23rd Annual Report
2017-18

POCL®

Pondy Oxides and Chemicals Limited

PONDY OXIDES AND CHEMICALS LIMITED
FIVE YEARS FINANCIAL HIGHLIGHTS

₹ in Lakhs

Parameters/Year	2017-18	2016-17	2015-16	2014-15	2013-14^
OPERATING RESULTS					
Net Sales	93,975.19	75,894.09	46,596.67	37,296.09	44,824.37
Profit Before Tax and Exceptional items [PBTE]	4,397.31	4,185.75	1,600.40	970.55	423.07
Profit Before Tax [PBT]	4,397.31	4,448.82	1,600.40	970.55	423.07
Profit After Tax [PAT]	2,917.93	2,829.54	1,012.73	671.03	281.36
Total Comprehensive Income	2,929.84	2,833.82	0.00	0.00	0.00
Net Cash Accrual	3,348.08	3,217.08	1,401.32	910.59	505.91
Dividend [incl. Div. Tax]	201.66	201.33	139.09	134.22	129.61
SOURCES AND APPLICATION OF FUNDS					
SOURCES OF FUNDS					
Equity Share Capital	557.60	557.60	557.60	557.60	1,115.20
Reserves & Surplus	983.79	713.79	443.79	383.80	423.10
Profit and Loss Account	8,325.68	5,873.58	3,010.54	2,239.30	2,316.94
Net Worth	9,867.07	7,144.97	4,011.93	3,180.70	3,855.24
Loan Funds	14,229.31	10,630.05	7,980.08	5,658.25	7,383.19
Deferred Tax Liability [Net]	0.00	0.00	65.71	17.45	72.48
Funds Employed	24,096.38	17,775.02	12,057.72	8,856.40	11,310.91
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	3,263.09	2,774.71	2,652.30	2,066.21	2,493.46
Deferred Tax Assets [Net]	53.38	35.24	0.00	0.00	0.00
Net Non Current Assets	580.58	316.49	307.86	530.50	32.65
Net Current Assets	20,199.33	14,648.58	9,097.56	6,259.69	8,784.80
Net Assets	24,096.38	17,775.02	12,057.72	8,856.40	11,310.91
RATIOS					
PBTE to Sales (%)	4.68	5.52	3.43	2.60	0.94
PAT to Sales (%)	3.11	3.73	2.17	1.80	0.63
Return on Assets [1] (%)	27.25	34.89	24.21	18.47	12.37
Return on Net worth [2] (%)	34.30	48.81	28.16	19.07	7.45
Return on Capital Employed [3] (%)	22.91	28.57	19.56	18.85	11.10
Debt : Equity (times)	0.08	0.21	0.41	0.15	0.25
Fixed Assets Turnover (times)	28.80	27.35	17.57	18.05	17.98
Earning per share	52.33	50.75	18.16	12.03	2.52
Dividend (%)	30	30	20	20	10
Dividend per share	3.00	3.00	2.00	2.00	1.00
Book value per share	176.96	128.14	71.95	57.04	34.57

Note

1. Return on Assets is PBIT divided by Average Net Operating Assets
   Net operating assets exclude Capital WIP, 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 for 2017-18 and 2016-17 are in compliance with IndAS

^ Figures of 2013-14 are not comparable with other years on account of Scheme of Arrangement with POCL Enterprises Limited

POCL®

PONDY OXIDES AND CHEMICALS LIMITED

BOARD OF DIRECTORS

Mr. Anil Kumar Bansal
Chairman

Mr. Ashish Bansal
Managing Director

Mr. R.P.Bansal
Whole Time Director

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

Key Managerial Personnel
Mr. K. Kumaravel
GM Finance & Company Secretary

Mrs. Usha Sankar
Chief Financial Officer

FACTORY DIVISIONS

Smelter Division [SMD] - I
G-17 to G-19 & G-30 to G-32,
SIPCOT Industrial Park, Mambakkam Village,
Pondur Post, Sriperumbudhur,
Kancheepuram,
Tamilnadu – 602 105

Smelter Division [SMD] – II
Plot # 78 B, Industrial Park,
Gajulamandyam Village ,
Renigunta Mandal, Chittoor,
Andhra Pradesh – 517 520

Zinc Refining Division [ZRD]
G-1, SIPCOT Industrial Park,
Pondur Post, Sriperumbudhur,
Kancheepuram,
Tamilnadu – 602 105

REGISTERED OFFICE

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

AUDITORS

Statutory Auditors
M/s L.Mukundan & Associates,
Chartered Accountants,
Flat No. 1,2 Kamala Arcade,
669 Mount Road, Thosandlights,
Chennai – 600 006
Phone No: 044 – 2829 1328, 98401 45586

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

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

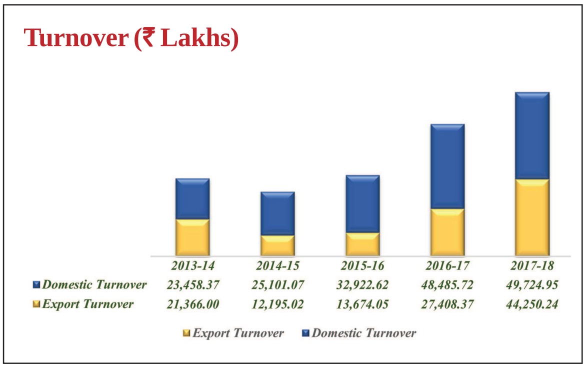
BSE Limited

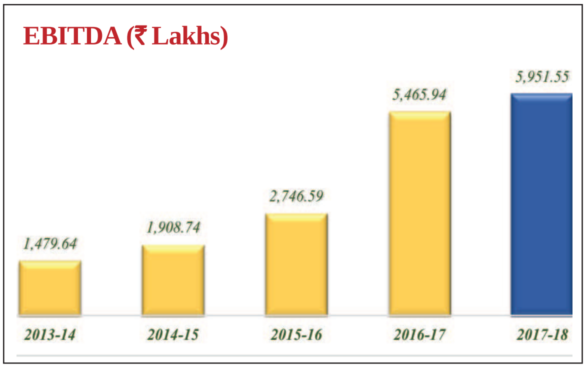
TWENTY THIRD ANNUAL GENERAL MEETING

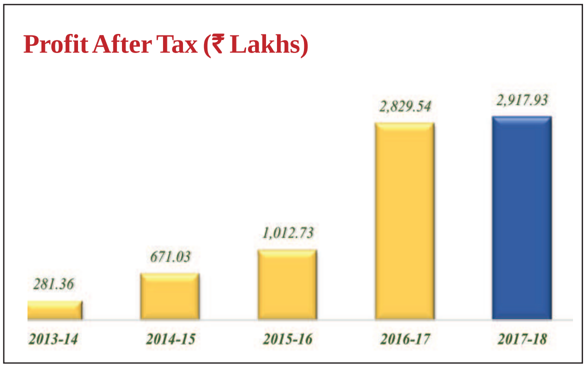
Day : Saturday **Date** : 22.09.2018 **Time** : 11.30 a.m.

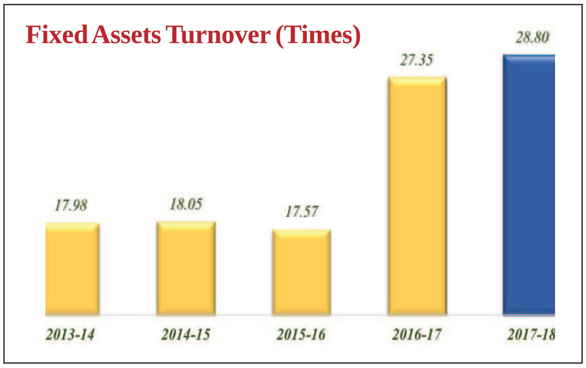
Venue : Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K.Road, Chennai – 600 014

FINANCIAL HIGHLIGHTS



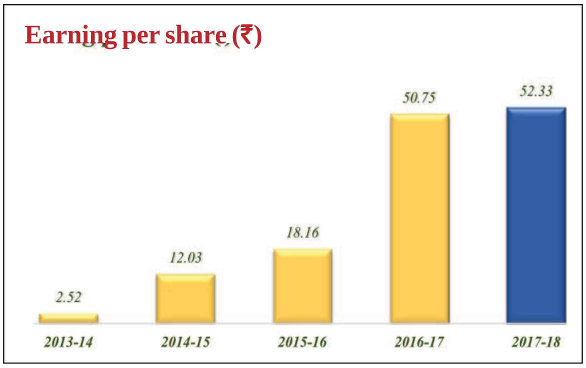


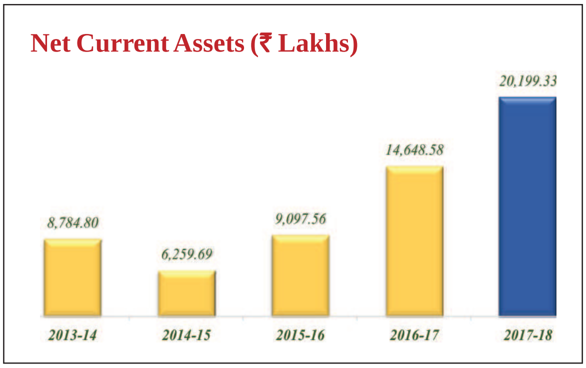


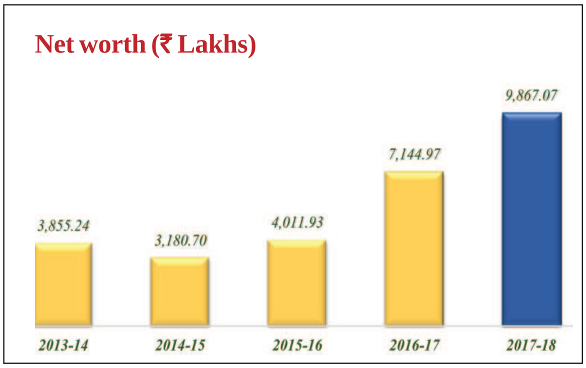


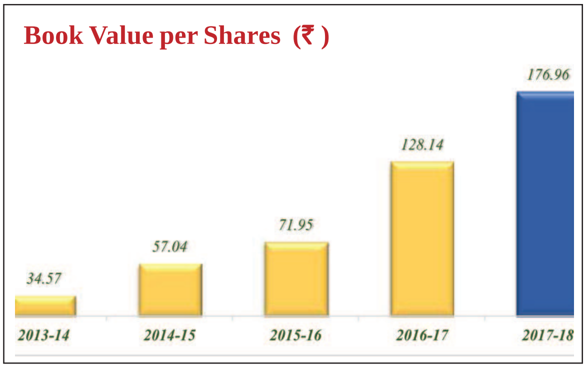
Contribution to exchequer ₹ 150.57 Cr

FINANCIAL HIGHLIGHTS









Expenses for Enviromental control ₹ 1.40 Cr

ANIL KUMAR BANSAL

Mr. Anil Kumar Bansal, B.Sc., aged 64 years, is the Chairman and Whole Time Promoter Director. He took over as Chairman from June 2015 and prior to that he was the Managing Director from the date of inception of the Company. Prior to this, he was a Director in Private Limited Company and Managing Partner in various Partnership Firms. During his tenure as Managing Director he expanded the product base of the company from Metallic Oxides to Plastic Additives and he is the man behind starting of Lead Metals and Alloys manufacturing facility in Tamilnadu.

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

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

ASHISH BANSAL

Mr. Ashish Bansal, MBA aged 37 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. During his tenure, company has been awarded largest exporter award from the Engineering Export Promotion Council (EEPC) for continuous period of four years and Star exporter award for the year 2015-16. Further he was responsible for achieving the highest turnover, profitability, EPS and Networth in the history of ***POCL***. He established ***POCL's*** brand image in the global market.

R.P. BANSAL

Mr.R.P.Bansal, aged about 71 years, Whole Time Promoter Director, started his career in 1965 in chemicals trading. By this virtue he gained a widespread knowledge in chemicals. He is well versed in the technical aspects of the Manufacturing process and he has rich experience in the marketing as well.

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

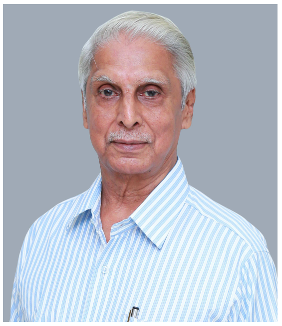
ANILKUMAR SACHDEV

Mr. Anilkumar Sachdev, MBA, aged about 64 years, joined the company in 1995 as Non-Executive Director and elevated to the position of Chairman of the Audit Committee and various other committees of the Board.

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

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

G.P.VENKATESWARAN



Mr. G.P. Venkateswaran, FCA, FCS., aged about 75 years, is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has rich experience in Finance and Corporate Law for the past five decades and he advises the Company on these aspects from time to time. He is also member of various Committees constituted by the Company.

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

DR.SHOBA RAMAKRISHNAN

Dr. Shoba Ramakrishnan, Msc., M.phil and Ph.D., aged about 64 years, obtained Doctorate from University of Madras in the year 1995 and held the position of Associate Professor and Head of the Department in Women's Christian College, Chennai. She has presented research papers and published books in Chemistry for the benefit of students and for research and development in the Chemical Sector. She is holding the position of Non- Executive Independent Director in ***POCL*** from 2015.

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BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report on the Operations of your Company along with the Audited financial statements for the financial year ended March 31, 2018 together with Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2018 and the comparative figures for the previous year are summarized below:

(₹ in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations (including Excise Duty*)	95,563.34	81,733.30
Other income	263.55	118.14
TOTAL REVENUE	**95,826.89**	**81,851.44**
Profit Before Depreciation, Interest and Tax (PBDIT)	**5,951.86**	**5,465.94**
Depreciation and Interest	1,554.55	1,280.19
Profit Before Tax and Exceptional items	**4,397.31**	**4,185.75**
Exceptional items	-	263.07
PROFIT BEFORE TAX (PBT)	4,397.31	4,448.82
Tax	1,479.38	1,619.28
Profit for the year	2,917.93	2,829.54
Other comprehensive income	11.91	4.28
TOTAL COMPREHENSIVE INCOME	2,929.84	2,833.82

*According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended March 31, 2017 was reported inclusive of Excise Duty. Goods and Services Tax ("GST") has been implemented with effect from July 1, 2017 which replaces the Excise Duty and other input taxes. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2018 by ₹ 1,588.15 Lakhs (Previous year ₹ 5,839.21 Lakhs). As per Ind AS 18, Revenue for the year ended March 31, 2018 is reported net of GST.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which this financial statement relates and the date of this report. There has been no change in the nature of business of the Company.

PERFORMANCE OVERVIEW

Your Company delivered outstanding performance during the year in the challenging economic environment. The highlights of the Company's performance for the year ended March 31, 2018 are as under-

- The total net sales of the Company increased by 24% to ₹ 93,975.19 lakhs (PY Net Sales: ₹ 75,894.09 lakhs)
- Exports increased by 61% to ₹ 44,250.24 lakhs for the year 2017-18 from ₹ 27,408.37 lakhs in the previous year.
- PBDIT increased by 9% to ₹ 5,951.86 lakhs. (PY ₹ 5,465.94 lakhs)
- Profit Before Tax and Exceptional Items increased by 5% to ₹ 4,397 lakhs (PY ₹ 4,186 lakhs)
- Net profit before Exceptional items for the year increased by 14% to ₹ 2,917.93 lakhs. (PY ₹ 2, 566.47 lakhs)

DIVIDEND

Your Directors are pleased to recommend a Final Dividend of ₹ 3.00 (i.e. 30%) per equity share of ₹ 10/- each for the financial year ended March 31, 2018. The Dividend, subject to the approval of the Shareholders at the Annual General Meeting to be held on September 22, 2018 will be paid to the members whose name appears in the Register of Members as on September 14, 2018

The total cash flow on account of dividend, including the Dividend Distribution Tax will be ₹ 201. 00 lakhs. Further, the Company has transferred ₹ 270.00 lakhs to the General Reserve.

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 ₹ 1.56 Lakhs to the Investor Education and Protection Fund during the year.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 in the prescribed Form MGT 9 is provided as Annexure - I to this report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Anil Kumar Bansal retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board of Directors on recommendation of Nomination and Remuneration Committee recommends his re-appointment.

The term of office of Mr. Anilkumar Sachdev, as an Independent Director, expires on March 31, 2019. The Board of Directors, on recommendation of Nomination and Remuneration Committee has recommended re-appointment of Mr. Anilkumar Sachdev as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of his current term of office.

Mr. G. P. Venkateswaran, Independent Director, will be attaining the age of 75 years during the month of June, 2018. In view of recent amendment in the Listing Regulations, effective from April 1, 2019, the Company seeks modification in appointment of Mr. G.P. Venkateswaran for continuing his existing term of office as an Independent Director, after attaining 75 years of age.

Brief profiles of Mr. Anil Kumar Bansal, Mr. Anilkumar Sachdev and Mr. G. P. Venkateswaran 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.

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act and Listing Regulations.

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, is provided as Annexure- II

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.

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.

PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES

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

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

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

(A) Conservation of Energy

(i) Steps taken on conservation of energy:

Energy Conservation measures taken:

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

- ➢ The Company replaced belt drive with gear drive, which resulted in reduction in number of hours for each batch, thereby saving 30% of power consumption in refining process.
- ➢ The Company replaced the MS Melting Pot with Graphite Crucible that resulted in reduction in furnace oil consumption by 15% in the Zinc Melting Process.

(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 equipments

The company has made sizeable investment in capital equipments mainly energy conservation equipment in its new Zinc Oxide Plant and in existing Smelting plants during the year.

(B) Technology absorption

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

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings-	(₹ in Lakhs)
1. Export Earnings	44,250.24
Foreign Exchange Outgo-	
1. Raw Materials	83,004.53
2. Capital Goods	38.66
3. Membership fee	2.92
4. Travelling	3.05
5. Commission	35.27

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 an arms' length basis. All Related Party Transactions are placed before the Audit 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 which could be considered material in accordance with the policy of the Company on materiality of related party transactions and Listing Regulations.

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: http://pocl.co.in/policies/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 year 2017-18. The details of the investments made by the Company are given under the Note No. 7 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 and in accordance with the provisions of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of the loan received is given under Note 51 of the Notes forming part of the financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary or associate Company. The Company is also not a subsidiary of any other Company. As at March 31, 2018, the Company has not entered into any joint ventures.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee with Mr. Anilkumar Sachdev 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 http://pocl.co.in/policies/CSR_Policy.pdf

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the following schemes-

1. Provision of health care service by sponsoring the treatment of Poor and Underprivileged.
2. Empowering women by providing livelihood to the Widow and Single women who have been abandoned by the family.
3. Providing education.

   Detailed Report on CSR activities in the prescribed format are attached in Annexure V.

AUDIT COMMITTEE AND VIGIL MECHANISM

The Company has constituted Audit Committee comprising of Three (3) Independent Directors namely, Mr. Anilkumar Sachdev, Mr. G.P.Venkateswaran and Dr. Shoba Ramakrishnan. During the year all the recommendations made by the Audit Committee were accepted by the Board.

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 http://pocl.co.in/policies/Whistle-Blower-Policy.pdf

RISK MANAGEMENT POLICY

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

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 year 2017-18.

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 22nd 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 statement 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. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Cost Auditor

The Board has, on recommendation of Audit Committee, appointed M/s. Vivekanandan Unni & Associates, Cost Accountants (having Firm Registration No: 00085) as Cost Auditor of the Company to audit the cost records for the financial year 2017-18 at a remuneration of ₹ 30,000 (plus applicable taxes and reimbursement of out of pocket expenses, if any).

Secretarial Audit

The Board had appointed KSM Associates, Practising Company Secretaries, to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure VI to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

RECLASSIFICATION OF PROMOTERS

During the year, the BSE Limited approved the reclassification of Promoters under the provisions of Regulation 31A of the Listing Regulations. Accordingly, Mr. Sagar Bansal, Mr. Harsh Bansal, Ms. Vandana Bansal, Mr. Sunil Kumar Bansal, Mr. Devakar Bansal, Ms. Neelam Bansal, Mr. Padam C Bansal and Ardee Industries Private Limited, holding together 2,67,599 equity shares representing 4.80% of the shareholding were reclassified as Public vide the Exchange order dated October 9, 2017, as they were not taking part in the management of the Company. Mr. Ashish Bansal, Mr. Anil Kumar Bansal, Ms. Manju Bansal, Mr. R.P.Bansal, Ms. Saroj Bansal, Mr. Pawankumar Bansal, Ms. Charu Bansal and Ms. Megha Choudhari continue to be the promoters of the Company.

The decrease in promoter's shareholding and subsequent increase in the public shareholding during the quarter ended September 30, 2017 vs December 31, 2017 was only due to reclassification of promoters and not due to any Exit of Promoters by way of sale or otherwise from the Company.

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 the 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., March 31, 2018 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.

ACKNOWLEDGEMENT

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

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

	Anil Kumar Bansal	**Ashish Bansal**
Date : 24.05.2018	Chairman	Managing Director
Place : Chennai	DIN: 00232223	DIN: 01543967

ANNEXURE I

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

i	CIN	L24294TN1995PLC030586
ii	Registration Date	21/03/1995
iii	Name of the Company	Pondy Oxides and Chemicals Limited
iv	Category/Sub-Category of the Company	Public Company limited by Shares; Indian Non-Government Company
v	Address of the Registered Office & Contact Details	KRM Centre, 4th Floor, # 2 Harrington Road, Chetpet, Chennai-600031 Telephone No. : +91-044-42965454 Fax No. : +91-044-42965455 Email : info@pocl.co.in Website : www.pocl.co.in
vi	Whether Listed Company	Yes
vii	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road Chennai – 600 002 Tel: 044-2846 0718; Fax: 044 2846 0129 Email: cameo@cameo.india.com Website: www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1	Lead Metal & Alloy	24203- Manufacture of Lead, Zinc & Tin Products & Alloys	93.68%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	25, 79,143	0	25,79,143	46.25	25,76,643	0	25,76,643	46.21	-0.04
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporates	52,286	0	52,286	0.94	0	0	0	0.00	-0.94
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
SUB- TOTAL (A)(1)	**26,31,429**	**0**	**26,31,429**	**47.19**	**25,76,643**	**0**	**25,76,643**	**46.21**	**-0.98**
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other- Director Relative NRI	2,12,813	0	2,12,813	3.82	0	0	0	0.00	-3.82
SUB TOTAL (A)(2)	**2,12,813**	0	**2,12,813**	**3.82**	0	0	0	**0.00**	**-3.82**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**28,44,242**	0	**28,44,242**	**51.01**	**25,76,643**	**0**	**25,76,643**	**46.21**	**-4.80**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

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

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	2,14,423	5	2,14,428	3.85	1,67,459	5	1,67,464	3.00	-0.84
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholder holding nominal share capital upto ₹ 1 Lakh	17,27,692	89,684	18,17,376	32.59	18,97,399	72,302	19,69,701	35.32	2.73
ii) Individual shareholder holding nominal share capital in excess of ₹ 1 Lakh	5,22,865	0	5,22,865	9.38	3,94,365	0	3,94,365	7.07	-2.30
c) Others (specify)									
i) Clearing Members	11,467	0	11,467	0.21	16,246	0	16,246	0.29	0.09
ii) Directors & their Relatives	0	1,935	1,935	0.03	0	1,935	1,935	0.03	0.00
iii) Hindu Undivided Families	92,134	0	92,134	1.65	99,717	0	99,717	1.79	0.14
iv) Non-Resident Indian	71,546	0	71,546	1.28	3,43,563	0	3,43,563	6.16	4.88
v) IEPF	0	0	0	0	6,359	0	6,359	0.11	0.11
SUB TOTAL (B)(2)	**26,40,127**	**91,624**	**27,31,751**	**48.99**	**29,25,108**	**74,242**	**29,99,350**	**53.79**	**4.80**
Total Public Shareholding(B)= (B)(1)+(B)(2)	**26,40,127**	**91,624**	**27,31,751**	**48.99**	**29,25,108**	**74,242**	**29,99,350**	**53.79**	**4.80**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**54,84,369**	**91,624**	**55,75,993**	**100.00**	**55,01,751**	**74,242**	**55,75,993**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Ashish Bansal	6,33,086	11.35	0	6,33,086	11.35	0	0.00
2	Anil Kumar Bansal	6,22,761	11.17	0	6,22,761	11.17	0	0.00
3	Manju Bansal	5,12,627	9.19	0	5,12,627	9.19	0	0.00
4	R P Bansal	4,97,302	8.92	0	4,97,302	8.92	0	0.00
5	Pawan Kumar Bansal	1,23,290	2.21	0	1,23,290	2.21	0	0.00
6	Saroj Bansal	1,83,175	3.29	0	1,83,175	3.29	0	0.00
7	Charu Bansal	2,762	0.05	0	2,762	0.05	0	0.00
8	Megha Choudhari	1,640	0.03	0	1,640	0.03	0	0.00
*9	Vandana Bansal	2,500	0.04	0	NA	NA	NA	-0.04
*10	Padam C Bansal	2,12,813	3.82	0	NA	NA	NA	-3.82
*11	Ardee Industries Pvt Limited	52,286	0.94	0	NA	NA	NA	-0.94
	TOTAL	**28,44,242**	**51.01**	**0**	**25,76,643**	**46.21**	**0**	-4.80

** The promoters have been reclassifed as public vide exchange order dated 02.09.2017.*

(iii) Change in Promoters' Shareholding

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Ashish Bansal**				
	At the beginning of the year	6,33,086	11.35	6,33,086	11.35
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			6,33,086	11.35
2	**Anil Kumar Bansal**				
	At the beginning of the year	6,22,761	11.17	6,22,761	11.17
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			6,22,761	11.17
3	**Manju Bansal**				
	At the beginning of the year	5,12,627	9.19	5,12,627	9.19
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			5,12,627	9.19

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(iii) Change in Promoters' Shareholding

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	**R.P. Bansal**				
	At the beginning of the year	4,97,302	8.92	4,97,302	8.92
	Date wise Increase/Decrease in promoters shareholding during the year	-	-	-	-
	At the end of the year			4,97,302	8.92
5	**Pawan Kumar Bansal**				
	At the beginning of the year	1,23,290	2.21	1,23,290	2.21
	Date wise Increase/Decrease in promoters shareholding during the year	-	-	-	-
	At the end of the year			1,23,290	2.21
6	**Saroj Bansal**				
	At the beginning of the year	1,83,175	3.29	1,83,175	3.29
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			1,83,175	3.29
7	**Charu Bansal**				
	At the beginning of the year	2,762	0.05	2,762	0.05
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			2,762	0.05
8	**Megha Choudhari**				
	At the beginning of the year	1,640	0.03	1,640	0.03
	Date wise Increase/Decrease in promoters shareholding during the year	0	0	0	0
	At the end of the year			1,640	0.03
9	**Vandana Bansal**				
	At the beginning of the year	2,500	0.04	2,500	0.04
	Date wise Increase/Decrease in promoters shareholding during the year	During the year Ms. Vandana Bansal was reclassifed as public. There were no changes in her shareholding.			
	At the end of the year			NA	NA
10	**Padam C Bansal**				
	At the beginning of the year	2,12,813	3.8165	2,12,813	3.8165
	Date wise Increase/Decrease in promoters shareholding during the year	During the year Mr. Padam C Bansal was reclassifed as public. The details of change in his shareholding is enumerated in point (iv) below.			
	At the end of the year			NA	NA
11	Ardee Industries Private Limited				
	At the beginning of the year	52,286	0.9376	52,286	0.9376
	Date wise Increase/Decrease in promoters shareholding during the year	During the year, Ardee Industries Private Limited was reclassifed as public. The details of change in its shareholding is enumerated in point (iv) below.			
	At the end of the year			NA	NA

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**PADAM C BANSAL**				
	At the beginning of the year 01-Apr-2017	2,12,813	3.8165	2,12,813	3.8165
	Sale 22-Dec-2017	-1,356	0.0243	2,11,457	3.7922
	At the end of the Year 31-Mar-2018	2,11,457	3.7922	2,11,457	3.7922
2	**SUBRAMANIAN P**				
	At the beginning of the year 01-Apr-2017	1,66,000	2.9770	1,66,000	2.9770
	Sale 21-Apr-2017	-5,461	0.0979	1,60,539	2.8791
	Sale 28-Apr-2017	-1,539	0.0276	1,59,000	2.8515
	Sale 05-May-2017	-1,000	0.0179	1,58,000	2.8335
	Sale 19-May-2017	-4,210	0.0755	1,53,790	2.7580
	Sale 29-Sep-2017	-1,440	0.0258	1,52,350	2.7322
	Sale 06-Oct-2017	-900	0.0161	1,51,450	2.7161
	Sale 13-Oct-2017	-2,880	0.0516	1,48,570	2.6644
	Sale 20-Oct-2017	-570	0.0102	1,48,000	2.6542
	Sale 27-Oct-2017	-3,000	0.0538	1,45,000	2.6004
	At the end of the Year 31-Mar-2018	1,45,000	2.6004	1,45,000	2.6004
3	**RAMESH SHANTILAL TOLAT**				
	At the beginning of the year 01-Apr-2017	0	0	0	0
	Purchase 27-Oct-2017	31,564	0.5660	31,564	0.5660
	Purchase 17-Nov-2017	2,750	0.0493	34,314	0.6153
	Purchase 22-Dec-2017	42,801	0.7675	77,115	1.3828
	At the end of the Year 31-Mar-2018	42,801	0.7675	77,115	1.3828
4	**NANJAPPA RANGAPPA**				
	At the beginning of the year 01-Apr-2017	37,000	0.6635	37,000	0.6635
	Purchase 08-Sep-2017	700	0.0125	37,700	0.6761
	Purchase 15-Sep-2017	300	0.0053	38,000	0.6814
	Purchase 16-Feb-2018	400	0.0071	38,400	0.6886
	Purchase 23-Feb-2018	100	0.0017	38,500	0.6904
	At the end of the Year 31-Mar-2018	38,500	0.6904	38,500	0.6904
5	**SHYAMSUNDER GUPTA**				
	At the beginning of the year 01-Apr-2017	27,743	0.4975	27,743	0.4975
	At the end of the Year 31-Mar-2018	27,743	0.4975	27,743	0.4975
6	**ARDEE INDUSTRIES PRIVATE LIMITED**				
	At the beginning of the year 01-Apr-2017	52,286	0.9376	52,286	0.9376
	Sale 13-Oct-2017	-10,000	0.1793	42,286	0.7583
	Sale 27-Oct-2017	-2,000	0.0358	40,286	0.7224
	Sale 22-Dec-2017	-482	0.0086	39,804	0.7138
	Sale 29-Dec-2017	-1,810	0.0324	37,994	0.6813
	Sale 05-Jan-2018	-17,610	0.3158	20,384	0.3655
	Sale 12-Jan-2018	-225	0.0040	20,159	0.3615
	At the end of the Year 31-Mar-2018	20,159	0.3615	20,159	0.3615

Contd...

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	**DOLLY KHANNA**				
	At the beginning of the year 01-Apr-2017	12,288	0.2203	12,288	0.2203
	Purchase 19-May-2017	780	0.0139	13,068	0.2343
	Purchase 26-May-2017	1,715	0.0307	14,783	0.2651
	Sale 16-Jun-2017	-955	0.0171	13,828	0.2479
	Purchase 14-Jul-2017	1,070	0.0191	14,898	0.2671
	Purchase 08-Sep-2017	632	0.0113	15,530	0.2785
	Purchase 15-Sep-2017	645	0.0115	16,175	0.2900
	Purchase 06-Oct-2017	635	0.0113	16,810	0.3014
	Purchase 13-Oct-2017	1,350	0.0242	18,160	0.3256
	Purchase 27-Oct-2017	690	0.0123	18,850	0.3380
	Sale 08-Dec-2017	-609	0.0109	18,241	0.3271
	At the end of the Year 31-Mar-2018	18,241	0.3271	18,241	0.3271
8	**BABITA LUNIA**				
	At the beginning of the year 01-Apr-2017	14,400	0.2582	14,400	0.2582
	At the end of the Year 31-Mar-2018	14,400	0.2582	14,400	0.2582
9	**DR KOTAGIRI VENKATA APPA RAO**				
	At the beginning of the year 01-Apr-2017	14,202	0.2546	14,202	0.2546
	At the end of the Year 31-Mar-2018	14,202	0.2546	14,202	0.2546
10	**SUSHILA BALWANT BHIDE**				
	At the beginning of the year 01-Apr-2017	16,517	0.2962	16,517	0.2962
	Sale 26-May-2017	-4,000	0.0717	12,517	0.2244
	Sale 23-Feb-2018	-2,000	0.0358	10,517	0.1886
	Purchase 30-Mar-2018	835	0.0149	11,352	0.2035
	At the end of the Year 31-Mar-2018	11,352	0.2035	11,352	0.2035

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year/ Shareholding at end of the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Ashish Bansal**				
	At the beginning of the year	6,33,086	11.35	6,33,086	11.35
	At the end of the year	6,33,086	11.35	6,33,086	11.35
2	**Anil Kumar Bansal**				
	At the beginning of the year	6,22,761	11.17	6,22,761	11.17
	At the end of the year	6,22,761	11.17	6,22,761	11.17
3	**R.P. Bansal**				
	At the beginning of the year	4,97,302	8.91	4,97,302	8.91
	At the end of the year	4,97,302	8.91	4,97,302	8.91
4	**Anilkumar Sachdev**				
	At the beginning of the year	1,815	0.03	1,815	0.03
	At the end of the year	1,815	0.03	1,815	0.03
5	**Shoba Ramakrishnan**				
	At the beginning of the year	17	0	17	0
	At the end of the year	17	0	17	0
6	**G.P. Venkateswaran**				
	At the beginning of the year	275	0	275	0
	At the end of the year	275	0	275	0
7	**Usha Sankar**				
	At the beginning of the year 01-Apr-2017	7	0.0001	7	0.0001
	Sale 23-Jun-2017 Purchase 09-Mar-2018	-7 200	0.0001 0.0035	0 200	0.0000 0.0035
	At the end of the Year 31-Mar-2018	200	0.0035	200	0.0035
8	**K. Kumaravel**				
	At the beginning of the year 01-Apr-2017	1,045	0.0187	1,045	0.0187
	Purchase 02-Mar-2018	250	0.0044	1,295	0.0232
	At the end of the Year 31-Mar-2018	1,295	0.0232	1,295	0.0232

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,194.96	1,612.16	4.83	10,811.95
ii) Interest due but not paid	0.00	168.29	0.87	169.16
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	**9,194.96**	**1,780.45**	**5.70**	**10,981.11**
Change in Indebtedness during the financial year				
i) Addition	3,999.57	689.60	0.48	4,689.65
ii) Reduction	346.08	773.30	0.22	1,119.60
Net Change	**3,653.49**	**-83.70**	**0.26**	**3,570.05**
Indebtedness at the end of the financial year				
i) Principal Amount	12,848.45	1,545.30	4.83	14,398.58
ii) Interest due but not paid	0.00	151.45	1.13	152.58
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
TOTAL (i+ii+iii)	**12,848.45**	**1,696.75**	**5.96**	**14,551.16**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. Anil Kumar Bansal	Mr. Ashish Bansal	Mr. R.P Bansal	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	91.80	195.00	91.80	378.60
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4.60	0.49	2.58	7.67
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others (specify)	 0 0	 0 0	 0 0	 0 0
5	Others (Employer's PF Contribution)	0	12.96	0	12.96
	Total (A)	**96.40**	**208.45**	**94.38**	**399.23**
	Ceiling as per the Act				**413.53**

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

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. Anilkumar Sachdev	Mr. G P Venkateswaran	Dr. Shoba Ramakrishnan	
	(a) Fee for attending Board/ Committee Meetings	0.60	0.74	0.60	1.94
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	TOTAL (1)	**0.60**	**0.74**	**0.60**	**1.94**
2	Other Non Executive Directors				
	(a) Fee for attending Board/ Committee Meetings	0	0	0	0
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	TOTAL (2)	**0**	**0**	**0**	**0**
	TOTAL (B)= (1+2)	**0.60**	**0.74**	**0.60**	**1.94**
	Total Managerial Remuneration (A) + (B)	**0**	**0**	**0**	**401.17**
	Overall Ceiling as per the Act				**454.88**

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. K Kumaravel Company Secretary	**Mrs. Usha Sankar Chief Financial Officer**	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	20.60	14.50	35.10
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.21	0.87	1.08
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- Others, specify	0	0	0
5	Others (Employer's PF Contribution)	1.22	0.72	1.94
	TOTAL	**22.03**	**16.09**	**38.12**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

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

Date : 24.05.2018
Place : Chennai

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

ANNEXURE II

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

The Board of Directors of Pondy Oxides and Chemicals Limited., ("the Company") re-constituted the "Nomination and Remuneration Committee" at its Meeting held on 12th November 2015.

Compliance

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role of the Committee

The role of the committee will be the following

a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.

b) To formulate criteria for evaluation of Independent Directors and the Board.

c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) To devise a policy on Board diversity, composition, size.

h) Succession planning for replacing Key Executives and overseeing.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Key Managerial Personnel means:

i. Managing Director, or Chief Executive Officer or Manager and in their absence, Whole-time Director;

ii. Chief Financial Officer;

iii. Company Secretary; and

iv. Such other officer as may be prescribed.

Senior Managerial Personnel means

Personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective

The objective of the policy is to ensure that

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and removal of Director, Key Managerial Personnel and Senior Management

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term / Tenure

a) **Managing Director/Whole-time Director**:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director**:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. **Remuneration to Managing Director / Whole-time Directors**
   a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
   b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors.
2. **Remuneration to Non- Executive / Independent Directors**:

   The Non-Executive / Independent Directors may receive sitting fees as per the provisions of Companies Act, 2013. The amount of sitting fees, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
3. **Remuneration to Key Managerial Personnel and Senior Management**

   The remuneration to Key Managerial Personnel and Senior Management, shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

Fixed Pay

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

Incentive Pay

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Others

The Employee Welfare Schemes, such as provision of conveyance, extension of loans for house building and other purposes, etc. shall be in accordance with the conditions of service applicable to employees and in accordance with the Company's Nomination and Remuneration Policy.

Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

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

	Anil Kumar Bansal	**Ashish Bansal**
Date : 24.05.2018	Chairman	Managing Director
Place : Chennai	DIN: 00232223	DIN: 01543967

ANNEXURE III

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

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

Name of the Director	Category	Ratio
Mr. Anil Kumar Bansal	Chairman and Whole-time Director	63.93:1
Mr. Ashish Bansal	Managing Director	135.81:1
Mr. R.P Bansal	Whole-time Director	63.93:1

2. **The Percentage increase in remuneration of Director, Chief Financial Officer and Company Secretary in the financial year:**

Name of the Director	Category	Increment percentage
Mr. Anil Kumar Bansal	Chairman and Whole-time Director	129.91%
Mr. Ashish Bansal	Managing Director	137.12%
Mr. R.P Bansal	Whole-time Director	130.59%
Mrs. Usha Sankar	Chief Financial Officer	33.64%
Mr. K. Kumaravel	Company Secretary	12.96%

3. **The Percentage increase in the median remuneration of employees in the financial year: 9.91%**

4. **The Number of permanent employees on the rolls of company as on 31st March, 2018: 377**

5. **The average annual increase in the salaries of employees other than the managerial personnel during the last financial year was around 14.50%, as compared to increase in managerial remuneration of 88.84%. Increase in remuneration of the Managing Personnel is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.**

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

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Date : 24.05.2018
Place : Chennai

ANNEXURE IV

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

S.No	Name of the employee	Designation	Remuneration per annum# (₹ in lakhs)	Nature of employment	Qualification and experience	Date of Commencement of employment	Age	Previous employment	Percentage of equity shares held^	Relationship with any Director/ manager
1	Mr. Ashish Bansal	Managing Director	208.45	Regular employment	MBA;Experience of 8 years in the industry.	30.07.2009	37	Director in Lohia Metals Private Limited	11.35%	Son of Mr. Anil Kumar Bansal, Chairman of the Company
2	Mr. Anil Kumar Bansal	Chairman and Whole-time Director	96.40	Regular employment	BSC (Chemistry); Experience of more than 37 years in the industry	21.03.1995	64	Managing partner in Bansal Metallic Oxides and Bansal Chemicals (India).	11.17%	Father of Mr. Ashish Bansal, Managing Director and brother of Mr. R.P. Bansal, Whole-time Director
3	Mr.R.P. Bansal	Whole-time Director	94.38	Regular employment	Under-graduate	21.03.1995	71	Managing partner in Bansal Metallic Oxides and Bansal Chemicals (India).	8.92%	Brother of Mr. Anil Kumar Bansal, Chairman and Whole-time Director
4	Mr. K.Chandrasekaran	General Manager- Factory	23.10	Regular employment	DME with AMIMMI and Boiler Engineering; Experience of more than 30 years in the Industry.	01.03.1996	62	Maintenance Manager in Gothi Plascon India Limited	0.01%	None
5	Mr. K. Kumaravel	GM Finance & Company Secretary	22.03	Regular employment	M.com, AICWA, ACS, DLL; Experience of 30 years	07.03.1996	54	Deputy Manager Accounts in Tamil Nadu Magnesite Limited	0.02%	None.
6	Mrs. Usha Sankar	Chief Financial Officer	16.09	Regular employment	Under Graduate; Experience of 30 years	01.04.2010	56	Manager in Bansal Metallic Oxides	0.09%	None.

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

S.No	Name of the employee	Designation	Remuneration per annum# (₹ in lakhs)	Nature of employment	Qualification and experience	Date of Commence-ment of employment	Age	Previous employment	Percentage of equity shares held^	Relationship with any Director/manager
7	Mr. I Ramakrishna Rao	President-Marketing	11.75	Regular employment	BSC Honrs. And post graduate diploma in Marketing Management	24.01.2002	66	Regional Manager Marketing in Hindustan Zinc Limited	-	None.
8	Mr. R.S.Yadav	Production Manager	11.55	Regular employment	Bsc – Physics	07.03.2016	42	Production Manager in Srivaaru Metallurgicals (Pvt) Limited.	-	None.
9	Mr. K.N.Mohan Reddy	Asst. General Manager - EXIM	11.52	Regular employment	MBA in International Business Management; Experience of 28 years.	10.04.2017	50	Senior Manager EXIM in Amara Raja Batteries Limited.	-	None
10	Mr. Premji George	Manager- Quality Assurance	10.58	Regular employment	BSC (Chemistry)Experience of more than 25 years in the industry	30.06.1993	50	Started career with Pondy Oxides and Chemicals Limited	-	None

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

Anil Kumar Bansal
Chairman
DIN: 00232223

Ashish Bansal
Managing Director
DIN: 01543967

Date : 24.05.2018
Place : Chennai

ANNEXURE V

ANNUAL REPORT ON CSR ACTIVITIES

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

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

   Our key focus area of CSR includes
   - Providing education to the poor and destitute children,
   - Health,
   - Empowerment of Women and others.

2. **Composition of the CSR Committee:**
   i. Mr. Anilkumar Sachdev - Chairman of the Committee
   ii. Mr. Ashish Bansal - Member
   iii. Dr. Shoba Ramakrishnan - Member

3. **Average net profit of the Company for last three financial years**: ₹ 2,323.12 lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 46.46** lakhs

5. **Details of CSR spent during the financial year-**
   a) Total amount to be spent for the financial year- ₹ 46.46 lakhs
   b) Amount unspent, if any: ₹ 41.43 lakhs
   c) Manner in which the amount spent during the financial year is detailed below.

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other(2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent:Direct or through implementing agency
1	Medical Aid for under-privileged	Health-care	Chennai, Tamil Nadu and Delhi.	15.00	1.75	1.75	Direct and also through Chandrayya Memorial Trust
2	Improving the livelihood of single women	Women Empowerment	Chennai and Other districts of Tamil Nadu.	17.00	2.00	2.00	Direct
3	Sponsoring education to the poor and destitute students	Education	Chennai, Tamil Nadu	15.00	1.28	1.28	Direct and through public trusts.
	TOTAL			47.00	5.03	5.03	

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

   The Company has out-layed a budget of ₹ 47.00 Lakhs to be spent on promotion of health, education and women empowerment. During the year, the Company was able to successfully identify 3 projects to carry out the CSR Activities and started spending on the same. Due to time over-run, we were not able to complete the budgeted outlay.

   However the company has spent ₹ 140.50 lakhs towards enviromental control expenses in order to protect the environment.

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

For and on behalf of
Pondy Oxides and Chemicals Limited

Date : 24.05.2018
Place : Chennai

Anilkumar Sachdev
Chairman - CSR Committee

Ashish Bansal
Managing Director

Annexure VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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

To,

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

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

Based on our verification of Pondy Oxides and Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Pondy Oxides and Chemicals Limited (the Company) for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999[1];

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008[2];

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, 2009[3]; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998[4];

(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 Shops and Establishment Act,1947 and Rules thereunder

l) The Employees Provident Fund and Miscellaneous Provisions Act, 1952

m) Payment of Bonus Act,1965

n) Payment of Gratuity Act,1972

o) The Employees Compensation Act, 1923

p) 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.

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[1] Not applicable to the Company, as it does not have any such Scheme.
[2] Not applicable to the Company, as the Company does not have any debts listed.
[3] Not applicable to the Company, as there was no delisting done during the year.
[4] Not applicable to the Company, as there was no buy-back by the Company during the year.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors for the year under review. There were no changes in the composition of the Board of Directors that took place during the period under review, and therefore, compliance with the provisions of the Act in that respect was not required.

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 : 24th May 2018

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039

ANNEXURE – A

To,

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

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

a. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant records based on our audit.

b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c. We have not verified the correctness and appropriateness of financial, Cost and tax records and books of accounts of the Company.

d. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedures on test/sample basis.

f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSM Associates, Company Secretaries

Place : Chennai
Date : 24th May 2018

Krishna Sharan Mishra
Partner
FCS 6447; CP 7039

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

-Global Outlook

The global economy saw a strong recovery in the course of 2017-18. This was helped by Chinese fiscal stimulus showing its effect on the one hand and European and Japanese economies recovering from low base. The synchronized momentum helped the metals to recover most of their losses of 2016 and build a positive picture of global growth altogether. However, towards the end of the financial year, the effect of Chinese stimulus started to fade. Also, European and Japanese economies showed signs of exhaustion.

Meanwhile, US announced a drastic cut in direct taxes for individuals and companies from January 2018. This fiscal boost helped enhancing business investments and consumer spending. Accordingly, the growth rate started picking momentum from early 2018. Accordingly, global growth momentum remains strong all through the year. However, US replaced China as the growth catalyst towards the end of the fiscal year.

-Indian Outlook

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow to grow 7.3 per cent in 2018-19.

Growth in Indian economy too picked steam after recovering from the shock of demonetization. GST implementation stabilized and was accepted by the Indian businesses.

Automobile sector, that was negatively affected by demonetization, showed a smart recovery in 2017-18. According to SIAM, the passenger car sales increased by 14.78% in the financial year. This was led by revival in rural spending.

INDUSTRY OUTLOOK

- Global Lead Industry

International Lead and Zinc Study Group (ILZSG) reported a deficit of 1,65,000 mt of Lead in 2017. This was helped by 0.9% fall in mined production and 2.3% rise in global lead consumption. The share of recycled lead in total refined lead production inched higher from 58.5% in 2016 to 59.8% in 2017. Chinese regulators carried out several rounds of environmental audits of domestic Lead mines as well as smelters and recyclers in 2017-18. This contributed to intermittent disruption in production.

Supply related disruption on the one hand and steady growth in consumption on the other helped pulling down exchange inventories of Lead. Shanghai Futures Exchange stocks (16,040 mt) are nearly all time lows while London Metal Exchange stocks (1,25,400 mt) are at multi-year low. These provide a strong backdrop to rising trend in prices that we saw in the last fiscal year.

Going forward, Lead has a steady outlook for demand growth. ILZSG expects global demand for refined lead to rise by 2.7% in 2018. However, unlike 2017, the supply side is expected to catch up. ILZSG expects supplies to rise by 3.8% in 2018 thereby leaving a surplus of 17,000 mt in 2018.

- Indian Lead Industry

The Indian automobile industry is one of the largest in the world and the industry accounts for 7.1% of country's GDP. Government of India and major automobile players have taken several initiatives to increase the market share and accordingly Indian market are expected to make India a leader in two wheeler and four wheeler segment in the coming years.

The growth in automobile industries will boost the demand for Lead in the near future, since battery industry accounts for over 80% of total demand of Lead. Further, the growth in telecommunication and power sector will increase the demand for batteries and in turn increase the demand for Lead.

FINANCIAL REVIEW

POCL recorded a strong operational and financial performance in the FY 2018, delivering growth year over year. Growth in volume resulted in EBITDA of ₹ 5,951.86 lakhs, up 9% y-o-y (FY 2017: ₹ 5,465.94 lakhs), even in unfavorable price environment. The strong volume performance and efficiency in operations contributed to an incremental EBITDA of ₹ 211.56 lakhs, primarily driven by record volumes at our lead units and commencement of Zinc unit.

Revenue

Revenue for the year was ₹ 95,563.34 lakhs, up by 24% y-o-y.

Depreciation and Amortization

Depreciation for the year was ₹ 430.15 lakhs compared to ₹ 387.54 lakhs previous year and the increase in depreciation is mainly on account of capitalization of our Zinc and Zinc Oxides Manufacturing Unit in Sriperumbudhur, Tamil Nadu.

Net Interest

The average cost of borrowings was 8 % for the FY2018 as compared to 8.5% in the FY 2017. Finance cost for the FY 2018 was ₹ 1,124.40 lakhs, increased from ₹ 892.65 lakhs in FY2017 on account of increased working capital requirements to achieve growth in turnover.

Taxation

Tax expense for the year FY2018 was at ₹ 1,479.38 lakhs against ₹ 1,619.28 lakhs for the FY2017, showing average tax rate of 33.64% compared to 36.39% for the previous year.

Profit after Tax (before exceptional item)

The profit after tax before exceptional item was ₹ 2,917.93 lakhs in FY2018 compared to ₹ 2, 566.47 lakhs in FY2017 (up by 14% y-o-y)

EPS

Earnings Per Share for FY 2018 were ₹ 52.33 per share compared to ₹ 50.75 per share in year FY 2017

Dividend

Considering the profits of the Company for the year, the Board recommends a Dividend of ₹ 3 per equity shares of ₹ 10 each. The total Dividend payout (inclusive of Dividend Distribution Tax) for the FY 2018 will be ₹ 201.00 lakhs

Shareholders fund

Total Shareholders fund as on March 31, 2018 aggregated ₹ 9,867.07 lakhs as compared to ₹ 7,144.94 lakhs as at March 31, 2017. 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 March 31, 2018 was ₹ 3,013.94 lakhs compared to ₹ 2,465.30 lakhs for the previous year. The capital work in progress for the year as on March 31, 2018 is ₹ 247.40 lakhs.

OPERATIONAL REVIEW

- Lead & Lead Alloys

Due to continuous growth in automobile industries, demand for lead for the next 5 years will continue to be in momentum. ***POCL*** increased its annual production of Lead Metal and Alloys from 32,140 mt in 2015-16 to 46,636 mt in 2016-17 and 53,148 mt in the year 2017-18, showing consistent growth over the years. Out of 53,148 mt in the year 2017-18, 33,975 mt is produced from Sriperumbudur Unit in Tamil Nadu, having the capacity utilisation of 94%. Remaining, 19,173 mt produced in the Andhra Pradesh Unit resulted in the capacity utilisation of 80%, showing the growth in capacity utilisation by 68% in Andhra Pradesh Unit during the Financial year 2017-18 compared to the previous year. To meet out the additional demand for Lead Metal and Alloys in the Andhra Pradesh plant, your Company received consent for establishment from Andhra Pradesh Pollution Control Board to increase the plant's capacity from 24,000 mt per annum to 36,000 mt per annum and likely to get consent for operations during the current financial year taking the capacity to 72,000 mt per annum. Further, your Company targets to reach a total capacity of 1,20,000 mt per annum by 2020-2021.

- Zinc and Zinc Oxides

As informed in the previous annual report, Company completed the construction and installation of Plant and

Machinery for the manufacture of Zinc and Zinc Oxides during the year 2017-18 and commenced the production in the month of August, 2017. During the year, your Company achieved the production of 666 mt against the installed capacity of 12,600 mt per annum.

The Capacity utilisation has been low since the Company was under the process of obtaining vendor approval for the supply of Zinc and Zinc oxides with leading manufactures of Tyres, Ceramic Industry and Galvanizers and it is expected to complete the vendor approval process during the first half of 2018-19. After the completion of the vendor approval process, your company will scale up the capacity utilisation in the current financial year.

RISKS, OPPORTUNITY 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 organasation 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 and property, plant and equipment. 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 FINANCIAL CONTROLS

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.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Human resources play a significant role in your Company's growth strategy. Your Company emphasized on talent nurturing, retention and engaging in a constructive relationship with employees with a focus on productivity and efficiency and underlining safe working practices. As on March 31, 2017, the Company has a strength of 377 permanent employees.

CAUTIONARY STATEMENT

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

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

	Anil Kumar Bansal	**Ashish Bansal**
Date : 24.05.2018	Chairman	Managing Director
Place : Chennai	DIN: 00232223	DIN: 01543967

REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the details of Corporate Governance systems and processes at Pondy Oxides and Chemicals Limited (***POCL***) are covered in this report.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. ***POCL*** believes that good corporate governance enhances the confidence and trust of Stakeholders and maintains a valuable relationship. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, communities or policy makers.

POCL's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large. The company is committed to traditions and delivering high values and follows transparency in functioning of its organization.

BOARD OF DIRECTORS

The Board of Directors ('the Board') have ultimate responsibility for the management, direction, performance, general affairs and long-term success of business as a whole. The Board of your Company has a good mix of Executive and Non- Executive Directors with half of the Board of the Company comprising of Independent Directors. As on date of this Report, the Board consists of Six (6) Directors comprising of 3 Executive and 3 Non-Executive Independent Directors. The Composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Board Composition and Category of Directors

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

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

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

Board Meetings

The Board meets at regular intervals to discuss and decide on Company/ Business Policy and Strategy apart from other Board business. The Notice along with Agenda of the Board meetings are given well in advance to all the Directors and the Board Meetings are generally held at the registered office of the Company situated at Chennai.

The Agenda for the Meetings covers items set out as per the guidelines in Listing Regulations 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 tabled before the meeting with specific reference to this effect in the agenda.

During the financial year ended March 31, 2018, Four 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
May18, 2017	6	6
September 4, 2017	6	6
December 1, 2017	6	6
February 6, 2018	6	6

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 the Director	Attendance at Meetings during 2017-18		Number of Directorships as on 31-03-2018#	No. of Membership(s)/ Chairmanship(s) of Board Committee in Companies as on 31-03-2018##	
	Board Meeting	Last AGM		Chairman	Member
Anil Kumar Bansal	4	Yes	1	-	-
Ashish Bansal	4	Yes	1	-	-
R.P. Bansal	4	Yes	1	-	-
Anilkumar Sachdev	4	No	1	2	-
Shoba Ramakrishnan	4	No	1	-	2
G.P.Venkateswaran	4	Yes	1	-	2

\# *Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.*

\## *Includes only Audit Committee and Stakeholders' Relationship Committee as stipulated in Regulation 26 of Listing Regulations.*

The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

Separate Independent Directors' Meeting

The Company's Independent Directors met on February 6, 2018 without the presence of the Executives. 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 views of executive and non-executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programme

The Company continuously conducts familiarization programme for Independent Directors. The program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Independent Directors are also informed of key happenings in the Company by way of periodical email / call communication. The details of the Familiarization program conducted has been disclosed on the website link: http://pocl.co.in/policies/Details-of-Familiarisation-programme.pdf

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 covers 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 LODR Regulations, the Board had carried out an annual evaluation of its own performance, the directors individually and of the committees of the Board.

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 the LODR Regulations. The scope of Audit Committee inter-alia includes review of the financial reporting process, internal audit process, adequacy of internal control systems and risk management policies and recommendation on the appointment of auditors and their remuneration.

During the Financial Year 2017-18, four (4) meetings of the Audit Committee were held on May 18, 2017; September 4, 2017; December 1, 2017 and February 6, 2018. 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.

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

Composition and Attendance

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

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

(ii) Nomination and Remuneration Committee

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

Four (4) meetings of the Nomination and Remuneration Committee were held on May 18, 2017; September 4, 2017; December 1, 2017 and February 6, 2018. The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Composition and Attendance:

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

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

Nomination and Remuneration Policy

On the recommendation of Nomination and Remuneration Committee, the Board of Directors has adopted the Nomination and Remuneration policy. The Nomination and Remuneration policy applies to Directors, Key Managerial Personnel and other Senior Management Personnel of the Company.

(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 LODR Regulations. 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 Company are as under:

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

The Stakeholders' Relationship Committee met four (4) times on May 18, 2017; September 4, 2017; December 1, 2017 and February 6, 2018

During the year 2017-18, two complaints pertaining to non-receipt of dividend warrants, share certificate, etc were received and redressed to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2018.

(iv) Share Transfer Committee

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

Composition

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

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

The share transfer committee met Seven (7) times during the year on the dates of May 31, 2017, October 31, 2017, November 27, 2017, November 30, 2017, December 13, 2017, December 27, 2017 and March 13, 2018 during the financial year 2017-18.

(v) 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 covers all the matters specified in Section 135 of the Act.

During the financial year 2017-18, one meeting of the committee was held on February 6, 2018.

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

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

DIRECTORS REMUNERATION

Details of Remuneration paid to the Managing Director and Whole Time Directors during 2017-18:

(₹ In lakhs)

Name of the Director	Salary	Perquisites	Total
Mr. Anil Kumar Bansal	91.80	4.60	96.40
Mr. Ashish Bansal	195.00	0.49	208.45
Mr. R.P. Bansal	91.80	2.58	94.38

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

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

Sitting fees paid to the Non-Executive Directors during 2017-18:

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

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

9. GENERAL BODY MEETINGS

Annual General Meeting

Year	Date	Time	Venue	Special Resolution
2016-17	22nd AGM – September 27, 2017	11.30 a.m	Music Academy, 306 T.T.K.Road, Chennai– 600 014	1. Revision in Remuneration of Mr. Ashish Bansal (DIN:01543967), Managing Director of the Company 2. Re-appointment of Mr. Ashish Bansal (DIN:01543967) as Managing Director and fixing his remuneration 3. Revision in Remuneration of Mr. Anil Kumar Bansal (DIN:00232223), Whole time Director 4. Re-appointment of Mr. Anil Kumar Bansal (DIN: 00232223) as Whole time Director and fixing his remuneration 5. Revision in Remuneration of Mr. R P Bansal (DIN:00232708), Whole time Director 6. Re-appointment of Mr. R P Bansal (DIN:00232708) as Whole time Director and fixing his remuneration 7. Increase in the Borrowing Powers and power to mortgage properties of the Company

Year	Date	Time	Venue	Special Resolution
2015-16	21st AGM – September 17, 2016	11.30 a.m	Music Academy, 306 T.T.K.Road, Chennai– 600 014	1. Revision in Remuneration of Mr. Ashish Bansal (DIN:01543967), Managing Director of the Company
2014-15	20th AGM – September 16, 2015	11.30 a.m	Music Academy, 306 T.T.K.Road, Chennai– 600 014	1. Appointment and fixing of remuneration of Mr. Anil Kumar Bansal (DIN:00232223) as Managing Director / Executive Chairman 2. Appointment and fixing of remuneration of Mr. Ashish Bansal (DIN:01543967) as Whole Time Director / Managing Director 3. Appointment and fixing of remuneration of Mr. R.P. Bansal (DIN:00232708) as Whole Time Director

Postal Ballot

No Postal Ballot was conducted during the financial year 2017-18. No special resolution is proposed to be passed through postal ballot.

MEANS OF COMMUNICATION

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

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

GENERAL SHAREHOLDERS INFORMATION

Company Registration Details

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

Annual General Meeting

The 23rd Annual General Meeting of the Company will be held on Saturday, September 22, 2018, at 11.30 a.m. at Kasturi Srinivasan Hall (Mini hall), Music Academy, 306, T.T.K Road, Chennai- 600 014.

Financial Year

The Company's financial year commences from April 1, 2017 and closes with March 31, 2018.

Book Closure

The Transfer books of the Company shall be closed from September 16, 2018 to September 22, 2018 (both days inclusive).

Dividend Payment Date

The final dividend, if declared shall be credited/paid on or after September 22, 2018 but before October 21, 2018.

Listing on Stock Exchange and Stock Code

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

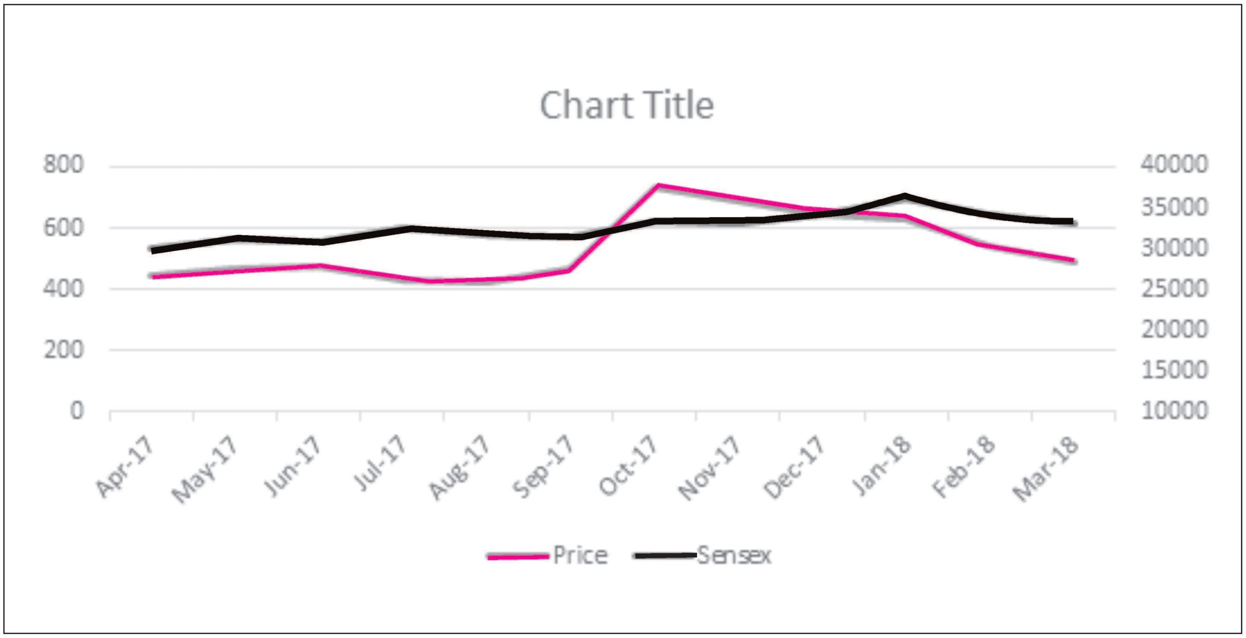
- Stock Code : 532626
- Security ID : PONDYOXIDE
- ISIN : INE063E01046

Share Market data:

The Market price date for the financial year 2017-18 is as follows-

Year and Month	High Price (₹)	Low Price (₹)
Apr-17	489.00	380.10
May-17	548.90	428.50
Jun-17	489.90	412.00
Jul-17	495.00	426.00
Aug-17	450.00	370.00
Sep-17	480.00	415.00
Oct-17	779.00	470.00
Nov-17	768.70	645.00
Dec-17	716.00	598.00
Jan-18	724.00	624.00
Feb-18	656.95	485.00
Mar-18	570.00	470.00

(ii) Performance of the Company's Share Price vis-à-vis BSE Sensex during the financial year 2017-18:



Payment of Annual Listing Fees/Custodian Fees

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

Registrar and Share Transfer Agents

Cameo Corporate Services Limited
Subramanian Building, No.1, Club House Road
Chennai – 600 002
Tel: 044-2846 0718; Fax: 044 2846 0129
Email: cameo@cameoindia.com
Website: www.cameoindia.com

Share Transfer System

98.67% of the equity shares of the Company are held in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Registrar and Transfer Agents at the above mentioned address.

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

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in the BSE in dematerialized form. 98.67% of the Company's equity share capital is in dematerialized form as on March 31, 2018. The Company's equity shares are regularly traded in BSE.

The details of mode of holding are as follows:

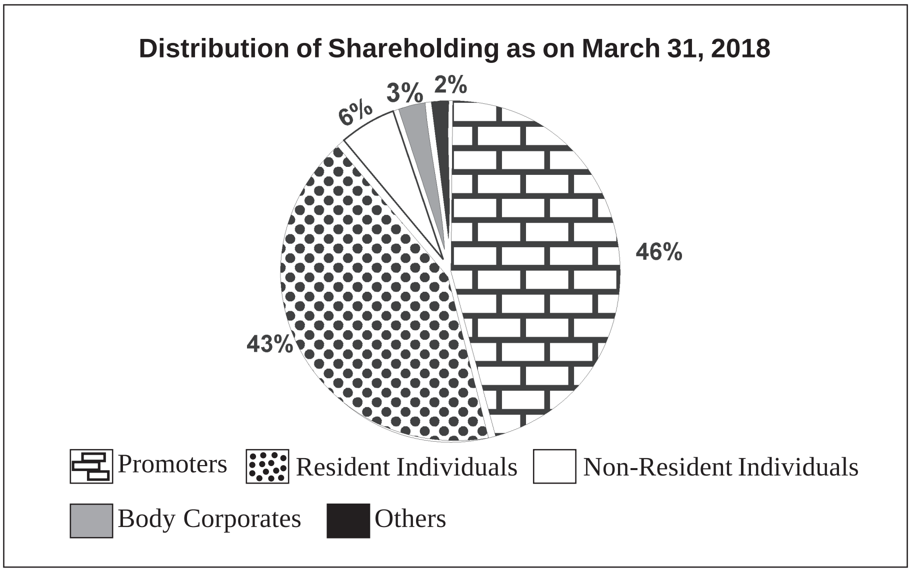
Mode of Holding	Number of Shares held as on March 31, 2018	% of total number of Shares as on March 31, 2018
NSDL	45,42,632	81.47
CDSL	9,59,119	17.20
Physical	74,242	1.33
Total	**55,75,993**	**100.00**

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

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments in the past and hence as on March 31, 2018, the Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

Categories of Shareholders as on March 31, 2018

Category	Shares	%
Promoters	25,76,643	46.21
Resident Individuals	23,64,066	42.40
Non-Resident Individuals	3,43,563	6.16
Body Corporates	1,67,464	3.00
Others	1,24,257	2.22
TOTAL	**55,75,993**	**100.00**



Distribution of Shareholding as on March 31, 2018

No. of Shares held	Number of Shareholders	% of Total Shareholders	Number of Shares held	% of Total Shares held
Upto 500	12,256	94.60	10,60,264	19.02
501-1000	383	2.96	3,97,645	7.13
1001-2000	140	1.08	3,24,075	5.81
2001-3000	83	0.64	2,12,676	3.81
3001-4000	29	0.22	1,04,489	1.87
4001-5000	16	0.12	73,726	1.32
5001-10000	27	0.20	1,83,700	3.30
Above 10000	23	0.18	32,19,418	57.74
Total	**12,957**	**100.00**	**55,75,993**	**100.00**

Plant Locations

- **Smelter Division [SMD] - I**
  G-17 to G-19 & G-30 to G-32,
  SIPCOT Industrial Park, Mambakkam Village,
  Pondur Post, Sriperumbudhur,
  District – Kancheepuram,
  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, Sriperumbudhur,
  District – Kancheepuram,
  Tamil Nadu – 602 105

Address for correspondence

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

12. OTHER DISCLOSURES

(a) Related Party Transactions

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

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

The Company has complied with all applicable rules and regulations prescribed by Securities and Exchange Board of India (SEBI), stock 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: http://pocl.co.in/policies/Whistle-Blower-Policy.pdf

(d) Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of insider trading) Regulations, 2015 and the same is available in the website of the Company at http://pocl.co.in/policies/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.

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

The company's activities expose it to price fluctuation risks in Lead prices on International Commodity Exchanges. The company uses Futures/Options contracts to hedge these risks. The company does not use derivative financial instruments for trading or speculative purposes. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

(f) Compliance

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

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

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

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

(h) Risk Management

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

(i) Issue of Securities

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

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

During the year under review, the Company has credited ₹ 1.56 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to provisions of the Companies Act, 2013.

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) the shareholders who have not claimed/encashed dividends within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. Accordingly, the Company has transferred 6359 equity shares of ₹ 10/- each, pertaining to the year 2008-09, to the credit of IEPF Authority during the year 2017-18 and no shares are due for transfer for the year 2009-10.

The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2010-11 along with the unclaimed dividend. The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting (i.e. September 27, 2017) and details of shares transferred to IEPF during financial year 2017-18. The aforesaid details are put on the Company's website and can be accessed at: http://pocl.co.in/transfer-of-shares/. The Company has also uploaded these details on the website of the IEPF Authority (www.iepf.gov.in).

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Equity Shares in Suspense Account

The Company reports that 5,135 equity shares belonging to 16 shareholders are lying unclaimed with the Company as on March 31, 2018. The Company has already sent two reminders to the Shareholders for claiming the Shares. The Shareholders are requested collect their share certificates from the Company, failing which the Shares will be transferred to Unclaimed suspense account.

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

	Anil Kumar Bansal	**Ashish Bansal**
Date : 18.05.2017	Chairman	Managing Director
Place : Chennai	DIN: 00232223	DIN: 01543967

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of PONDY OXIDES AND CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Pondy Oxides and Chemicals Limited ("the Company"), for the year ended on 31st March, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

Restrictions of use:

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

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

Place : Chennai
Date : 24.05.2018

L Mukundan
Partner
M No. 204372

CEO & CFO CERTIFICATE UNDER REGULATION 33(2) OF SEBI (LODR) REGULATIONS, 2015

To
The Board of Directors
Pondy Oxides and Chemicals Limited

We, the undersigned, hereby certify the following-

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 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 of 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	**Ashish Bansal**	**Usha Sankar**
Date : 24.05.2018	**Managing Director**	**Chief Financial Officer**
	DIN: 01543967	

INDEPENDENT AUDITOR'S REPORT

To the Members of PONDY OXIDES & CHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of Pondy Oxides & Chemicals Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further 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 purpose of our audit;

    b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) the Balance Sheet, 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

    e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 A";** and

    g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in **'Annexure B'** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place : Chennai
Date : 24.05.2018

L Mukundan
Partner
M No. 204372

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Pondy Oxides & 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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai
Date : 24.05.2018

L Mukundan
Partner
M No. 204372

Annexure – B 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 2 under the heading of "Report on other Legal and Regulatory Requirements" of our report to the members of **PONDY OXIDES & 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.
   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, Clause 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 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, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
   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, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March, 2018 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. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under Clause 3 (ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided 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 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 standalone 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 : 24.05.2018

L Mukundan
Partner
M No. 204372

Balance Sheet as at March 31, 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	3,013.94	2,465.32	2,625.80
Intangible assets	4	1.75	3.14	0.69
Capital work in progress	5	247.40	306.25	55.95
Investment property	6	191.86	198.87	205.46
Financial assets				
Investments	7	15.90	14.97	5.57
Other financial assets	8	303.61	122.12	381.83
Deferred Tax Asset	9	53.38	35.24	26.56
Other non-current assets	10	155.75	62.48	7.08
Total non-current assets		**3,983.59**	**3,208.39**	**3,308.94**
Current assets				
Inventories	11	9,706.64	7,084.32	5,916.10
Financial assets				
Trade receivables	12	9,119.47	6,279.46	3,826.70
Cash and cash equivalents	13	121.34	74.23	48.82
Bank balances other than above	14	73.71	499.69	178.37
Other financial assets	15	77.60	11.37	-
Other current assets	16	2,054.41	2,105.76	1,784.95
Total current assets		**21,153.17**	**16,054.83**	**11,754.94**
Total Assets		**25,136.76**	**19,263.22**	**15,063.88**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	557.60	557.60	557.60
Other equity	18	9,309.47	6,587.37	3,892.14
Total equity		**9,867.07**	**7,144.97**	**4,449.74**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	763.09	1,504.95	1,669.02
Provisions	20	65.04	81.95	90.21
Other liabilities	21	21.50	-	-
Total non-current liabilities		**849.63**	**1,586.90**	**1,759.23**
Current liabilities				
Financial liabilities				
Borrowings	22	13,466.22	9,125.10	6,311.06
Trade payables	23	339.06	428.29	1,785.85
Other financial liabilities	24	-	-	20.85
Provisions	25	18.68	350.48	108.52
Other current liabilities	26	596.10	627.48	628.63
Total current liabilities		**14,420.06**	**10,531.35**	**8,854.91**
Total liabilities		**15,269.69**	**12,118.25**	**10,614.14**
Total Equity and Liabilities		**25,136.76**	**19,263.22**	**15,063.88**

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

Place : Chennai
Date : May 24, 2018

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 : May 24, 2018

Statement of profit and loss for the year ended March 31, 2018

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

		Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing Operations				
A	**Income**			
	Revenue from operations	27	95,563.34	81,733.30
	Other income	28	263.55	118.14
	Total income		**95,826.89**	**81,851.44**
B	**Expenses**			
	Cost of materials consumed	29	82,963.09	65,576.91
	Purchases of Stock in Trade	30	4,505.25	2,160.59
	Changes in inventories of finished goods and WIP	31	(2,936.40)	(234.57)
	Excise Duty	32	1,588.15	5,839.21
	Employee Benefits Expense	33	1,179.89	766.40
	Finance costs	34	1,124.40	892.65
	Depreciation and amortisation expense	35	430.15	387.54
	Other expenses	36	2,575.05	2,276.96
	Total expenses		**91,429.58**	**77,665.69**
C	**Profit before exceptional items and tax**		**4,397.31**	**4,185.75**
	Exceptional items	37	-	263.07
D	**Profit before tax from continuing operations**		4,397.31	4,448.82
	Income tax expense	38		
	Current tax		1,503.88	1,630.20
	Deferred tax charge/ (credit)		(24.50)	(10.92)
	Profit for the year		**2,917.93**	**2,829.54**
E	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		18.27	6.52
	Income tax (charge)/ credit relating to these items		(6.36)	(2.24)
	Other comprehensive income for the year, net of tax		**11.91**	**4.28**
	Total comprehensive income for the year		**2,929.84**	**2,833.82**
	Earnings per share	39		
	Basic earnings per share		52.33	50.75
	Diluted earnings per share		52.33	50.75

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

Place : Chennai
Date : May 24, 2018

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 : May 24, 2018

Statement of cash flows for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow From Operating Activities		
Profit before income tax	4,397.31	4,448.82
Adjustments for		
Depreciation and amortisation expense	430.15	387.54
(Profit)/ loss on sale of fixed asset	6.36	31.14
Increase in fair value of investments	(0.12)	-
Interest income	(30.58)	(50.56)
Dividend income	(0.08)	-
Finance costs	1,124.40	892.65
	5,927.44	5,709.59
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	(247.72)	248.34
(Increase)/ decrease in inventories	(2,622.32)	(1,168.22)
(Increase)/ decrease in trade receivables	(2,840.01)	(2,452.76)
(Increase)/ decrease in Other assets	(92.79)	(291.92)
Increase/ (decrease) in provisions and other liabilities	(24.26)	(20.90)
Increase/ (decrease) in trade payables	(89.23)	(1,357.56)
Cash generated from operations	11.11	666.57
Less : Income taxes paid (net of refunds)	(1,959.46)	(1,390.58)
Net cash from operating activities (A)	**(1,948.35)**	**(724.01)**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(788.02)	(560.88)
Sale proceeds of PPE	1.26	1.12
(Purchase)/ disposal proceeds of Investments	(0.81)	(9.40)
(Investments in)/ Maturity of fixed deposits with banks	425.98	(321.32)
Dividend received	0.08	-
Interest received	83.44	21.67
Net cash used in investing activities (B)	**(278.07)**	**(868.81)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(741.86)	(164.07)
Proceeds from/ (repayment of) short term borrowings	4,341.12	2,814.04
Finance costs	(1,124.40)	(892.65)
Dividend paid	(201.33)	(139.09)
Net cash from/ (used in) financing activities (C)	**2,273.53**	**1,618.23**
Net increase/decrease in cash and cash equivalents (A+B+C)	**47.11**	**25.41**
Cash and cash equivalents at the beginning of the financial year	74.23	48.82
Cash and cash equivalents at end of the year	**121.34**	**74.23**

Notes:

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

Balances with banks		
- in current accounts	108.46	68.15
- in EEFC Account	8.95	3.95
Cash on hand	3.93	2.13
	121.34	74.23

The accompanying notes form an integral part of the financial statements

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

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

Place : Chennai
Date : May 24, 2018

Place : Chennai
Date : May 24, 2018

Statement of Changes in Equity for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2016	557.60
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	557.60
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	557.60

(B) Other Equity

Particulars	General Reserve	Securities Premium Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2016	165.92	277.87	-	3,448.35	3,892.14
Additions/ (deductions) during the year	270.00	-	(4.28)	(265.22)	0.50
Total Comprehensive Income for the year	-	-	4.28	2,829.54	2,833.82
Dividend paid	-	-	-	(139.09)	(139.09)
Balance as at March 31,2017	**435.92**	**277.87**	**-**	**5,873.58**	**6,587.37**
Additions/ (deductions) during the year	270.00	-	(11.91)	(465.83)	(207.74)
Total Comprehensive Income for the year	-	-	11.91	2,917.93	2,929.84
Balance as at March 31, 2018	**705.92**	**277.87**	**-**	**8,325.68**	**9,309.47**

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

Place : Chennai
Date : May 24, 2018

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 : May 24, 2018

Notes to Financial Statements for the year ended March 31, 2018

1 Corporate Information

POCL the leading Secondary Lead Smelter in India and it produces the highest quality Lead and Lead Alloys, PVC additives, Zinc Metal and Zinc Oxides which are supplied to mainly battery manufacturers, tyre and rubber manufacturers, chemical and PVC pipe manufacturing. 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.

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.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements which the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 53 for information on how the Company adopted Ind AS.

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 24th May, 2018.

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.

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 Recent accounting pronouncements

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)

b. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

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. The Company has identified 2 months as its operating cycle.

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.

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

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 including excise duty and 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

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its land as the deemed cost as at the date of transition, viz.,1 April 2016 and applied Ind AS 16 retrospectively for all other classes of Property, Plant and Equipment.

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.

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 5000 each or less are fully depreciated retaining its residual value.

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

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the intangible assets as the deemed cost as at the date of transition, viz.,1 April 2016.

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.

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.

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.

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:

- **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**
Trade Receivables	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.
Other financial assets	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

Name of the financial asset	Impairment Testing Methodology
	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.

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.

Classification	Name of the financial liability
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 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

S.No	Original classification	Revised classification	Accounting treatment
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).

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 yearend 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.

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.

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.

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.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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.

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets										
	Free hold Land	Leasehold Land	Buildings	Plant and Machinery	Lab Equipment	Furniture and Fittings	Vehicles	Office Equipment	Electrical Fittings	Total	Intangible Assets - Software
Deemed Cost as at April 1, 2016	354.65	237.82	1,188.24	551.68	79.59	29.61	52.55	36.67	94.99	2,625.80	0.69
Additions	-	-	4.11	97.54	4.87	6.69	122.92	13.45	3.15	252.73	2.45
Disposals	-	-	-	-	-	-	(69.65)	-	-	(69.65)	-
Cost as at March 31, 2017	**354.65**	**237.82**	**1,192.35**	**649.22**	**84.46**	**36.30**	**105.82**	**50.12**	**98.14**	**2,808.88**	**3.14**
Additions	-	-	484.81	287.87	34.97	65.19	5.45	45.43	47.51	971.23	-
Govt Grants/Subsidy - Adjustment	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(14.16)	-	-	(3.10)	(0.40)	-	(17.66)	-
Cost as at March 31, 2018	**354.65**	**237.82**	**1,677.16**	**922.93**	**119.43**	**101.49**	**108.17**	**95.15**	**145.65**	**3,762.45**	**3.14**
Depreciation/Amortisation										-	
Charge for the year	-	2.61	116.30	152.99	22.36	8.51	34.69	18.75	24.74	380.95	-
Disposals	-	-	-	-	-	-	(37.39)	-	-	(37.39)	-
As at March 31, 2017	**-**	**2.61**	**116.30**	**152.99**	**22.36**	**8.51**	**(2.70)**	**18.75**	**24.74**	**343.56**	**-**
Charge for the year	-	2.61	128.79	167.18	20.74	12.72	38.47	25.77	25.47	421.75	1.39
Disposals	-	-	-	(13.50)	-	-	(2.92)	(0.38)	-	(16.80)	-
As at March 31, 2018	**-**	**5.22**	**245.09**	**306.67**	**43.10**	**21.23**	**32.85**	**44.14**	**50.21**	**748.51**	**1.39**
Net Block											
As at April 1, 2016	354.65	237.82	1,188.24	551.68	79.59	29.61	52.55	36.67	94.99	2,625.80	0.69
As at March 31, 2017	354.65	235.21	1,076.05	496.23	62.10	27.79	108.52	31.37	73.40	2,465.32	3.14
As at March 31, 2018	354.65	232.60	1,432.07	616.26	76.33	80.26	75.32	51.01	95.44	3,013.94	1.75

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Capital Work-in-progress**			
	PPE under development	247.40	306.25	55.95
		247.40	**306.25**	**55.95**
6	**Investment Property**			
	Land and buildings	191.86	198.87	205.46
		191.86	**198.87**	**205.46**
7	**Non-current investments**			
	Investments in companies other than subsidiaries, associates and joint ventures at FVTPL			
	i. Investments in Equity Instruments (Quoted) 2,000 equity shares (previous year 1,000) of ₹10 each in Amararaja Batteries Limited, fully paid	15.90	8.89	-
	ii. Investment in Mutual Funds (Quoted) Investment in Canara Bank Mutual Funds	-	6.08	5.57
		15.90	**14.97**	**5.57**
	Total non-current investments			
	Aggregate amount of quoted investments	15.90	14.97	5.57
	Aggregate market value of quoted investments	15.90	14.97	5.57
	Aggregate cost of unquoted investments	-	-	-
	Aggregate amount of impairment in value of investments	-	-	-
8	**Other non-current financial assets**			
	(Unsecured, considered good)			
	Fixed Deposits (maturing after 12 months from end of reporting date)*	250.00	79.71	345.82
	Security deposits	53.61	42.41	36.01
		303.61	**122.12**	**381.83**
	* Lien marked with banks and are restricted from being exchanged or used to settle a liability.			
9	**Deferred Tax Asset / (Liability) - Net**			
	Deferred Tax Liability			
	On Fixed Assets	(29.73)	(2.38)	17.68
	On others	(0.92)	-	-
		(30.65)	**(2.38)**	**17.68**
	Deferred Tax Asset			
	On expenses allowed under Income Tax on payment basis	22.73	30.36	33.95
	Others	-	2.50	10.29
		22.73	**32.86**	**44.24**
	MAT credit entitlement	-	-	-
	Net deferred tax asset / (liability)	**53.38**	**35.24**	**26.56**

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10	**Other non-current assets**			
	(Unsecured, considered good)			
	Advance income tax (net of provision for tax)	110.11	-	-
	Capital Advances	45.64	62.48	7.08
		155.75	**62.48**	**7.08**
11	**Inventories**			
	Raw Materials	3,711.82	3,424.31	2,652.30
	Stock in Transit	621.28	1,157.81	860.41
	Work-in-progress	1,528.64	792.38	583.74
	Finished goods	3,481.10	1,396.68	1,587.65
	Stock of traded goods	317.49	276.20	180.12
	Stores and spares	46.31	36.94	51.88
		9,706.64	**7,084.32**	**5,916.10**
	Inventory comprise of			
	Raw Materials			
	Lead in all forms	3,033.97	2,998.32	2,412.40
	Others	677.85	425.99	239.90
		3,711.82	**3,424.31**	**2,652.30**
	Work in progress			
	Lead Ingots	1,493.00	755.18	583.54
	Lead Alloys	34.82	28.32	-
	Others	0.82	8.88	0.20
		1,528.64	**792.38**	**583.74**
	Finished Goods			
	Lead Ingots	1,314.59	453.59	294.35
	Lead Alloys	1,967.87	690.97	1,227.02
	Others	198.64	252.12	66.28
		3,481.10	**1,396.68**	**1,587.65**
	Traded goods			
	Zinc Ingots	313.95	208.89	180.12
	Others	3.54	67.31	-
		317.49	**276.20**	**180.12**
12	**Trade receivables**			
	(Secured, considered good)			
	Outstanding for a period exceeding six months from due date of payment	-	-	-
	Other debts	160.14	-	131.68
	(Unsecured, considered good)			
	Outstanding for a period exceeding six months from due date of payment	-	-	-
	Other debts	8,959.33	6,279.46	3,695.02
		9,119.47	**6,279.46**	**3,826.70**

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13	**Cash and cash equivalents**			
	Cash in hand	3.93	2.13	5.88
	Balances with banks			
	In current accounts	108.46	68.15	1.06
	In EEFC account	8.95	3.95	41.88
		121.34	**74.23**	**48.82**
14	**Other Bank Balances**			
	In margin money with banks (maturing within 12 months from the reporting date) *	62.34	488.09	167.54
	In earmarked accounts			
	Unpaid dividend accounts	11.37	11.60	10.83
		73.71	**499.69**	**178.37**
	* Lien marked with banks and are restricted from being exchanged or used to settle a liability.			
15	**Other current financial assets**			
	Forward contract receivable	77.60	11.37	-
		77.60	**11.37**	**-**
16	**Other current assets**			
	(Unsecured, considered good)			
	GST / Rebate Receivables	1,185.82	774.46	655.68
	Interest accrued on Deposits	8.72	61.58	32.69
	Prepaid expenses	10.59	10.01	20.35
	Balances with government authorities	1.23	437.36	752.01
	Advances to employees	8.19	3.80	4.30
	Others - Suppliers Advance (including for expenses)	839.86	818.55	319.92
		2,054.41	**2,105.76**	**1,784.95**
17	**Capital**			
	Authorised Share Capital			
	1,24,00,000 Equity shares of ₹ 10 each	1,240.00	1,240.00	1,240.00
		1,240.00	**1,240.00**	**1,240.00**
	Issued Share Capital			
	55,75,993 Equity shares of ₹ 10 each	557.60	557.60	557.60
		557.60	**557.60**	**557.60**
	Subscribed and fully paid up share capital			
	55,75,993 Equity shares of ₹ 10 each	557.60	557.60	557.60
		557.60	**557.60**	**557.60**
Notes:				
(a)	**Reconciliation of number of equity shares subscribed**			
	Balance as at the beginning of the year	5,575,993	5,575,993	5,575,993
	Add: Issued during the year	-	-	-
	Balance at the end of the year	**5,575,993**	**5,575,993**	**5,575,993**

Notes to Financial Statements for the year ended March 31, 2018

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

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

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
Ashish Bansal	633,086	11.35	633,086	11.35	631,194	11.32
Anil Kumar Bansal	622,761	11.17	622,761	11.17	621,079	11.14
Manju Bansal	512,627	9.19	512,627	9.19	512,627	9.19
R.P.Bansal	497,302	8.92	497,302	8.92	489,802	8.78

(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 ₹ 10/- each. The equity shares of the company having par value of ₹ 10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of ₹ 3/- per equity share held (Previous year ₹ 3/- per equity share held)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
18 Other Equity			
General reserve	705.92	435.92	165.92
Securities Premium Reserve	277.87	277.87	277.87
Profit and Loss Account	8,325.68	5,873.58	3,448.35
	9,309.47	**6,587.37**	**3,892.14**
a) General reserve			
Balance at the beginning of the year	435.92	165.92	165.92
Additions during the year	270.00	270.00	-
Deductions/Adjustments during the year	-	-	-
Balance at the end of the year	**705.92**	**435.92**	**165.92**
b) Securities Premium Reserve			
Balance at the beginning and end of the year	**277.87**	**277.87**	**277.87**
c) Profit and Loss Account			
Opening balance	5,873.58	3,448.35	3,010.54
Net profit for the period	2,917.93	2,829.54	-
Transfer from Other Comprehensive Income	11.91	4.28	-
Transfers to General Reserve	(270.00)	(270.00)	-
Excess/(Short) provision for taxes reversed	(6.41)	0.50	-
Ind AS adjustments	-	-	437.81
Dividend paid (including tax on dividends)	(201.33)	(139.09)	-
Closing balance	**8,325.68**	**5,873.58**	**3,448.35**
d) Other comprehensive income			
Opening balance	-	-	-
Additions during the year	11.91	4.28	-
Deductions/Adjustments during the year	(11.91)	(4.28)	-
Closing balance	**-**	**-**	**-**

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
19	**Long Term Borrowings**			
	Secured *			
	From Banks	452.63	777.85	815.05
	From Others	32.31	53.16	26.07
	Unsecured Loans			
	From Related Parties **	600.00	1,025.00	1,125.00
	Less: Current maturities of Long Term Debt (refer note 26)	(321.85)	(351.06)	(297.10)
		763.09	**1,504.95**	**1,669.02**
	* Refer Note 49 for repayment terms and security details			
	** Represents loan from Directors			
20	**Provisions (Non-current)**			
	Provision for Employee Benefits			
	Gratuity	65.04	81.95	90.21
		65.04	**81.95**	**90.21**
21	**Other non-current Liabilities**			
	Deferred Government Grants	21.50	-	-
		21.50	**-**	**-**
22	**Current liabilities - Financial Liabilities: Borrowings**			
	Secured			
	Loans repayable on Demand			
	From banks			
	Rupee Loans	10,952.61	8,363.95	6,053.14
	Foreign Currency Loans	1,410.90	-	41.28
	Unsecured			
	From Others	25.96	25.70	25.41
	Loans from directors	1,033.50	626.57	95.54
	Inter Corporate Deposits	43.25	108.88	95.69
		13,466.22	**9,125.10**	**6,311.06**

Notes:

(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 7% to 9%

(b) Inter-corporate and other deposits carry interest in the range of 11% to 12% payable annually, repayable as per the terms of repayment agreed.

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
23	**Trade payables**			
	Dues to Micro enterprises and Small enterprises *	0.67	0.92	52.25
	Dues to Creditors other than Micro and Small enterprises	338.39	427.37	1,733.60
		339.06	**428.29**	**1,785.85**

* 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 45.

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
24	**Other current financial liabilities**			
	Forward Contract Payable	-	-	20.85
		-	**-**	**20.85**
25	**Provisions (Current)**			
	Provision for Tax (net of advance tax and TDS)	-	339.06	99.94
	Provision for employee benefits			
	Compensated absences	18.68	11.42	8.58
		18.68	**350.48**	**108.52**
26	**Other current liabilities**			
	Current maturities of long-term debt	321.85	351.06	297.11
	Unpaid/Unclaimed dividends	11.29	11.53	10.76
	Unclaimed Fractional Shares dividends	0.08	0.08	0.07
	Statutory Dues Payable	155.58	164.50	282.07
	Employee benefits payable	47.83	36.44	29.36
	Advance and deposits from customers	30.90	19.89	6.72
	Payable on purchase of fixed assets	23.00	43.98	2.54
	Deferred Government Grants	5.57	-	-
		596.10	**627.48**	**628.63**

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 2018	For the year ended March 31, 2017
27	**Revenue from operations**		
	Sale of Products		
	Manufactured Goods	90,474.25	79,247.67
	Traded Goods	4,705.28	2,437.54
	Sale of Services		
	Conversion Charges Received	331.24	38.65
		95,510.77	**81,723.86**
	Other Operating Revenue	52.57	9.44
		95,563.34	**81,733.30**
	Details of Manufactured and Traded Goods		
	i. Manufactured Goods:		
	Metals	89,472.61	78,312.82
	Metallic Oxides	380.59	-
	PVC Additives	621.05	926.28
	Others	-	8.57
		90,474.25	**79,247.67**
	ii. Traded Goods		
	Metals	4,631.55	2,436.00
	Metallic Oxides	40.47	0.04
	Others	33.26	1.50
		4,705.28	**2,437.54**
28	**Other income**		
	Interest receipts	30.58	50.56
	MTM gain on forward contacts	66.24	32.22
	Rental Income from operating lease	36.08	30.19
	Gain on foreign exchange fluctuation (net)	48.06	-
	Miscellaneous income	82.59	5.17
		263.55	**118.14**
29	**Cost of materials consumed**		
	Opening inventory of raw materials	3,424.31	2,652.27
	Add : Purchases	83,242.40	66,329.37
	Less : Closing inventory of raw materials	(3,711.82)	(3,424.31)
	Add: Deficit in Hedging operations of price of raw materials	8.20	19.58
		82,963.09	**65,576.91**
30	**Purchases of Stock in Trade**		
	Metals	4,317.49	2,011.78
	Add: Deficit in Hedging operations of price of traded goods	154.15	144.90
	Metallic Oxides	11.54	0.07
	Others	22.07	3.84
		4,505.25	**2,160.59**

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 2018	For the year ended March 31, 2017
31	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Work-in-progress	792.38	583.74
	Finished goods	1,396.68	1,587.65
	Stock in trade	276.20	180.12
		2,465.26	**2,351.51**
	Closing Balance		
	Work-in-progress	1,528.64	792.38
	Finished goods	3,481.10	1,396.68
	Stock in trade	317.49	276.20
		5,327.23	**2,465.26**
	Excise duty on Finished Goods *	(74.43)	(120.82)
	Net (increase)/decrease in inventories	**(2,936.40)**	**(234.57)**
	* Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.		
32	**Excise Duty Expense**		
	Excise Duty	1,588.15	5,839.21
		1,588.15	**5,839.21**
33	**Employee benefits expense**		
	Salaries and wages	928.55	585.11
	Contribution to provident and other funds	89.69	61.98
	Staff welfare expenses	161.65	119.31
		1,179.89	**766.40**
34	**Finance Cost**		
	Interest on Bank Borrowings	851.73	713.23
	Interest on Others	272.67	179.42
		1,124.40	**892.65**
35	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	421.75	380.95
	Amortisation of Intangible Assets	1.39	-
	Depreciation on Investment Property	7.01	6.59
		430.15	**387.54**
36	**Other expenses**		
	Power and Fuel	1,037.73	727.42
	Consumption of Packing Materials	23.88	23.03
	Conversion Charges Paid	39.22	34.31
	Environmental Control Expenses	140.50	57.91

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Repairs and Maintenance		
Buildings	26.16	59.81
Plant and Machinery	166.94	174.35
Vehicles	10.79	11.76
Others	20.43	11.63
Factory expenses	64.69	50.39
Freight and Forwarding	543.37	468.74
Insurance	41.43	29.57
Laboratory Expenses	8.10	10.99
Legal and professional charges	48.59	26.82
Net Loss on foreign exchange fluctuation	-	161.71
Payments to Auditors [refer note 36 (a)]	12.03	9.07
Communication expenses	21.50	16.84
Printing and Stationery	7.40	7.60
Rates and Taxes	56.92	52.51
Rent	10.54	5.74
Advertisement and business promotion	11.54	17.25
Sales Commission	49.66	55.92
Travelling and Conveyance	145.20	86.41
Loss on fixed assets sold / scrapped / written off	6.36	31.14
Bank charges	46.17	76.50
Expenditure on Corporate Social Responsibility [refer note 36 (b)]	5.03	23.00
Miscellaneous Expenses	30.87	46.54
	2,575.05	**2,276.96**

36 (a) Payment to auditors *

Statutory Audit fees	8.00	6.00
Taxation fee	1.00	1.00
VAT Audit	1.00	0.75
Limited Review Audit	0.75	0.75
Oher Certifications	1.28	0.57
	12.03	**9.07**

* includes payments made to erstwhile auditors

36 (b) Expenditure on Corporate Social Responsibility

(i) Gross amount required to be spent on Corporate Social Responsibility during the year	46.46	19.96
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above)]	5.03	23.00
	5.03	23.00
(iii) Amount unspent during the year *	41.43	-

* The Company is in the process of identifying eligible projects

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 2018	For the year ended March 31, 2017
37	**Exceptional items**		
	Key man Insurance	-	263.07
		-	**263.07**
38	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	1,503.88	1,630.20
	MAT Paid	-	-
	Total current tax expense	**1,503.88**	**1,630.20**
	Deferred tax		
	Deferred tax adjustments	(24.50)	(10.92)
	Total deferred tax expense/(benefit)	**(24.50)**	**(10.92)**
	Income tax expense	**1,479.38**	**1,619.28**
	b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax from continuing operations	4,397.31	4,448.82
	Income tax expense calculated at 34.608% (2016-17: 34.608)	1,521.82	1,539.65
	Tax Rate Changes (34.944%-34.608%) *	14.77	-
	Effect of expenses that are not deductible in determining taxable profit	(32.71)	90.55
	Income tax expense	**1,503.88**	**1,630.20**
	* The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax		
	c) Income tax recognised in other comprehensive income		
	Deferred tax		
	Remeasurement of defined benefit obligation	6.36	2.24
	Total income tax recognised in other comprehensive income	**6.36**	**2.24**

d) Movement of deferred tax expense for the year ended March 31, 2018

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other compre-hensive income	Closing balance
Property, plant, and equipment and Intangible Assets	2.38	27.35		29.73
Expenses allowable on payment basis under the Income Tax Act	30.36	(1.27)	(6.36)	22.73
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	2.50	(1.58)	-	0.92
	35.24	24.50	(6.36)	53.38
MAT Credit entitlement	-	-	-	-
Total	35.24	24.50	(6.36)	53.38

Notes to Financial Statements for the year ended March 31, 2018
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

e) Movement of deferred tax expense during the year ended March 31, 2017

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other compre-hensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(17.68)	20.06	-	2.38
Expenses allowable on payment basis under the Income Tax Act	33.95	(1.35)	(2.24)	30.36
Remeasurement of financial instruments under Ind AS	-			
Other temporary differences	10.29	(7.79)	-	2.50
	26.56	10.92	(2.24)	35.24
MAT Credit entitlement	-	-	-	-
Total	26.56	10.92	(2.24)	35.24

39	**Earnings per share**		
	Profit for the year attributable to owners of the Company	2,917.93	2,829.54
	Weighted average number of ordinary shares outstanding	5,575,992	5,575,992
	Basic earnings per share (₹)	52.33	50.75
	Diluted earnings per share (₹)	52.33	50.75
40	**Earnings in foreign currency**		
	Export Turnover	44,250.24	27,408.37
		44,250.24	**27,408.37**
41	**Expenditure in foreign currency**		
	Membership Fee	2.92	7.60
	Travelling	3.05	4.14
	Commission	35.27	55.92
		41.24	**67.66**
42	**CIF value of imports**		
	Raw Materials	83,004.53	61,743.99
	Capital Goods	38.66	8.05
		83,043.19	**61,752.04**

43 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, 2018**		**Year ended March 31, 2017**	
	₹ In Lakhs	Percentage (%)	₹ In Lakhs	Percentage (%)
Raw Materials				
Imported	76,682.71	92.00	59,823.74	91.00
Others	6,280.38	8.00	5,753.17	9.00
	82,963.09	**100.00**	**65,576.91**	**100.00**

44 Remittance in foreign currency on account of dividend

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of Non Resident Shareholders	236	72
Number of Equity Shares held by them	289,213	308,278
Amount Remitted (₹ In lakhs)	9.00	6.17
Year to which dividend related	2016-17	2015-16

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

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a)	The principal amount remaining unpaid at the end of the year	0.67	0.92
(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.

46 Commitments and contingent liability

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contingent Liability		
Performance/ Finance Guarantees		
Liability in respect of Letter of Credit Opened	792.46	714.37
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	75.15	105.00

47 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, 2018	Year ended March 31, 2017
India	51,313.10	54,324.93
Rest of the world	44,250.24	27,408.37
Total	**95,563.34**	**81,733.30**

(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 customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	3	3
Total revenue from the above customers	71,577.75	41,638.48

48 Operating lease arrangements

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As Lessor		
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	36.08	30.19
As Lessee		
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	10.54	5.74

49 Terms and conditions of long term borrowings

Financial Institution	Loan Outstanding	Tenor	Repayment Commences from	Security	Guarantee
Canara Bank	88.88 (237.56)	48 months	November, 2014	Pari Passu First Charge on the Immovables / Other Fixed Assets of AP Smelter Division	Personal Guarantee of Promoter Directors
	0.00 (0.96)	30 months	February, 2015	First Charge on Vehicle Purchased	
Axis Bank	112.12 (266.42)	36 months	December, 2015	Pari Passu First Charge on the Immovables / Other Fixed Assets of AP Smelter Division	
	251.63 (272.91)	36 months	November, 2017	Exclusive First Charge on the entire Fixed Assets of Zinc Oxide Plant, Sriperumpudur	
Toyota Financial Services India Limited	8.38 (13.11)	36 months	November, 2016	First Charge on Vehicle Purchased	NIL
Daimler Financial Services India Pvt Limited	23.93 (40.05)	36 months	August, 2016	First Charge on Vehicle Purchased	NIL

The above loans carry interest in the range of 9% to 11%

(Figures in brackets represent previous year numbers)

50 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.

Gearing Ratio:	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Debt	1,084.94	1,856.01	1,966.13
Less: Cash and bank balances	195.05	573.92	227.19
Net debt	889.89	1,282.09	1,738.94
Total equity	9,867.07	7,144.97	4,449.74
Gearing ratio (%)	9.02%	17.94%	39.08%

Categories of Financial Instruments	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Financial assets			
a. Measured at amortised cost			
Other non-current financial assets	303.61	122.12	381.83
Trade receivables	9,119.47	6,279.46	3,826.70
Cash and cash equivalents	121.34	74.23	48.82
Bank balances other than above	73.71	499.69	178.37
b. Mandatorily measured at FVTPL			
Investments	15.90	14.97	5.57
Derivative instruments	77.60	11.37	-
Financial liabilities			
a. Measured at amortised cost			
Borrowings (non-current)	763.09	1,504.95	1,669.02
Borrowings (current)	13,466.22	9,125.10	6,311.06
Trade payables	339.06	428.29	1,785.85
Other financial liabilities	321.85	351.06	297.11
b. Mandatorily measured at FVTPL			
Derivative instruments	-	-	20.85

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.

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 recovererd 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, 2018

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	23.66	-	23.66	52.72	-	52.72	29.06
In INR	1,524.15	-	1,524.15	3,399.02	-	3,399.02	1,874.87

As on March 31, 2017

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	2.13	-	2.13	20.75	-	20.75	18.62
In INR	138.37	-	138.37	1,346.35	-	1,346.35	1,207.98

As on April 1, 2016

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	24.16	-	24.16	1.98	-	1.98	(22.18)
In INR	1,600.92	-	1,600.92	131.68	-	131.68	(1,469.24)

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.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 32.81 Lakhs for the year (Previous INR 24.72 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.

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, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	339.06	-	-	339.06
Borrowings (including interest accrued thereon upto the reporting date)	321.85	763.09	-	1,084.94
	660.91	**763.09**	**-**	**1,424.00**

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	428.29	-	-	428.29
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	351.06	1,504.95	-	1,856.01
	779.35	**1,504.95**	**-**	**2,284.30**

April 1, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	1,785.85	-	-	1,785.85
Borrowings (including interest accrued thereon upto the reporting date)	297.11	1,669.01	-	1,966.12
	2,082.96	**1,669.01**	**-**	**3,751.97**

	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

51 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
Entities in which directors are interested	Meloy Metals Private Limited
	M/s. Daman Metallic Oxides
	M/s. Bansal Metallic Oxides
Key management personnel (KMP)	
Mr. Anil Kumar Bansal	Chairman
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

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2018	Year ended March 31, 2017
1	Meloy Metals Private Limited		
	Sales	243.67	-
	Purchases	0.77	-
	Conversion charges paid	24.04	-
2	M/s. Daman Metallic Oxides		
	Sales	164.46	-
3	M/s. Bansal Metallic Oxides		
	Conversion charges paid	0.53	2.61
4	Mr. Anil Kumar Bansal		
	Interest Paid	54.98	63.80
	Remuneration paid	98.65	42.93
	Loans taken	364.75	162.30
	Loans repaid	429.08	149.22

5	Mr. Ashish Bansal Interest Paid Remuneration paid Loans taken Loans repaid	 40.34 212.95 152.00 207.96	 37.85 89.66 519.25 359.97
6	Mr. R.P.Bansal Interest Paid Remuneration paid Loans taken Loans repaid	 66.06 96.63 17.00 60.03	 63.17 41.93 159.00 48.67
7	Mr.K Kumaravel Remuneration and payments to provident and other fund	 22.46	 19.88
8	Ms.Usha Sankar Remuneration and payments to provident and other fund	 16.34	 5.25

c) Balances at the end of the year

Particulars	As at March 31, 2018	As at March 31, 2017
Loans		
Mr. Anil Kumar Bansal	567.40	582.24
Mr. Ashish Bansal	433.62	453.28
Mr. R.P.Bansal	632.48	616.05

52 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 ₹ 66.21 Lakhs (for the year ended March 31, 2017: ₹ 40.40 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, 2018	March 31, 2017
Discount Rate	7.71%	7.30%
Rate of increase in compensation level	7.30%	7.00%
Expected Average Remaining Working Lives of Employees (years)	30.66	30.10

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.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	14.80	11.48
Net interest expense	7.44	6.76
Return on plan assets (excluding amounts included in net interest expense)	(1.58)	0.03
Components of defined benefit costs recognised in profit or loss	**20.66**	**18.27**
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(18.27)	(6.50)
Components of defined benefit costs recognised in other comprehensive income	**(18.27)**	**(6.50)**
	2.39	**11.77**

	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	105.92	101.95
Fair value of plan assets	(40.88)	(19.97)
Net liability/ (asset) arising from defined benefit obligation	**65.04**	**81.98**
Funded	-	-
Unfunded	65.04	81.98
	65.04	**81.98**

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 19].

	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	101.95	90.21
Current service cost	14.80	11.48
Interest cost	7.44	6.76
Actuarial (gains)/losses	(18.27)	(6.50)
Benefits paid	-	-
Closing defined benefit obligation	**105.92**	**101.95**
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	19.97	-
Return on plan assets	1.58	(0.03)
Contributions	19.33	20.00
Benefits paid	-	-
Actuarial gains/(loss)	-	-
Closing fair value of plan assets	**40.88**	**19.97**

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. Expense recognised during the year is ₹ 7.26 Lakhs (previous year ₹ 2.84 Lakhs)

53 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE and Intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

A.1.2. Deemed cost for Intangible Assets

Ind AS 101 permits a first-time adopter to elect to fair value the intangible assets or to continue with the carrying value as per the previous GAAP as deemed cost on the date of transition

The company has elected to continue the carrying value on the date of transition as per previous GAAP as deemed cost.

A.1.3. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.4. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

B. Notes to first-time adoption

B.1 Proposed dividends

Under Ind AS, liability to pay dividends arises only when the share holders approves the dividends recommended by the board of directors. Till such approval the proposed dividends does not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes.

B.2 Fair valuation impact of PPE as deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition. The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment. The consequential impact has been considered in the retained earnings.

B.3 Remeasurement of depreciation on PPE

The company applied Ind AS 16 retrospectively on property, plant and equipment, except land. Accordingly, recomputed the related depreciation impact and accounted in the Ind AS financials.

B.4 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.5 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications/ remeasurements.

B.6 Remeasurement of demerger expenses

Under existing GAAP, demerger expenses are allowed to be carried forward and amortised over a period of time. Since no such explicit provision under Ind AS, the carrying amount as per previous GAAP has been adjusted in the opening retained earnings.

B.7 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach and also to be recognised on all adjustments considered in the opening Ind AS balance sheet. Accordingly, the Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

B.8 Investment Property

Under the previous GAAP, investment properties were presented as part of property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. This, however, does not have any impact on the total equity or profit under Ind AS.

B.9 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2018 by ₹ 1,588.15 lakhs (previous year ₹ 5,839.21 lakhs). There is no impact on the total equity or profit as a result of this adjustment.

54 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(a) **Reconciliation of equity**

	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds as per Indian GAAP	**6,603.55**	**4,011.93**
Ind AS Adjustments		
Reversal of proposed dividends and taxes thereto	201.33	139.09
Fair valuation of PPE as deemed cost	188.09	188.09
Remeasurement of depreciation	54.36	47.51
Fair valuation of financial assets and liabilities	37.62	(12.69)
Re-measurement of post employee benefits	(11.42)	(8.58)
Remeasurement of demerger expenses	(5.25)	(7.88)
Deferred Tax impacts	76.69	92.27
	7,144.97	**4,449.74**

(b) **Reconciliation of Profits**

	For the year ended March 31, 2017
Total comprehensive income as per Indian GAAP	**2,792.45**
Ind AS Adjustments	
Remeasurement of depreciation	6.85
Fair valuation of financial assets and liabilities	50.31
Re-measurement of post employee benefits	(2.84)
Remeasurement of demerger expenses	2.63
Deferred Tax impacts	(15.58)
Total comprehensive income as per Ind AS	**2,833.82**

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

Place : Chennai
Date : May 24, 2018

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 : May 24, 2018

NOTICE TO THE 23RD ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of **PONDY OXIDES AND CHEMICALS LIMITED** will be held on Saturday, September 22, 2018 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 168, T.T.K. Road, Royapettah, Chennai – 600 014 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of Board of Directors and Auditors thereon, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Financial statements for the year ended 31st March 2018 and Board's Report and Auditor's Report thereon be and are hereby received, considered and adopted."

2. To declare final dividend of ₹ 3.00 (i.e. 30%) per equity share of ₹ 10/- each for the financial year ended March 31, 2018 and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

   "**RESOLVED THAT** the final dividend of ₹ 3/- per equity share of ₹ 10/- each (30%) as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March, 2018 and that the same be paid out of the profits of the Company for the said financial year to those shareholders whose names appear in the Register of Members and the beneficial holders of the dematerialised shares as on 15th September 2018 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 and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT 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."

SPECIAL BUSINESS:

4. To re-appoint Mr. Anilkumar Sachdev (DIN: 00043431), as an Independent Director of the Company.

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

   "RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act 2013, and the Companies (Appointment and Qualification of Directors), Rules 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Anilkumar Sachdev (DIN: 00043431) Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for second consecutive period of five years for a term from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation."

5. To approve the continuation of office of Mr. G P Venkateswaran (DIN 01509307), as Independent Director on completion of 75 years of age

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

   "RESOLVED THAT pursuant to the amendment made to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Notification no. SEBI/LAD-NRO/GN/2018/10) dated 9th May 2018 (which shall come into force from 1st April, 2019), approval of the members of the Company be and is hereby accorded for continuation of holding office by Mr. G P Venkateswaran (DIN:01509307) as an independent Director, who has attained the age of 75 (Seventy-Five) years, upto the expiry of his present term of office, on the existing terms and conditions, duly approved by the Shareholders in their Annual General Meeting held on 17th September 2016."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To ratify the remuneration of the Cost Auditors for the Financial Year 2017-18

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 is hereby accorded to ratify the remuneration of ₹ 30,000/- (Rupees Thirty Thousand only) in addition to applicable taxes and out of pocket expenses, fixed by the Board of Directors, to M/s. Vivekanandan Unni & Associates, Cost Accountants, Chennai (having Firm Registration Number 00085), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2017-18."

By Order of the Board
For **PONDY OXIDES AND CHEMCIALS LIMITED**

Place : Chennai
Date : 07.08.2018

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

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "meeting" or "AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy so appointed need not be a member of the Company.**

   The proxy form in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate member(s) intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.

3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the Special Business to be transacted at the meeting, is annexed hereto.

4. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) in respect of the directors seeking appointment / re-appointment at the meeting is furnished and forms part of the Notice.

5. The registers i.e. Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Act respectively will be available for inspection to the members at the meeting.

6. The copies of the Annual Report 2017-18 including the notice of the 23rd Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose email-ids are registered with the company / depositories for communication purposes. For members who have not registered their email address, the aforesaid documents are being sent in the permitted mode.
7. Members may also note that the notice of the 23rd Annual General Meeting, proxy form and the Annual Report 2017-18 shall be placed on the Company's website www.pocl.co.in. The physical copies will also be available at the registered office of the company for inspection during normal business hours on working days.
8. The route map to the venue of the meeting is furnished herewith and forms part of the Notice.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The company or its Registrars and Share Transfer Agents, Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes i.e. change in address or bank mandates are to be advised only to the concerned Depository Participant by the members.
10. Members holding shares in physical form are requested
    - to advise any change in their address immediately to Cameo Corporate Services Limited.
    - to update their Bank details already registered with the Company / Cameo Corporate Services Limited or register their bank details by submitting the duly completed National Electronic Clearing Services (NECS) mandate form attached to this annual report and forward the same to Cameo Corporate Services Limited to enable the Company to remit the dividend through NECS.
11. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA/Depositories for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. SEBI vide circular dated April 20, 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly, individual letters are being sent to those shareholders whose PAN and Bank account details are not available with the Company. Such shareholders are requested to provide the information at the earliest to the Company/ RTA.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Cameo Corporate Services Limited, for consolidation into a single folio.
14. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, yet to be notified (Proposed effective date is December 05, 2018). Members can contact the Company or Cameo Corporate Services Limited for assistance in this regard.
15. Members seeking any information with regard to the financial statements are requested to write to the Company at 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.
16. Members and proxies are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.
17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

18. (a) The Company has notified closure of Share Transfer Books from September 16, 2018 to September 22, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

    (b) The dividend on Equity Shares, if declared at the Meeting, will be credited/ dispatched within thirty days to those shareholders whose names are on the Company's Register of Members as on September 15, 2018. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

19. Investor Education Protection Fund:

a) Members who have not encashed their dividend warrants for the year 2011-12 and years thereafter are requested to approach the Company for revalidation/issue of duplicate warrants quoting their Ledger Folio/DP-Client ID.

b) Pursuant to the provisions of Section 124 of the Companies Act, 2013, read with applicable rules, the Company has transferred the unpaid or unclaimed dividends for the financial years 2009-10 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

c) Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2018 on the website of the Company (www.pocl.co.in).

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, 2011	September 24, 2011	September 28, 2018
March 31, 2012	September 07, 2012	September 11, 2019
March 31, 2013	August 27, 2013	August 31, 2020
March 31, 2014	September 12, 2014	September 16, 2021
March 31, 2015	September 16, 2015	September 20, 2022
March 31, 2016	September 17, 2016	September 21, 2023
March 31, 2017	September 27, 2017	September 30, 2024

*Indicative dates, actual dates may vary.

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

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

General Instructions

1. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting (‘Remote e-voting’).

2. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the Agency to provide e-voting facility

3. The remote e-voting facility will be available during the following period:

● *Commencement of remote e-voting*	*:*	From 9.00 a.m. (IST) on September 19, 2018
● *End of remote e-voting*	*:*	Up to 5.00 p.m. (IST) on September 21, 2018

4. Once the vote is cast by a Member, it cannot be subsequently changed or voted again. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

5. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

6. The facility for voting through ballot will also be made available at the AGM and members who could not cast their vote by remote e-voting, may cast their vote at the AGM through ballot paper.

7. The Voting rights of shareholders shall be in proportion to their shares in the paid-up share capital of the Company as on September 15, 2018. Members holding shares either in physical form or dematerialized form, as on September 15, 2018 i.e. cut-off date, may cast their vote electronically. Any person who is not a Member as on the cut- off date should treat this Notice for information purposes only.

8. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on September 15, 2018, may obtain the login Id and password by sending request at helpdesk.evoting@cdslindia.com.

9. The Board of Directors of the Company at their meeting held on 24th May 2018 have appointed M/s. KSM Associates, Practicing Company Secretaries represented by Mr. Krishna Sharan Mishra as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the purpose.

10. At the Annual General Meeting, at the end of the discussion on the resolutions on which the voting is to be held, the Chairman would, with the assistance of the Scrutinizer, order voting by ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

11. The Scrutinizer shall, immediately after the conclusion of voting at AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company. The Scrutinizer will submit a consolidated Scrutinizer’s Report of the total votes cast in the favour of or against, if any. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

12. The results along with the Scrutinizer’s Report will be placed on the website of the Company www.pocl.co.in and on the website of CDSL immediately after the results are declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited.

Steps for e-Voting

1. The shareholders should log on to the e-voting website www.evotingindia.com.

2. Click on **Shareholders**.

3. Now Enter your User ID

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

4. Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

7. After entering these details appropriately, click on "SUBMIT" tab.

8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10. Click on the EVSN of PONDY OXIDES AND CHEMICALS LIMITED.

11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

13. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

15. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

16. If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & entering the details as prompted by the system.

17. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

18. Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

20. Any grievance or clarifications with regard to voting by electronic means may be addressed to Mr. K. Kumaravel, Company Secretary at KRM Centre, 4^{th} Floor No. 2, Harrington Road, Chetpet, Chennai 600 031, Phone: 044-42965454, Email ID : kk@pocl.co.in.

EXPLANATORY STATEMENT

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

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying notice:

ITEM NO. 4

The Shareholders of the Company, in their Meeting held on September 12, 2014, appointed Mr. Anilkumar Sachdev (DIN: 00043431) as an Independent Director of the Company for a period of 5 years commencing from April 01, 2014 and ending March 31, 2019. Mr. Anilkumar Sachdev is MBA in Finance and holds the position of Chairman of all the Committees of the Board. Taking into account, the expertise and contribution made by Mr. Anilkumar Sachdev to the Board and as recommended by the Nomination and Remuneration Committee, the Board proposes to re-appoint him as Independent Director for a second consecutive term of 5 years commencing from April 1, 2019 to March 31, 2024.

In the opinion of the Board, Mr. Anilkumar Sachdev fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and SEBI Listing Regulations. The details as required by the Secretarial Standard on the General Meetings and SEBI Listing Regulations are provided in the Annexure to this Notice.

Other than Mr. Anilkumar Sachdev, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Your Directors recommends the resolution set out in Item No. 4 of the Notice for approval by the Members as a Special Resolution.

ITEM NO. 5

SEBI vide notification dated May 9, 2018 has inserted a new sub regulation wherein it has mandated the passing of a special resolution for appointing Directors or continuation of Directorship of Directors who are non-executive and who have completed 75 years of age.

Mr. G P Venkateswaran (DIN 01509307), Independent Director of the Company, was appointed by Shareholders at their Annual General Meeting held on 17th September 2016 for a period of 5 years and he attained 75 years of age in the month of June, 2018. Pursuant to the recent SEBI Amendment (effective from April 1, 2019) approval of the shareholders by way of Special Resolution is being sought for continuation of his Directorship for his remaining tenure at the existing terms and conditions.

Mr. G P Venkateswaran, is a qualified Chartered Accountant and Company Secretary with rich and varied experience in the fields of Finance and Corporate Laws. He is a member of the Audit Committee and his financial expertise will be required in the operation of the Company. The Nomination and Remuneration Committee and the Board recommends the continuation of his office as an Independent Director.

The particulars of Mr. G.P.Venkateswaran viz., qualification, expertise and directorships and memberships of other Board Committees of listed entities are furnished in this annual report and forms part of this notice.

Mr. G.P.Venkateswaran is interested in the resolution as set out at Item No. 5 of this notice with regard to his appointment as an Independent Director. Save and except the above, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Your Directors recommend the resolution set out in Item No. 5 of the Notice for approval of the Members to be passed as a special resolution.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Vivekanandan Unni & Associates as the Cost Auditor (having Firm Registration Number 00085) to conduct the audit of the cost records of the Company for the financial year ended March 31, 2018.

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

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2018.

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 in Item No. 6 of the Notice.

By Order of the Board
For **PONDY OXIDES AND CHEMICALS LIMITED**

Place : Chennai
Date : 07.08.2018

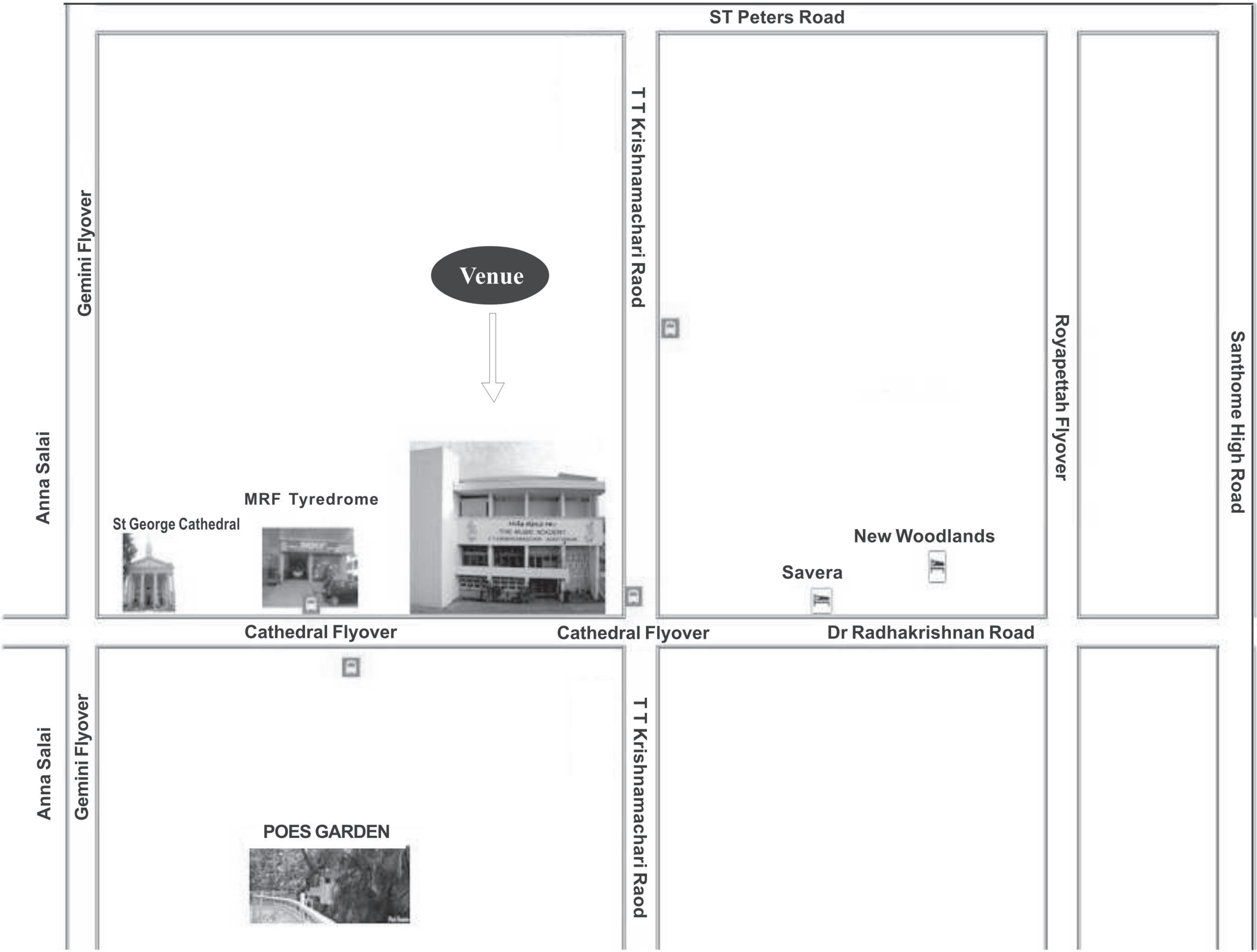
K.KUMARAVEL
GM FINANCE & CO. SECRETARY
Membership No. : 10921

Annexure to the Notice

BRIEF PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

NAME OF THE DIRECTOR	ANIL KUMAR BANSAL	ANILKUMAR SACHDEV	G P VENKATESWARAN
DIN	00232223	00043431	01509307
Date of Birth/ Age	02.11.1953/64	19.12.1953/64	14.06.1943/75
Date of first appointment on the Board of Directors	21.03.1995	02.09.1995	12/11/2015
Last drawn remuneration	₹ 5,85,000 p.m	NA	NA
Brief resume of the Director	Mr. Anil Kumar Bansal is the Chairman of the Company and is a part of the Board from the Company's Inception. He holds a Bachelors' degree in Science	Mr. Anilkumar Sachdev, MBA, is the Chairman of all the Committees of the Board including the Audit Committee. He guides the Company on various critical decision making process.	Mr. G.P. Venkateswaran is a qualified Chartered Accountant and a Company Secretary having rich experience in Finance and Corporate Laws.
Relationship between Directors inter-se	Brother of the Mr. R.P. Bansal, Whole-Time Director and father of Mr. Ashish Bansal, Managing Director.	Nil	Nil
Expertise in specific functional areas	Monitoring of the performance of the Board and identifying the long-term vision of the Company	MBA (Finance)	B.Com, FCA, FCS
Terms and Conditions of Appointment along with the Remuneration	As stated in the Notice	As stated in the Notice	As stated in the Notice
Number of Board Meetings attended during the year	4	4	4
Directorship in other Companies	Nil	Horizon Paper Box Private Limited	Forzia Tech Pvt Limited., and Anugraha Educational and Consultancy Services Private Limited
Membership/Chairmanship of Committee across other public Companies, Committees, if any.	Nil	Nil	Nil
Number of Shares held as on March 31, 2018.	6,22,761	1,815	275

Route map for the venue of 23rd AGM of Pondy Oxides and Chemicals Limited to be held on Saturday, September 22, 2018 at 11:30 a.m.

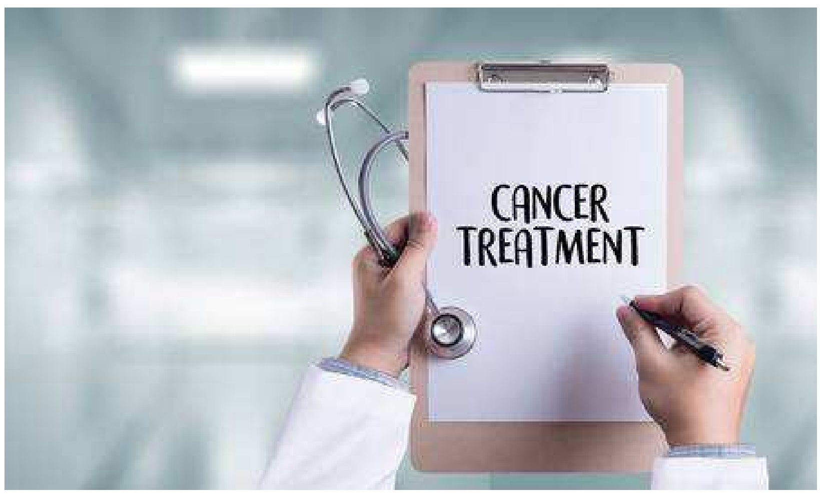


Women Empowerment:

Working with women's Self Help Group (SHG), reaching more than 10 women for self employment by providing cows to them to earn money for their livelihood.

Medical Aid:

Reached more than 5 patients for treatment of Cancer and other related ailments.



NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORMAT

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

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND / INTEREST please fill-in the information in CAPITAL LETTERS and in ENGLISH ONLY.
Please TICK (✓) wherever is applicable.

For shares held in physical form

Master Folio No.								

------------ For Office Use Only------------

ECS Ref.No.

For shares held in electronic form

DP. ID								
Client Id								

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

*PAN.NO………. ……..

Email address:- ………………………

Name of First holder

Bank name

Branch name

Branch code									

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

Account type	Savings		Current		Cash Credit	

A/c No. (as appearing in the cheque book)								
Effective date of this Mandate								

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

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

Date : _______________

(Signature of First holder)

PONDY OXIDES AND CHEMICALS LIMITED

L24294TN1995PLC030586
Regd Office: KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet,
Chennai - 600 031.

Form No. MGT-11

Proxy Form

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

Name of the Member :

Registered Address :

Email ID :

Folio :

DP ID/Client ID :

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

1. ……………………………….. of …………………………………..having e-mail id ……………………………………… or failing him

2. ……………………………….. of ……………………………………..having e-mail id …………………………………… or failing him

3. ……………………………….. of ……………………………………..having e-mail id …………………………………...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Saturday, September 22, 2018 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K. Road, Chennai – 600 014 and at any adjournment thereof in respect of the following such resolutions as indicated below:

Resolu-tions No.	RESOLUTION
	Ordinary Business
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with Board of Directors and Auditors Report thereon.
2	To declare dividend on Equity Shares for the financial year ended March 31, 2018.
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 re-appointment.

(Contd.,)

Resolutions No.	RESOLUTION
	Special Business
5	To re-appoint Mr. Anilkumar Sachdev (DIN: 00043431), as an Independent Director of the Company.
6	To approve the continuation of office of Mr. G P Venkateswaran (DIN 01509307), as Independent Director on completion of 75 years of age
7.	To ratify the remuneration of the Cost Auditors for the financial year 2017-18.

Signed this…………….day of………………… 2018

Affix Re.1 Revenue Stamp

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

PONDY OXIDES AND CHEMICALS LIMITED

CIN: L24294TN1995PLC030586

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

ATTENDANCE SLIP

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

Name of the Shareholder :

Address of the Shareholder :

DP ID/ Client ID/Folio No :

No of Shares held :

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

I hereby record my presence at the 23rd **Annual General Meeting** of the Company held on Saturday, September 22, 2018 at 11.30 a.m. at Kasturi Srinivasan Hall (Mini Hall), Music Academy, 306, T.T.K. Road, Chennai – 600 014.

Signature of the Shareholder/Proxy

Mr. Ashish Bansal, MD receives EEPC INDIA National Award for export excellence on May 31, 2018 from Sri. C. R. Chaudhary, Honourable Minister of State, Ministry of Commerce and Industry, Government of India.

POCL®

PONDY OXIDES AND CHEMICALS LIMITED

An ISO 9001 : 2015 Certified Company