

PONDY OXIDES AND CHEMICALS LIMITED **POCL**[®]

22nd September 2023

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

BSE Limited

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

NSE Symbol : POCL

BSE Scrip Code : 532626

Dear Sir/Madam,

**Sub: Proceedings of the 28th Annual General Meeting (AGM) along with
Chairman's Speech**

The 28th Annual General Meeting (AGM) of our Company was held on Friday, 22nd September 2023 at 03:00 PM IST through Video Conferencing / Other Audio-Visual means (VC/OAVM) at the registered office of the Company located at KRM Centre, 4th Floor, No. 2, Harrington Road, Chetpet, Chennai – 600031.

In compliance with the provisions of Regulations 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the proceedings of the 28th Annual General Meeting along with the Chairman's speech at the AGM.

The 28th AGM commenced at 03:00 P.M. IST and concluded at 04.05 P.M. IST

Kindly take note of the above information on record.

Thanking you,

Yours faithfully

For **Pondy Oxides and Chemicals Limited**

K. Kumaravel

Director Finance & Company Secretary



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PROCEEDINGS OF THE 28th ANNUAL GENERAL MEETING OF PONDY OXIDES AND CHEMICALS LIMITED

The 28th Annual General Meeting (AGM) of Pondy Oxides and Chemicals Limited was held on Friday, September 22, 2023 at 03:00 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) as per Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 10/2022 dated December 28, 2022, Circular no. 2/2022 dated May 5, 2022 and Circular no. 21/2021 dated December 14, 2021, read with circulars dated January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (‘SEBI’) vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (“collectively referred to as SEBI Circulars”).

The meeting commenced at 03:00 P.M. with Mr. Anil Kumar Bansal, Chairman & Whole-time Director occupying the chair. The Chairman declared that the quorum was present and called the meeting to order. The Chairman requested the Directors and KMP’s to introduce themselves from where-ever they were attending the meeting. Accordingly, Mr. Ashish Bansal, Managing Director, Mr. K Kumaravel, Director-Finance & Company Secretary, Mr. A Vijay Anand, Independent Director, Dr. Shoba Ramakrishnan, Independent Director, and Mr. B Vijay, Chief Financial Officer introduced themselves from where they were present. Dr. M Ramasubramani, Independent Director was also present at the meeting.

The Chairman also introduced Mr. L. Mukundan, representing M/s. L. Mukundan and Associates, Chartered Accountants, the Statutory Auditors and Mr. Krishna Sharan Mishra representing M/s. KSM Associates, the Secretarial Auditors and the Scrutinizer for the meeting and the e-voting process.

The Chairman requested Mr. K. Kumaravel, Director-Finance & Company Secretary to continue with the proceedings of the meeting. The Director-Finance & Company Secretary welcomed the shareholders to the 28th Annual General Meeting (AGM) of the Company. He informed the shareholders that the meeting was held through Video Conferencing / Other Audio-Visual Means. He also informed that since the physical presence of the shareholders was dispensed with, the presence of the shareholders through video conferencing would be reckoned for the purpose of Quorum. Hence the facility of Proxy is not available for this meeting.

He also informed that the Company has received request from the shareholders to ask questions/ queries which will be facilitated by the moderator when the Chairman opens the floor for questions. He informed that the relevant Registers as per the provisions of the Companies Act, 2013, were available for inspection in electronic mode on the website of the Company.

The Director-Finance & Company Secretary also informed that the Company provided e-voting facility through CDSL to the shareholders in respect of the businesses transacted at the 28th AGM.

He then requested the Chairman to address the shareholders.

The Chairman delivered his speech pertaining to economic overview, company's performance, key developments undertaken during the year and outlook of the Company in the forthcoming years.

The Director-Finance & Company Secretary informed that, the notice convening the 28th Annual General Meeting along with the explanatory statement, the Auditor's Report issued by the Statutory Auditors and the Secretarial Audit Report issued by the Secretarial Auditors as read since the said reports did not contain any qualification. He informed that the proposing and seconding of resolutions was not required as the resolutions were put to vote electronically.

The following items of businesses were transacted at the meeting as per the notice of the 28th AGM:

ORDINARY BUSINESSES:

Item No. 1

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, 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, 2023. **(Ordinary Resolution)**

Item No. 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. **(Ordinary Resolution)**

SPECIAL BUSINESSES:

Item No. 4:

Re- appointment of Mr. Ashish Bansal (DIN: 01543967) as Managing Director for a further period of 3 years with effect from 1st April 2024 and fixing his remuneration thereon. **(Special Resolution)**

Item No. 5:

Re-appointment of Mr. Anil Kumar Bansal (DIN: 00232223) as Chairman & Whole-Time Director for a further period of 3 years with effect from 1st April 2024 and fixing his remuneration thereon. **(Special Resolution)**

Item No. 6:

To increase the borrowing powers of the Company from Rs. 300 Crore to Rs. 400 Crore.

(Special Resolution)

Item No. 7:

Re-appointment of Mr. A Vijay Anand (DIN: 06431219) as an Independent Director of the Company for a second consecutive term of 5 years with effect from 27th December 2023.

(Special Resolution)

Item No. 8:

To ratify the remuneration of the Cost Auditors for the Financial Year 2022-23.

(Ordinary Resolution)

The Director Finance & Company Secretary then invited the shareholders who had registered themselves as speakers to ask their queries on the Annual Report for the FY 2022-23. The Managing Director Mr. Ashish Bansal and Director-Finance & Company Secretary gave detailed reply to their queries.

The Chairman informed the shareholders that the voting facility would be available for 15 minutes. He further informed that those shareholders, who have not exercised their vote through remote e-voting may choose to vote by e-voting at the meeting. He informed that the Company had appointed Mr. Krishna Sharan Mishra, Practicing Company Secretary as the Scrutinizer for the meeting.

He also added that the resolutions as per the Notice of the 28th AGM shall be deemed to be passed subject to the receipt of required number of votes. He informed that the results of the e-voting would be placed on the website of the Company and on the website of CDSL. He informed that the same will also be intimated to NSE and BSE.

The Chairman declared that the necessary quorum was present throughout the meeting. The Chairman thanked the shareholders for attending the meeting and authorised the Company Secretary to close the meeting after completion of e-voting.

After 15 minutes the Company Secretary declared the meeting as closed.

PONDY OXIDES AND CHEMICALS LIMITED

CHAIRMAN'S SPEECH:

Dear Shareholders,

It is my pleasure and privilege to be speaking to you at the 28th Annual General Meeting of your company. First and foremost, I hope you are 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.

ECONOMIC OVERVIEW:

The global environment in general went through considerable changes. Unprecedented Geopolitical events, spike in inflation rate, elevated interest rates and volatile commodity prices have caused slow down of global growth and created turmoil in the overall macro economic environment which in-turn has also affected sector specific Indian markets. At the same time, the world is navigating several transitions. Undoubtedly, these transitions would require significant investments in technology and innovation, and offer a huge growth opportunity for the manufacturing industry in general.

In addition to the above, sustainability, compliance and reporting requirements are fast evolving as new standards and regulations. Companies are rebalancing their supply chains for resilience and efficiency. New global supply chain ecosystems are being created with India playing an important role. This is being led by significant capital investments in technology to set-up digitally supportive manufacturing and supply chain operations as well as to build a proper ecosystem with partners.

We see the current industry landscape as extremely positive. Recycling is now an integral part of every economy. As per the International Lead Association, almost 75% to 80% of the global lead demand is sourced from recycled lead. We feel that other non-ferrous metals like copper and aluminum will also hold an important place when it comes to raw material substitution and their technological advancements would play a key role in the inherent growth of the metal recycling industry. The key trends affecting the industry positively will be:

- (a) increase in recycled raw material percentage in the manufacturing process, in line with global EPR norms and circular economy;
- (b) technological advancement which is going to be an important influencer in changing the applications of raw material either through substitution or manufacturing value-added or specialized products

COMPANY PERFORMANCE:

Your Company's performance showcased a sustained resilience despite the macroeconomic uncertainties across the globe throughout FY 2023. Our Revenue from Operations for the year ended 31st March 2023 was Rs. 1,471.67 Crore which sustained at similar levels as compared with the previous year. Despite reduction in growth in profitability during 1st Half Year of FY 2022-23, POCL was able to comeback with healthy performance on Revenue from Operations for Q3 FY 2022-23 at 24% and Q4 FY 2022-23 at 17% which has resulted in a increase in the net profit by 22% of Q4 FY 2022-23 in comparison with previous quarter In relation to ratios, our EBITDA, net profit margin are relatively same as previous Financial Year. With respect to the current ratio, we are at the optimum level of 1.6. Our sales composition is 55% export and 45% domestic and with respect to procurement, we are around 75% imports and 25% domestic proportion.

Manufacture of Lead and Lead Alloys continue to remain as our core products which contributes majority to our top-line numbers. POCL has a current Lead capacity of about 1,32,000 metric tonnes per annum, and we have been consistently increasing utilization rate year-on-year. This capacity has been built up over the years to cater to the market demand. We will see an improvement in volumes in this financial year, in line with global CAGR of 4% to 6%. The future outlook of the industry remains relatively positive, as POCL is bullish about recycling and its future. We also firmly believe that India will continue to be an emerging market.

Despite increase in overheads, there is increase in the gross margin levels to 12% with similar volume compared to the previous year. This puts the company in a strong position to expand into other non-ferrous metals like aluminum, copper, etc.

Further, POCL has recommended a final dividend of 50% this year and it continues to be a consistent dividend-paying company since its inception. We are also happy to share that we have crossed a turnover of 100 million in exports during the FY 2022-23. The Management is working on viable business opportunities in both short-term and long-term, which will yield in positive strategic growth in correlation with our existing portfolio.

KEY DEVELOPMENTS UNDERTAKEN DURING THE YEAR:

- We have made some changes in our raw material, in terms of scrap, the types of scrap we concentrate more on battery scrap and our efficiency on the plants have also increased considerably from the past couple of years and further we are doing by technology addition which would help in terms of fuel consumption for achieving better margins;
- The Company was facilitated with a Certificate of recognition on 23rd November 2022 as "Three Star Export House" from Directorate General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India based on an exceptional performance in international trade and successful achievement of desired export performance;

- The Company had completed setting up of Aluminum Recycling/ melting facility at the factory located at Sriperumbudur, Tamil Nadu and obtained necessary regulatory approvals and thereby commenced its commercial production;
- To factor in an accelerated entry into associated verticals, we had incorporated a subsidiary of our company, that is, POCL Future Tech Private Limited which will enter into Plastics and other segments in recycling.
- The Company has acquired M/s. Harsha Exito Engineering Private Limited through a Resolution Plan which was approved by the Hon'ble National Company Law Tribunal Order dated 12th January 2023 and became a subsidiary of your Company. Post this acquisition, the management of POCL is planning to recycle various other non-ferrous metals to effectively utilize the available infrastructure facilities in the unit.
- On 6th March 2023, the Equity Shares of the Company was listed and traded in NSE (Capital Market Segment) in addition to the existing listing of Equity Shares of the Company in BSE.

OUTLOOK IN FORTHCOMING YEARS:

Our focus will be on four verticals, which we have already gone live:
LEAD, which remains our primary product;

ALUMINUM, which has gone live in Q4 of Financial Year 2022-23;

PLASTICS, where we are looking to scale up and add value-added products;

We have great expectations and see a positive development in the market penetration for getting value-added products under the brand name of POCL. Our objective in creation of strategic business units is a positive approach to demonstrate valuable results and enhance shareholders value.

Our sole intent is to take advantage of both the investment and time value to complete projects in a short span, and build a core team to manage the operations after successful commissioning of such projects. POCL is planning to install fully automated Lead Smelting and Refining operation in its new location. Further, we have expansion plans for diversifying into other non-ferrous segments. It is important to note that there are several automobile industries within the vicinity of our units and we can get fresh orders from them for the additional capacity to be created.

We also focus on creation of yards for collection of non-ferrous scrap in the coming years to leverage on better rates in procurement as a strategy thereby expanding our network. Our relationships with our customers and suppliers continue to remain strong, which bears testimonial to the fact that we have a supreme brand image within the lead sector, known for quality and reliability.

Despite certain challenges in short-term, we are excited about the mid- and long-term opportunities ahead of us and convinced that we can generate value for our stakeholders. We have proven in the past that we are capable of managing volatile environments and confident of achieving the projected results during the Financial Year 2023-24. With our objectives and goals, we will deliver sustainable cash flows for continued growth and value enhancement through optimum utilization of available resources.

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 2022-23. I deeply appreciate all our employees for their continued support.

Nevertheless to say, the culture, values and ethos of POCL group have been an inspiration as always. Your company has a very strong Management and leadership team and a workforce that is highly motivated. I would like to thank the continuous valuable contributions made by the Board of Directors of the Company for taking the Company to greater peaks and looks for their continuous support and guidance in forthcoming years.

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

Warm Regards.

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