

**TRANSCRIPTS OF 27th ANNUAL GENERAL MEETING OF PONDY OXIDES AND
CHEMICALS LIMITED HELD AT 3.00 P.M. IST ON WEDNESDAY,
21st SEPTEMBER, 2022 THROUGH
VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS**

Mr. Anil Kumar Bansal:

Good afternoon to each and every one of you. On behalf of the Board of Directors of POCL, I am happy to welcome you to the 27th Annual General Meeting of your Company. Like the previous two years, this AGM too is being hosted on a digital platform, which enables more Shareholders joining us from different parts of India.

The Quorum being present, I call the 27th Annual General Meeting of Equity Shareholders of the Company to order.

Before we start the main proceedings of the meeting, I would request the Directors to introduce themselves from their respective places.

Myself **Anil Kumar Bansal**, Chairman and Whole Time Director and I'm attending the AGM from the registered office of the company in Chennai.

Mr. Ashish Bansal:

I am Ashish Bansal, Managing Director and I'm attending the AGM from the registered office of the company in Chennai.

Mr. Vijay Anand:

I am Vijay Anand, Independent Director and Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. I'm attending the AGM from my Residence in Bangalore.

Mr. K Kumaravel:

I am K. Kumaravel, Director - Finance and Company Secretary and I'm attending the AGM from the registered office of the Company in Chennai.

Dr. Shoba Ramakrishnan:

I am Shoba Ramakrishnan, Independent Director and I'm attending the AGM from my Residence in Chennai.

Dr. M Ramasubramani:

I am Ramasubramani, Independent Director and I'm attending the AGM from my Residence in Chennai.



Mr. Anil Kumar Bansal:

We wish to inform the presence of the Auditors of the Company Mr. L. Mukundan representing M/s. L. Mukundan & Associates, Chartered Accountants, the Statutory Auditor and Mr. Krishna Sharan Mishra, Partner, M/s. KSM Associates, the Secretarial Auditor and Scrutinizer for this meeting and remote e-voting process.

I request Mr. K Kumaravel to continue the proceedings of the meeting.

Mr. K Kumaravel:

Thank you Sir.

Good Morning Ladies and Gentlemen!

At the outset, let me welcome you all to the 27th Annual General Meeting of your Company which is being held through Video Conferencing in view of the circulars issued by the Ministry of Corporate Affairs and SEBI. Due to this, there is no requirement of proxy.

The Company has received requests from a few Shareholders to register them as speakers at the meeting. Accordingly, the floor will be open for these Shareholders to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers.

Coming to the proceedings of the meeting, I draw the attention of the Shareholders that relevant registers and documents as per the Companies Act, 2013 are available for inspection by the Shareholders in electronic mode at the website of the Company.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Shareholders who have not cast their votes electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL. Shareholders can click on EVSN of the Company to vote.

Shareholders are requested to refer to the Instructions provided in the AGM Notice for a seamless participation through video conference. In case Shareholders face any difficulty, they may reach out on the helpline numbers mentioned in AGM Notice.

Thank you.

Now, I request the Chairman to address our Shareholders.



Mr. Anil Kumar Bansal:

Dear Shareholders,

It is my pleasure and privilege to be speaking to you at the 27th Annual General Meeting of your company. First and foremost, I hope you are safe and in good health. I would like to take this opportunity to share the insights of the Company during the previous financial year, the outlook for your company and an update on our path ahead.

I also thank you all for sparing your time and for your continued trust in the Company. I look forward for the same support and confidence for the years to come.

ECONOMIC OVERVIEW

The Indian economy has fully recovered in real GDP level during Financial Year 2021-22 which stands at 8.7%, which is 1.5% higher than the real GDP from the previous Financial year. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sectors rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Exports fared remarkably well post pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Despite continuing geopolitical concerns, rising interest rates and high prices of few commodities, economic activity in India is holding up better than anticipated.

India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

INDUSTRY OUTLOOK

LEAD

POCL is India's leading non-ferrous metal recycling and largest secondary lead manufacturing company. The Company recycles lead acid batteries and other different forms of non-ferrous metal scraps and plastic scraps.

Non-ferrous metals majorly consist of copper, aluminium, lead, and zinc. The market witnessed a muted growth during the pandemic. After two years of the pandemic, the market is now witnessing significant growth. This growth is a result of high demand for castings from



industrial machinery, automobile, construction, power and steel sector. The global non-ferrous metal market is expected to showcase a CAGR of 5.9% between 2021-26.

Recycling is an integral part of the 3R initiative which the companies are adopting globally to ensure efficient waste management. Through recycling, we can use the waste as a resource in an efficient way. We, at POCL, have developed our business legacy around this concept to enable the world with the efficient use of resources while stabilising the use of minerals of our planet. Thereby, contributing towards a circular economy and fulfilling our environmental responsibilities.

COMPANY PERFORMANCE

POCL has delivered an exceptional annual results on operational and financial levels above the Industry's benchmark in the Financial year 2021-22. with an all time high profit before tax of Rs. 64.35 Crore against Rs. 13.78 Crore showing an increase of 367%. Growth in volume resulted in EBITDA of Rs. 81.79 Crore as against Rs. 26.68 Crore showing an increase of 207% even in unfavorable circumstances and price environment.

The profit after tax before exceptional item was Rs. 48.25 Crore in Financial Year 2021-22 as against the previous year Rs. 10.78 Crore resulting in an impressive increase of 348% over the previous year despite for the overall increase in the cost of production. The Company had contributed to the Revenue of Rs. 1,454.80 Crore as against the previous years Net Sales of Rs. 1,004.27 Crore showing an increase of 45%.

Moreover, considering the profits of the Company for the year, the Board had declared Dividend of 50% (i.e. Rs. 5/- per equity share) on the equity shares of Rs. 10/- each which forms part of the Notice of this AGM for Shareholders approval. This re-affirms our continuous commitment to sustained value creation for our shareholders.

We have gained good momentum and financial stability to further accelerate our journey with newly defined verticals and hope to project better numbers in the future as well.

AWARDS AND RECOGNITIONS

During the Financial Year 2021-22, your company has received the following awards/recognitions:

- Receipt of ISO 14000:2015 Environmental Management System – Certification (EMS 765178) for our Sriperumbudur Plant (SMD – I Unit);
- Top Exporter for the Year 2018-19: Medium Enterprise- Gold Trophy at the 51st EEPC India National Awards dated 13th April 2022 - Received from Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Government of India;



- FIEO Southern Region Export Excellence Award for the year 2017-18 under the category of Top Two Star Export House in Southern Region- MSME-Gold Dated 11th May 2022
–Received from Hon'ble Chief Minister of Tamil Nadu Thru M K Stalin

COMPANY OUTLOOK

The outlook, in terms of recycling industry, looks quite optimistic for India and the world. One industry that guarantees ongoing prospects for corporate growth, is recycling. We consider recycling as a futuristic term for traditional mining. We also see ourselves as a new urban miner. We carry a futuristic approach and envisage that metals (both non-ferrous and ferrous), plastics, lithium-ion batteries and other recyclable materials are recycled and brought back into the value chain. We are quite bullish about our growth in future.

Also, we cannot ignore the fact geo-political issues affecting the oil prices, currency and disrupted the overall supply chain network. On a high level, it is to be noted that there are direct correlations with the commodities in metals, raw materials and additives for us, which affects the sentiments of the market as a whole, and also impacts the cost of manufacturing. Yet, mitigating all the risks, we have emerged with good growth figures all around our businesses.

Further, we have established “POCL Future Tech Private Limited” as a subsidiary of our business in Financial Year 2022-23. It will operate in industries such as plastics (both domestic and industrial), e-waste, lithium-ion recycling, rubber, oil, glass, paper, and other value-added products. Also, this will handle the mergers and acquisitions for us and establish an R&D lab for commercialization.

ACKNOWLEDGEMENT

I would like to place on record our sincere acknowledgement and appreciation to the company's managerial and operating team both at Registered Office and Factories for all their efforts during the Financial Year 2021-22. I deeply appreciate all our employees for their resilience and continued support.

I would like to thank my colleagues on the Board for their valuable guidance and contribution for the growth of the Company to higher levels of achievement. I would also like to acknowledge the support of our customers, suppliers and bankers for their continued support.

I would like to thank all my stakeholders for supporting us in each of our endeavours. We hope to continue our journey of togetherness for a long period, achieving newer milestones in the path of success and excellence.

Warm Regards.



Mr. K Kumaravel:

Thank you, Sir.

The Notice for the Meeting along with the Auditor's Report, Secretarial Auditor's Report and Board's Report in respect of the Financial Year 2021-22 have already been circulated to you. There have been no qualifications by the Statutory Auditors or the Secretarial Auditors. Therefore, I take the Notice, the Auditor's Report, the Secretarial Auditor's Report and the Board's Report as read.

The proposing and seconding of resolutions is not required as per the Secretarial Standards as the resolutions are being put to vote through e-voting facility.

Now, we will go through the agenda for this meeting:

The first four items are ordinary businesses and next five items are special businesses.

ORDINARY BUSINESSES:

Item No. 1 :

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 together with the reports of Board of Directors' and Auditors' thereon. **(Ordinary Resolution)**

Item No. 2:

To declare Final Dividend of Rs. 5.00/- (i.e. 50%) per equity share of Rs. 10/- each for the Financial Year ended March 31, 2022. **(Ordinary Resolution)**

Item No. 3:

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

Item No. 4:

To re-appoint M/s. L. Mukundan & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration. **(Ordinary Resolution)**



SPECIAL BUSINESSES:

Item No. 5:

Adoption of revised set of Articles of Association (AOA) in line with the requirements of Companies Act 2013 ("the Act") and necessary rules framed thereunder. **(Special Resolution)**

Item No. 6:

Approval for the declaration of Bonus shares on the Equity shares of the Company (ISIN: INE063E01046) by way of Capitalization of Reserves. **(Ordinary Resolution)**

Item No. 7:

To approve remuneration payable to Mr. Ashish Bansal (DIN: 01543967), Managing Director of the Company by way of Commission or otherwise from the Net profits of the Company. **(Special Resolution)**

Item No. 8:

To appoint Mr. K Kumaravel (DIN: 00664405) as Whole-Time Director in the capacity of Director Finance of the Company. **(Special Resolution)**

Item No. 9:

To ratify the remuneration of the Cost Auditors for the Financial Year 2021-22. **(Ordinary Resolution)**

In this regard, the Board has appointed Mr. Krishna Sharan Mishra, Practicing Company Secretary representing M/s. KSM Associates as the Scrutinizer, to scrutinize the votes cast by remote e-voting.

Dear Shareholders, if any member desires to ask any questions pertaining to any item in the AGM Notice, he/she may do so now. Shareholders are requested to keep their questions brief and specific. Before we go live with the Q&A, here are some points to note for your convenience. Kindly turn on your video when you are projected on the broadcast screen, unmute yourself and proceed to ask the question. Please mention your Name, Folio Number, and the Location from where you are joining. Each Shareholder will have ten minutes for their questions. Once you have asked your question, you can log off and continue to watch the proceedings. To avoid repetition, the answers to all the questions will be provided towards the end.



Mr. Rohit Vinodkumar Ohri (Folio No: 1206920000030396)

I have quite a lot of observations. First of all the Annual Report is quite comprehensive and it is a good colourful annual report much better than last year Black and White and Red POCL logo. So good work done over here.

Well, you seem to be embracing quite a number of diversified opportunities and you seem to be quite committed towards that as well and you are trying to sharpen some of the executions of certain projects and you are looking at putting POCL on a strong growth part. I have a number of questions and I hope you note them down and answer probably at the end of the session.

The Annual Report is saying that it is your endeavour to enable the circular economy by adding certain verticals other than metals in our business. So apart from the plastic business which you are venturing into are there any new things you are trying to experiment with or you are trying to explore for the recycling business?

You said that you are working with some new improvised definitions of mining and in the Chairman speech also, the Chairman mentioned that, some sort of urban miners, so if you can just elaborate on this new jargon, what is this urban miners related to?

Annual Report also mentions that you will intent to be amongst the top 5 global companies in Recycling by 2027 and achieve a turnover of approximately USD 1 billion by the end of this decade. So, if you can share who are the current top 5 players, who you are benchmarking yourself with and to achieve the 7500 crore kind of turnover over the next 7 to 8 years, sir what are the sort of triggers that you are looking at and what gives us this kind of conviction, that we can achieve that ambitious target or a vision of 7500 Crore? Well ofcourse to achive this, you might require some big Greenfield expansion plan and you will also require a lot of raising of capital, so after plastics and the non-ferrous which are the other domains you are looking at and if you would like to share any concrete steps taken towards that or are you looking at some mergers and acquisitions and if the answer is Yes, then in which domains are you working towards?

With the projects that are in hand can you elaborate a bit on the progress of these whether they are in pre-feasibility stage or feasibility stage or on the execution stage and how much time will you take to implement in each of these ambitious projects which you have started or the one which you will start in future?

The operations which you intend to enter can lead to you know certain issues that could be related to GHG that is the Green House Gases, so please elaborate a bit on that, how do you intend to tackle with this emission norms or may be pollution norms that might come in future?



Sir, you also are looking to strengthening the domestic procurement as mentioned in the Annual Report and you intent to acquire more Raw Material domestically. Sir, my question is that what are the different things that you are doing to boost this domestic procurement procedure and if you can share that, I would be glad for that. Why do you think that this can help us reduce some of the cost or get us more savings from the export duties. Do you feel that the domestic market will give you that kind of a volume which is needed for the growth which was already mentioned in the Annual Report?

We are all aware of the geo-political issues which are there in the market and it is not new to us that everybody is trying to tackle the situation which is in correlation with certain industrial factors like infrastructure, metals, automobile, agriculture, etc. My question is what sort of preparations have we done, to kind of mitigate these uncertainties an if at all these inprompto things happen in future?

There are few questions, financial ones. For the long term contracts if we have any, with the OEM's. If you can share what is the tenure of these contracts, whether it is based on quarterly basis or is it half yearly or yearly or is it a 3 or 5 year contract that we have with the OEM's?

Approximately, what percentage of revenue comes from value added product. If you can share the current status of the current numbers and what is the kind of numbers do we intend to take it upto?

The market share of POCL in Lead business as per your estimates, i know it is difficult to gauge, but as per your estimates what is the kind of market share you enjoy?

One of the competitor, are quite bullish on Lithium-ion and the plant is you know what they are looking at is an acquisition of some 12 acre of land. So your thoughts on how are we preparing or rather are we prepared to take up the challenge with these competitors are coming up are and what are we doing on this related to lithium-ion?

Chairman's sir speech also mentioned about POCL Future Tech Private Limited. So my question is that, what sort of growth targets you have or what sort of a topline or what sort of EBIDTA margins are you looking at, any sort of projections or rough work you have done, or any ballpark number which you would like to share with the shareholders?

In the current scenario, there are certain issues, which are associated to the cost of operations as well as production, which will may be slightly related to the coals, cast iron, furnace oil or in addition to that, the cost which is related to refining, related to caustic soda, sodium nitrate, RGS powder, etc. So, my question is what is the current scenario? Have the prices settled down or come down or are they similar to the same kind of numbers which was there last year. Your thoughts on that and what is the current scenario on that?



Sir, you are looking at strengthening the procurement, so do you feel that in this current scenario will you be able to cope-up with the volumes with the domestic procurement and will you be able to sustain the growth?

Lastly, we came up with a strategic partnership with ACE green recycling, so my question is that how far have we progressed with the same and has that new venture kind of started giving us revenue or when do you anticipate the revenue to start?

Those are the few questions I have. Thank you for patient hearing. I hope you have noted down and you answer all the questions. Thank you Mr. Ashish and Mr. Kumaravel.

Mr. K Kumaravel:

Most of the questions relating to expansion or futuristic plan, I request Mr. Ashish Bansal to give his view on those points and regarding financials I supplement to the queries wherever required.

Mr. Ashish Bansal

Sure. Good Evening Rohit. Thank you for your questions. So, there were couple of questions which were overlapping. So probably, I will just go through every point of it and you will be getting the answers when we go through those questions.

Your first question was on circular economy and what are we doing apart from plastics. What are all other verticals. So, currently, as you are aware, our major portfolio is Lead and Speciality Lead Alloys apart from which we have just entered little bit into Copper and currently we have just started this new vertical under POCL Future Tech which is plastics. In this vertical, we tend to do specialised engineered plastics and much higher value added plastics where we see there are lot of market gaps within India for these plastics. Apart from these, we are in other non-ferrous metals and shortly we will be making announcements into our establishment of our plants and which you will hear from us very soon.

And you wanted to know about this jargon called urban mining, what does it actually mean. So basically as you understand mining, which is what we dig under the earth and everything that we dig under the earth is converted back into metals and other forms of products and anything which is sold to all the consumers. What happens after these products are used is they come to end of life and where do they end up. They end up in landfills, getting into garbage, polluting the environment. So when we are talking about urban mining, we are talking about collecting these kind of materials which is nothing but the same metal or anything in end of life form and recycling that and we call this basically Urban Mining. This is probably today much larger than the mine materials by itself.



We have spoken about reaching a top line by 2030 of a billion dollars and you are asking us how do we intend to do this. We intend to do this by entering into various verticals that couple of them are in feasibility stage and some are in pre-feasibility stage and this will definitely happen through couple of green key projects that are in place which are under consideration, couple of acquisitions also will be going through. So as we get on each of these projects, all the shareholders will be updated and definitely this will happen through multiple verticals and not only metals like how we have just started plastics, we will be entering into multi-faceted recycling and other products as well.

Next, query was on Green House Gas Emissions, so if you see as a classic example, you asked towards the end something about ACE green recycling that we have done a Joint Venture with US based Delaware company. So the prima-facie idea of taking up this particular technology as a joint venture with them was looking into the current GHG emissions and we would be probably one of the first companies in the world to be adopting this technology. This technology is basically totally Green and in the process of recycling Lead i.e. extracting Lead from the Lead bearing material, we will be in-fact emitting GHG i.e. emitting oxygen into the atmosphere which is carbon negative and going further we also intend to use the power for this project through solar panel which is further going green.

You also have asked us about domestic procurement and our steps on domestic procurement. We are currently setting up various collection centres across India, tying up with a lot of accumulators, people who are collection scrap on small scale and concentrating them region wise and looking at if we can have some pre-process facilities in various parts of the Country may be the west, east, north and south and south we are already pretty strong. So we are looking at if we can have smaller dedicated facilities spread around the country to mitigate the logistics cost and then the semi processed material to bring it back to our parent plant which will be concentrated and from were we roll out the special end products for this.

And Geopolitical issues will continue to happen or not continue to happen that is something beyond any businesses control. The largest of the Corporates, I don't think anybody can do the Russia war or if tomorrow if some other country which is in war with somebody else. Yes definitely what we can do is, we have our markets spread around, the world, we supply to more than 15 to 18 countries currently we are exporting apart from domestic market. So the few of the steps we can take is, we can have our end products, that customers spread across the globe, we can have our procurement cycles and suppliers extend across the world and not focus our procurement on particular geographical location and hence try to mitigate our risk in those manners. Beyond all of it, you know, if there is something, then definitely we have to head on at that point in time.

You were talking about some long term contracts. Generally our contracts are 12 months contracts, which is signed with our OEM's which are both international and domestic, but these contracts overlap and they have different timeframes and some contracts would be from January to December and some contracts would be from april to march, some would be from



July to June so on and so forth. What happens is at the point of finalising these contracts, the cost of production at that point in time or little bit of future estimation we are able to take in account those costs, but there is sudden winfall say for example, the gas prices are shooting up 2x or 3x on the price, then those kind of factors cannot be taken into costing at the point which is not available during the finalisation of the Contract and this again gets re-negotiated at the end of the contracts. So having different timelines of the contract overlapping the timeframes, we are able to mitigate between you know from one buyer to another buyer and so on. Did I miss on any queries?

Mr. K Kumaravel:

Percentage on value added products. In our case, it is almost 80 to 20.

Mr. Ashish Bansal:

I would say last year it was 70 to 30 more or less. Yes of course extreme value added products you say, it would be 70 to 30 and 10 would be mid-value added product. Probably we can call it say 75 to 25 or 80 to 20 commodity products.

About POCL Future Tech, yes it is a 100% wholly-owned subsidiary by Pondy Oxides and Chemicals Limited and here we are in the first phase, where we have already started production in plastics and as in our Chairman's speech, he also spoke about looking into feasibility of other verticals, like e-waste, lithium-ion. Lithium-ion is already in the feasibility stage and talking about e-waste, rubber, glass, paper, etc. all these are what we are looking under POCL Future Tech. Basically more or less focussed on non-metal business. The metal business we will try concentrating in Pondy Oxides and in this subsidiary company the margin we are expecting would be over next once the projects are stabilised in the range of about 12 to 15% EBITDA is what is estimated currently. Further, regarding the topline, we are looking at next financial for POCL Future Tech to be in excess of Rs. 500 Crores is what is our current estimate.

Mr. Ashish Bansal:

Any queries I missed out Rohit?

Mr. K Kumaravel

Market share of POCL is it around 20%?

Mr. Ashish Bansal:

I will say in the Indian organised sector, POCL's market share in Lead would be about 18 to 20%



Mr. K Kumaravel:

I think we have covered all the queries

Mr. Ashish Bansal:

If anything I missed out Rohit, I think I have covered all of them

Mr. K Kumaravel:

There was only 1 Shareholder who have registered with the Company as Speaker viz. Mr. Rohit Vinodkumar Ohri and and all the questions are fully answered by the Managing Director and other team members.

Mr. Anil Kumar Bansal:

Shareholders have been provided the facility for voting through electronic voting system during the meeting. Only those Shareholders who have not voted through e-voting can vote at the meeting.

The voting will continue to be available for 15 minutes from now on the e-voting platform. The Scrutinizer, Mr. Krishna Sharan Mishra, is available to supervise the voting process and to give his report on the voting. The results of the voting will be placed on the website of the Company and on the website of CDSL. The same will also be intimated to BSE. The resolutions, as set forth in the Notice shall be deemed to be passed subject to receipt of necessary number of votes.

I, along with all the Board Members, would like to thank you dear Shareholders for your active participation in the meeting. I am grateful to you for your time and involvement.

I declare that necessary quorum was present throughout the meeting.

I now authorize the Company Secretary to announce the closure of the meeting upon expiry of 15 minutes. Permit me to take leave now. Take care and be safe!

(Krishna Sharan Mishra supervises the Voting process by having a Timer for 15 Minutes.)



Mr. K Kumaravel:

The Voting time is over now. I convey our sincere thanks to all the members for participating at the meeting. 45 Shareholders attended the meeting. I hereby declare the meeting stands closed. The Meeting concluded at 03:55 P.M. IST.

Thank you.

