	115.82
	Loans taken	20.31	144.89
	Loans repaid	20.70	139.17
4	Mr.K Kumaravel		
	Remuneration paid	25.16	27.76
5	Ms.Usha Sankar		
	Remuneration paid	17.69	19.39
6	Mr. Pawan Kumar Bansal		
	Remuneration paid	9.23	9.45
7	Mr. Sri Sabarish S		
	Remuneration paid	6.64	6.98
8	Ms. K Mahalakshmi		
	Remuneration paid	3.60	3.60

**c) Balances at the end of the year**

Particulars	As at March 31,2021	As at March 31,2020
<b>Loans</b>		
Mr. Anil Kumar Bansal	276.41	245.24
Mr. Ashish Bansal	1,088.58	780.42
Mr. R.P.Bansal	381.71	348.69

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### 45 Retirement benefit plans

#### Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Gratuity fund as well as Employee State Insurance Fund

The total expense recognised in profit or loss of Rs 114.20 Lakhs (previous year Rs. 139.46 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

#### Defined benefit plans

##### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.80%	6.53%
Rate of increase in compensation level	6.65%	6.40%
Expected Average Remaining Working Lives of Employees (years)	28.76	29.84

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

<b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b>	<b>March 31,2021</b> ₹ Lakhs	<b>March 31,2020</b> ₹ Lakhs
<b>Amount recognised under Employee Benefits</b>		
<b>Expense in the Statement of profit and Loss:</b>		
Current service cost	21.98	22.05
Net interest expense	9.14	9.59
Return on plan assets (excluding amounts included in net interest expense)	(5.56)	(4.76)
	<u>25.56</u>	<u>26.88</u>
<b>Amount recognised in Other Comprehensive Income (OCI) for the Year</b>		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(36.80)	(12.81)
	<u>(36.80)</u>	<u>(12.81)</u>
Components of defined benefit costs recognised in other comprehensive income	<u>(11.24)</u>	<u>14.07</u>
<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>		
Present value of defined benefit obligation	132.53	141.47
Fair value of plan assets	(105.08)	(85.18)
	<u>27.45</u>	<u>56.29</u>
Net liability/ (asset) arising from defined benefit obligation		
Funded	-	-
Unfunded	27.45	56.29
	<u>27.45</u>	<u>56.29</u>
The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18].		
<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>		
Opening defined benefit obligation	141.47	124.89
Current service cost	21.97	21.68
Interest cost	9.14	9.59
Actuarial (gains)/losses	(36.80)	(12.81)
Benefits paid	(3.25)	(1.88)
	<u>132.53</u>	<u>141.47</u>
Closing defined benefit obligation		
<b>Movements in the fair value of the plan assets in the current year were as follows:</b>		
Opening fair value of plan assets	85.18	62.49
Return on plan assets	6.18	4.95
Contributions	17.35	19.62
Benefits paid	(3.63)	(1.88)
Actuarial gains/(loss)	-	-
	<u>105.08</u>	<u>85.18</u>
Closing fair value of plan assets		



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### Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### (b) Compensated absences

The expected cost of accumulating compensated absences is determined at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date is Rs.13.42 Lakhs (previous year Rs. 14.96 Lakhs). Expense recognised during the year is Rs.(0.12) Lakhs (previous year Rs. 8.96 Lakhs).

### For and on behalf of the board

**Anil Kumar Bansal**

Chairman

DIN: 00232223

**Ashish Bansal**

Managing Director

DIN: 01543967

**Usha Sankar**

Chief Financial Officer

**K.Kumaravel**

GM Finance & Company Secretary

As per our report of even date attached

**For M/s. L. Mukundan and Associates**

Chartered Accountants

(FRN No.010283S)

**L. Mukundan**

Partner

M.No.204372

Place : Chennai

Date : June 25,2021

Place : Chennai

Date : June 25,2021

**NOTICE TO THE 26<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **PONDY OXIDES AND CHEMICALS LIMITED** will be held on Saturday, 18<sup>th</sup> September 2021 through Video Conferencing/other Audio-Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESSSES:**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2021 together with the reports of Board of Directors' and Auditors' 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 31<sup>st</sup> March 2021 and Board's Report and Auditor's Report thereon be and are hereby considered and adopted."
- 2. To declare Final Dividend of Rs. 2.50/- (i.e. 25%) per equity share of Rs. 10/- each for the Financial Year ended 31<sup>st</sup> March 2021:**  
To consider and if thought fit, to pass, the following resolution, as an Ordinary Resolution:  
"RESOLVED THAT the final dividend of Rs. 2.5/- per equity share of Rs. 10/- each (25%) as recommended by the Board of Directors in their meeting held on 25<sup>th</sup> June 2021, be and is hereby declared for the financial year ended 31<sup>st</sup> March 2021 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 dematerialized shares as on 11<sup>th</sup> September 2021 as per the details provided by the Depositories for this purpose."
- 3. To appoint a Director in the place of Mr. Anil Kumar Bansal (DIN: 00232223), 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 pursuant to section 152 of the Companies Act 2013, Mr. Anil Kumar Bansal (DIN: 00232223), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and he shall continue to be the Chairman and Whole-Time Director of the Company."

**SPECIAL BUSINESSSES:**

- 4. To increase the Borrowing powers and power to mortgage the properties of the company:**  
To Consider and if thought fit, to pass, the following resolution as Special Resolution:  
"RESOLVED THAT in supersession of the special resolution passed by the Members of the Company in the 22<sup>nd</sup> Annual General Meeting held on 27<sup>th</sup> September 2017 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. 300 crores (Rupees Three 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 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. 300 crores (Rupees Three Hundred crores only) 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".

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### 5. To amend and adopt the Main Objects Clause of the Memorandum of Association of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the necessary Rules, including any statutory modification(s) or re-enactment thereof, for the time being in force and necessary Schedules to the Act, consent of the Members be and is hereby accorded subject to the approval of the Registrar of Companies, for amending the contents of Memorandum of Association of the Company under Clause III (A) titled **“the Main Objects of the Company to be pursued on its Incorporation are”** by replacing the existing clauses with the following clauses:

1. *To carry on the business of manufacturers, producers, repairers, traders, dealers, importers, exporters, buyers, sellers, jobbers, recyclers, cleaners, processing, treating, extraction, representatives, melters, smelters, intermediaries of machinery, equipment, electrical, electronic and engage in all types of Non-Ferrous Metals, re-processing of Plastic, recycled granules, pellets of PP, HDPE, LDPE, HIPS and ABS and its by-products for commercial work in India or elsewhere in the world;*
2. *To acquire in India or elsewhere by purchase, lease, assignment, transfer or otherwise mines, mining rights, or any other earthen surface containing all kinds of Non-Ferrous Metals and other related materials and to manufacture, treat, search, beneficiate, survey, improve, remove and extract from mines, quarry, fabricate, refine, import, export, purchase, sell and deal and to act as brokers, agents, stockiest, distributors and suppliers of all kinds of Non-Ferrous Metals and other related materials;*
3. *To carry on in India or elsewhere the business as manufacturers, producers, importers, exporters, buyers, sellers, traders, carrying and forwarding agents, brokers, stockist, packers, re-packers, consultants, valuers, commission agents and deal in all kinds of Batteries including Lithium ion battery, Inverters, UPS, Electronic Items, Machinery and Equipment's, all kinds of electrical and electronic products, wires and cables, goods and appliances, engineering goods, auto parts and machinery parts, Metals and Metal Scrap, Minerals, Chemicals, Hardware items, industrial and consumer goods, earth ware and all kinds of non-ferrous metals including related materials resulting from above and their scraps including e-waste along with the technical know-how;*
4. *To carry on the business of manufacture, buy, sell, import, export, process, treat and deal in all kinds of active pharmaceutical ingredients, intermediates, formulations and all raw materials related to the same;*
5. *To recycle, treat, refurbish, recover, reprocess, refine, and salvage all types of industrial, domestic or commercial waste including e-waste and any item of any salvageable value whatsoever for further value addition or resale or reuse as is or in another process. Also, to buy, sell, import, export, trade, distribute, resell any such waste or item of any salvageable value or any product derived from the processing, recovery, refurbishment, refining, recycling and treatment of such waste or item of salvageable value*

**RESOLVED FURTHER THAT** Mr. Ashish Bansal, Managing Director, Mr. K Kumaravel, GM Finance & Company Secretary be and is hereby authorised severally to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

### 6. To ratify the remuneration of the Cost Auditors for the Financial Year 2020-21:

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. 35,000/- (Rupees Thirty Five 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 2020-21.”

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

Place : Chennai  
Date : 26<sup>th</sup> July 2021

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

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**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as “Circulars”) issued by the Securities and Exchange Board of India (“SEBI”), has permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and aforesaid Circulars, the AGM of the Company is being held through VC / OAVM and the shareholders can attend and participate in the AGM through VC/OAVM only. The deemed venue of the AGM will be the Registered office of the company.
  2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.  

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. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice;
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act;
  5. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No.4, 5 and 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed;
  6. Book Closure and Dividend:
    - (a) The Register of Members and the Share Transfer Books of the Company will remain closed from 12<sup>th</sup> September 2021 to 18<sup>th</sup> September 2021 (both days inclusive) for the purpose of payment of dividend;
    - (b) If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting, the payment of such dividend will be made as under:
      - (i) to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose as at the end of 11<sup>th</sup> September 2021
      - (ii) to all Members in respect of Shares held in physical form, after giving effect to valid transfer, transmission or transposition requests lodged with the Company on or before 11<sup>th</sup> September 2021
  7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agents - M/s. Cameo Corporate Services Limited for assistance in this regard;
  8. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively, for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically;
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9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Cameo Corporate Services Limited, in case the shares are held in physical form;
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
11. Members seeking any information with regard to the financial statements are requested to write to the Company at [kk@pocl.co.in](mailto:kk@pocl.co.in) at least 7 days before the Annual General Meeting so as to enable the management to keep the information ready at the Annual General Meeting;
12. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

- (a) Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares and/or unclaimed dividend amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Members' interest to claim any uncashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

Members who have not yet encashed the dividend warrants, from the Financial Year ended 31<sup>st</sup> March 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. Members are requested to contact the Company's Registrar and Share Transfer Agent at the following address, to claim the unclaimed/ unpaid dividends:

M/s. Cameo Corporate Services Limited  
 "Subramanian Building" No.1  
 Club House Road  
 Chennai – 600002  
 Tel: +91-44-2846 0390 (6 lines)  
 Fax: +91-44-2846 0129  
 Email : [murali@cameoindia.com](mailto:murali@cameoindia.com)

- (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 year 2012-13 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 31<sup>st</sup> March 2021 on the website of the Company (<https://pocl.co.in/portfolio/investor-relations/>).
- (d) Pursuant to provisions of Section 124 of the Companies Act, 2013 read with applicable rules, 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, 2014	September 12, 2014	October 18, 2021
March 31, 2015	September 16, 2015	October 22, 2022
March 31, 2016	September 17, 2016	October 23, 2023
March 31, 2017	September 27, 2017	October 3, 2024
March 31, 2018	September 22, 2018	October 28, 2025
March 31, 2019	September 18, 2019	October 24, 2026
March 31, 2020	March 13, 2020	April 19, 2027

\*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 the benefit of the shareholders. Members are requested to verify the status in the Company's website (<https://pocl.co.in/transfer-of-shares/>).

**13. Payment of Dividend through electronic means:**

- (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code), along with their Folio Number and original cancelled cheque leaf bearing the name of the first-named shareholder as account holder, to the Company's Registrar and Share Transfer Agent - M/s. Cameo Corporate Services Limited;
- (b) Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants;
- (c) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members;
- (d) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to [murali@cameoindia.com](mailto:murali@cameoindia.com) latest by 11:59 P.M. (IST) on 11<sup>th</sup> September 2021.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [murali@cameoindia.com](mailto:murali@cameoindia.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 P.M. (IST) on 11<sup>th</sup> September 2021.

14. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.

**15. Updation of Members' Details:**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company / Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit the details to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

**16. Nomination Facility:**

As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

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17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [kk@pocl.co.in](mailto:kk@pocl.co.in);
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice of AGM and the Annual Report 2020-21 will also be available on the Company's website at [www.pocl.co.in](http://www.pocl.co.in), on the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL <https://www.cdslindia.com/>;
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

### VOTING THROUGH ELECTRONIC MEANS:

1. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below:
2. The remote e-Voting period commences at 9:00 A.M. (IST) on Wednesday, 15<sup>th</sup> September 2021 and ends at 5:00 P.M. (IST) on Friday, 17<sup>th</sup> September 2021. The e-Voting module shall be disabled by CDSL for voting thereafter. During this period, Members holding shares either in physical or de-materialized form as on the Cut-Off Date i.e., Saturday, 11<sup>th</sup> September 2021, may cast their votes electronically. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM;
3. The Company has appointed Mr. Krishna Sharan Mishra of M/s. KSM & Associates., Company Secretaries (Membership No. FCS 6447) as the Scrutinizer to scrutinize the voting at the meeting 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;
4. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again;
5. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Saturday, 11<sup>th</sup> September 2021 ("Cut-Off Date");
6. Any person, who are other than individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off date i.e. Saturday, 11<sup>th</sup> September 2021, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you could reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evotingindia.com](http://www.evotingindia.com). In case of Individual shareholders holding securities in Demat mode, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the Cut-off date i.e. Saturday, 11<sup>th</sup> September 2021 are requested to follow the login method mentioned below in point (A) under e-Voting instructions;
7. **E-Voting Instructions:**

The way to vote electronically on CDSL/NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to CDSL/NSDL e-Voting system

- (A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode is allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat Accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ul style="list-style-type: none"> <li>(i) Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System - Myeasi.</li> <li>(ii) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>(iii) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>(iv) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress</li> </ul>
Individual Shareholders holding securities in Demat mode with NSDL.	<ul style="list-style-type: none"> <li>(i) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>(ii) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>.</li> <li>(iii) Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>(iv) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against</li> </ul>



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	company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with CDSL/NSDL for e-Voting facility. Once login is complete, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL/NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the above-mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue to login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at +91 22 2305 8738 or +91 22 2305 8542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue to login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.  
If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- (v) If you are a first-time user follow the steps given below:

Particulars	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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 (v).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (C) Facility for Non – Individual Shareholders and Custodians –Remote Voting:
- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (iii) 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.

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- (iv) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- (v) 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.
- (vi) Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [evoting.ksmassociates@gmail.com](mailto:evoting.ksmassociates@gmail.com) and to the Company at the email address viz; [kk@pocl.co.in](mailto:kk@pocl.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS TO MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

### **GENERAL INSTRUCTIONS / INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:**

1. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF / JPG Format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email address: [evoting.ksmassociates@gmail.com](mailto:evoting.ksmassociates@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
3. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of [www.evotingindia.com](http://www.evotingindia.com) or call on 022-23058738 and 022-23058542/43 or send a request at helpdesk. Any query or grievance connected with the remote e-voting may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East) Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. 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 – 600031, Tamil Nadu, India. Phone: 044-42965454, Email ID: [kk@pocl.co.in](mailto:kk@pocl.co.in).

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**

1. In case shares are held in physical mode please provide a request letter duly signed by the first-named shareholder stating Folio No., Name of shareholder, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAR (self-attested copy of Aadhar Card) to the Registrars and Transfer Agents – Cameo Corporate Services Limited;

2. In case shares are held in Demat mode, please contact your Depository Participant (DP) and register your email address in your demat account, as per the process advised by your DP;
3. If you are an Individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained under Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode;
4. Alternatively, shareholder / members may send a request to helpdesk.evoting@cdslindia.com for procuring user ID and password for e-voting by providing above mentioned documents;
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account in order to access e-Voting facility.

**INSTRUCTIONS TO MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM, ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access by following the steps mentioned above for Access to CDSL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVSN of Company will be displayed.
2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting
5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
6. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
7. Members who need assistance before or during the AGM, can contact CDSL on +91 22 2305 8738 or +91 22 2305 8542-43 or contact Mr. Rakesh Dalvi, Sr. Manager at helpdesk.evoting@cdslindia.com.
8. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at kk@pocl.co.in atleast 7 working days prior to the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**OTHER INFORMATION:**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by the Chairman in writing who shall countersign the same;
2. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer’s Report, declare the Results of the voting. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website and on the website of CDSL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Company are listed;
3. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e. Saturday, 18<sup>th</sup> September 2021.

**EXPLANATORY STATEMENT**

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

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 of the accompanying 26<sup>th</sup> AGM Notice:

**ITEM NO. 4**

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

The members of the Company in the 22<sup>nd</sup> Annual General Meeting held on 27<sup>th</sup> September 2017, authorised the Board of Directors of the Company to borrow in excess of paid-up capital and free reserves upto an amount of Rs. 200 Crores (Rupees Two Hundred Crores only), 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 Section 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. 200 Crores to Rs. 300 Crores.

The resolutions as set out in Item No. 4 of this Notice requires your approval as Special Resolution. None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution.

**ITEM NO. 5**

**To amend and adopt the Main Object Clause of the Memorandum of Association (MOA) of the Company:**

Your Company was incorporated in the year 1995 and the Company has grown consistently over the last several years and it anticipates growth opportunities in its operations and continues to evaluate various avenues for growth. The Company is currently carrying on the activities pertaining to Lead, Zinc and other metals. Your Board had considered from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification Plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities.

To tap the emerging business opportunities in the changed business environment, it is proposed to expand the business segments by amending the object clause of Memorandum of Association of the Company, considering necessary business expansion strategies on non-ferrous metals. In this regard, the Management of the Company has considered and evaluated a long-term business plan for venturing into other non-ferrous metals viz. Copper, Aluminum, etc in a phased manner.

The alteration in the Main Objects Clause of the Memorandum of Association of the Company, as set out in the Resolution is to facilitate diversification. This will enable the company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be conveniently and advantageously combined with the present activities of the company under the existing circumstances.

Pursuant to the recommendation by Board of Directors in its Meeting held on 26<sup>th</sup> July 2021, approval of the Members of the Company is sought for amendment in the Main Objects of the MOA of the Company. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The following amendments in the existing Main Objects in Clause III (A) shall be subsumed:

Existing Clause III (A) of Memorandum of Association		Proposed Clause III (A) of Memorandum of Association	
Sub clause	Description	Sub clause	Description
1.	To take over the existing business of “PONDY OXIDES AND CHEMICALS” a partnership firm as a running concern with all assets and liabilities including tenancy rights, patent rights, brand rights, and bank liabilities	1.	To carry on the business of manufacturers, producers, repairers, traders, dealers, importers, exporters, buyers, sellers, jobbers, recyclers, cleaners, processing, treating, extraction, representatives, melters, smelters, intermediaries of machinery, equipment, electrical, electronic and engage in all types of Non-Ferrous Metals, re-processing of Plastic, recycled granules, pellets of PP, HDPE, LDPE, HIPS and ABS and its by-products for commercial work in India or elsewhere in the world
2.	To carry on the business of manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, recharging, re-storing, reconditioning, Zinc Metal, Lead Metal, Zinc Ingots, Zinc Dross, Zinc Oxide, Lead Sub Oxide, Lead Oxide, Litharge, Red Lead, Zinc Lead Salt and Oxide, Salts and Oxides of other metals including PVC Stabilizers and all types of batteries, including storage batteries, dry batteries, button batteries, solar power batteries or other batteries, their components, parts, ingredients, substances, systems, consumables, accessories or fittings and to do all acts and things necessary for the attainment of foregoing objects	2.	To acquire in India or elsewhere by purchase, lease, assignment, transfer or otherwise mines, mining rights, or any other earthen surface containing all kinds of Non-Ferrous Metals and other related materials and to manufacture, treat, search, beneficiate, survey, improve, remove and extract from mines, quarry, fabricate, refine, import, export, purchase, sell and deal and to act as brokers, agents, stockiest, distributors and suppliers of all kinds of Non-Ferrous Metals and other related materials.
3.	To carry on the business of manufacturing, importing, exporters, dealers in heavy chemicals, acids alkalies, petrochemicals, petrochemical derivatives, refrigerants, carbon black, cresols, chemical compounds and chemical of all kinds (solid, flakes, liquid and gaseous), analytical chemists,	3.	To carry on in India or elsewhere the business as manufacturers, producers, importers, exporters, buyers, sellers, traders, carrying and forwarding agents, brokers, stockist, packers, re-packers, consultants, valuers, commission agents and deal in all kinds of Batteries including

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	antibiotics, tanis, chemicals auxiliaries, disinfectants, insecticides, fungicides, deodorants and dealers in chemical products of any kind whatsoever and as wholesale and retail chemicals and druggists and as chemical engineers and analytical chemists		Lithium ion battery, Inverters, UPS, Electronic Items, Machinery and Equipment's, all kinds of electrical and electronic products, wires and cables, goods and appliances, engineering goods, auto parts and machinery parts, Metals and Metal Scrap, Minerals, Chemicals, Hardware items, industrial and consumer goods, earth ware and all kinds of non-ferrous metals including related materials resulting from above and their scraps including e-waste along with the technical know-how
4.	To manufacture, prepare, import, export, buy, sell, supply, distribute, store, stock maintain and or otherwise handle, deal in and carry on business in therapeutic, chemotherapeutic, pharmaceutical, bacteriological, parasitological, virological, immunological, endocrinological, biological, microbiological, chemical and biochemical, electrolytic, homeopathic, ayurvedic, and other tropical and or Indian theropathic, nutritional, herbal, vegetable, vertinary, botanical, chemicals, drugs, ingredients, products, compounds, mixtures, tablets, pills, capsules, powders, preparations and materials, injections, vaccines, sera and such other substances as may be put to medical and or biomedical use	4.	To carry on the business of manufacture, buy, sell, import, export, process, treat and deal in all kinds of active pharmaceutical ingredients, intermediates, formulations and all raw materials related to the same
—	—	5.	To recycle, treat, refurbish, recover, reprocess, refine, and salvage all types of industrial, domestic or commercial waste including e-waste and any item of any salvageable value whatsoever for further value addition or resale or reuse as is or in another process. Also, to buy, sell, import, export, trade, distribute, resell any such waste or item of any salvageable value or any product derived from the processing, recovery, refurbishment, refining, recycling and treatment of such waste or item of salvageable value

A copy of the proposed MOA of the Company would be available for inspection for the Members electronically, upon Log-in to Company's website at [www.pocl.co.in](http://www.pocl.co.in), till the date of AGM.

The Board hereby recommends the resolution given at Item No. 5 of this Notice for your approval as a Special Resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

**ITEM NO. 6**

**Ratification of remuneration of the Cost Auditors for the Financial Year ended 31<sup>st</sup> March 2021:**

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 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 31<sup>st</sup> March 2021. The remuneration payable to the cost auditor is Rs. 35,000 (Rupees Thirty-Five Thousand Only) excluding taxes and reimbursement of incidental expenses incurred by the Auditor for carrying out the cost audit

Accordingly, the Directors recommend the consent of the members for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended 31<sup>st</sup> March 2021.

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. 6 of the Notice.

**By Order of the Board  
For Pandy Oxides and Chemicals Limited**

**Place : Chennai  
Date : 26<sup>th</sup> July 2021**

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



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### Annexure to the 26<sup>th</sup> AGM Notice

#### DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 26<sup>th</sup> ANNUAL GENERAL MEETING

[Pursuant to 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

<b>Name of the Director</b>	<b>Mr. Anil Kumar Bansal</b>
DIN	00232223
Date of Birth/ Age	2 <sup>nd</sup> November 1953 / 67 Years
Designation	Chairman & Whole-time Director
Original date of Appointment	21 <sup>st</sup> March 1995
Last drawn remuneration (FY ended 31 <sup>st</sup> March 2021 per annum)	Rs. 112.19 Lakhs
Qualification and Brief resume of the	Mr. Anil Kumar Bansal is Chairman of the Director Company and is a part of the Board from the Company's Inception. He holds a Bachelors degree in Science
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Mr. R.P. Bansal, WholeTime Director and father of Mr. Ashish Bansal, Managing Director
Expertise in specific functional area	Monitoring of the performance of the Board and identifying the long-term vision of the Company
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	Nil
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Terms and Conditions of Appointment along with the Remuneration	Approved by the Shareholders at the AGM held on 28 <sup>th</sup> September 2020
Number of Board Meetings held and attended during the year (FY 2020-21)	Held – 4 Attended – 4
No. of Equity Shares held in the Company as on 31 <sup>st</sup> March 2021	6,23,461

**PONDY OXIDES AND CHEMICALS LIMITED**  
**FIVE YEARS FINANCIAL HIGHLIGHTS [₹ In lakhs]**

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
<b>OPERATING RESULTS</b>					
Net Sales	1,00,427.16	1,21,987.10	1,04,888.55	93,975.19	75,894.09
Profit Before Tax and Exceptional items [PBTE]	1,377.50	2,122.78	5,187.81	4,397.31	4,185.75
Profit Before Tax [PBT]	1,377.50	2,122.78	5,187.81	4,397.31	4,448.82
Profit After Tax [PAT]	1,077.78	1,634.56	3,372.83	2,917.93	2,829.54
Total Comprehensive Income	1,105.32	1,644.15	3,376.96	2,929.84	2,833.82
Net Cash Accrual	1,917.00	2,421.23	3,892.09	3,348.08	3,217.08
Dividend [incl. Div. Tax]	145.31	201.05	201.66	201.66	201.33
<b>SOURCES AND APPLICATION OF FUNDS</b>					
<b>SOURCES OF FUNDS</b>					
Equity Share Capital	581.24	581.24	557.60	557.60	557.60
Reserves & Surplus	2,398.44	2,288.44	1,313.79	983.79	713.79
Profit and Loss Account	13,152.61	12,175.30	11,168.64	8,325.68	5,873.58
Net Worth	16,132.29	15,044.98	13,040.03	9,867.07	7,144.97
Loan Funds	14,368.96	5,127.91	13,981.48	14,229.31	10,630.05
Deferred Tax Liability [Net]	-	-	-	-	-
Funds Employed	30,501.25	20,172.89	27,021.51	24,096.38	17,775.02
<b>APPLICATION OF FUNDS</b>					
Fixed Assets: Net [Incl. WIP]	4,964.25	5,278.57	3,350.94	3,263.09	2,774.71
Deferred Tax Assets [Net]	72.24	11.47	58.66	53.38	35.24
Net Non Current Assets	1,117.32	1,266.55	455.74	580.58	316.49
Net Current Assets	24,347.44	13,616.30	23,724.17	20,199.33	14,648.58
Net Assets	30,501.25	20,172.89	27,589.51	24,096.38	17,775.02
<b>RATIOS</b>					
PBTE to Sales (%)	1.37	1.74	4.95	4.68	5.52
PAT to Sales (%)	1.07	1.34	3.22	3.11	3.73
Return on Assets <sup>1</sup> (%)	7.49	13.52	24.88	27.25	34.89
Return on Net worth <sup>2</sup> (%)	6.91	11.64	29.45	34.30	48.81
Return on Capital Employed <sup>3</sup> (%)	6.00	15.45	23.35	22.91	28.57
Debt : Equity (times)	0.12	0.05	0.06	0.08	0.21
Fixed Assets Turnover (times)	20.23	23.11	31.30	28.80	27.35
Earning per share	18.54	29.28	60.49	52.33	50.75
Dividend (%)	25	30	40	30	30
Dividend per share	2.50	3.00	4.00	3.00	3.00
Book value per share	277.55	258.84	233.86	176.96	128.14

Note:

1. Return on assets is PBIT divided by Average Net Operating Assets.

Net operating assets exclude Capital work in progress, Cash and Non-trade investments.

2. Return on Net worth is computed based on average net worth.

3. Return on Capital Employed is PBIT divided by Funds employed.

4. Figures from 2016-17 are in compliance with IndAS

***POCL***<sup>®</sup>

**PONDY OXIDES AND CHEMICALS LIMITED**

An ISO 9001 : 2015 Certified Company